



HOTEL GRAND CENTRAL LIMITED



**ANNUAL REPORT
2023**

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CHAIRMAN'S STATEMENT

INTRODUCTION

On behalf of the Board of Directors of Hotel Grand Central Limited, I would like to present the Annual Report and Financial Statements of the Group for the financial year ended 31 December 2023 and the Balance Sheet and Statement of Changes in Equity of the Company as at 31 December 2023.

OPERATIONS AND FINANCIAL REVIEW

GROUP REVENUE

The Group's revenue for the financial year ended 31 December 2023 increased 3.9% to \$149.1 million (2022: \$143.5 million) compared to the preceding financial year inspite of negative impact on exchange rate. The increase was mainly due to a strong improvement of the Group's hotels' turnover offsetting the drop in rental income in investment properties in New Zealand after accounting for a weaker New Zealand Dollar.

Increase in Singapore Revenue

Both Singapore hotels picked up occupancy and hotel room rates that resulted in an increase in turnover compared to 2022.

Increase in New Zealand Revenue

The New Zealand hotels' revenue, especially the Wellington hotel recovered in 2023 while investment properties provided a stable base of income.

Increase in Australia Revenue

The Australia hotels performed better compared to 2022 largely due to further improvement in domestic and international travelling.

Decrease in China Revenue

Revenue from China decreased during the year due to weak market conditions, reflecting the soft economic conditions in China.

Increase in Malaysia Revenue

The Kedah hotel showed some increase in occupancy, therefore, increasing revenue contribution from Malaysia marginally.

GROUP EARNINGS

Profit net of tax increased to \$11.9 million (2022: \$0.8 million).

The increased profit was mainly due to the following:

1. Lower net fair value loss on investment properties of \$9.8 million (2022: loss of \$10.3 million)
2. Lower foreign exchange loss of \$1.3 million (2022: loss of \$7.1 million)
3. Higher interest income from fixed deposits of \$9.9 million (2022: interest income of \$3.8 million)

Overall, the earnings per share of the Group increased to 1.61 cents compared to 0.11 cents in 2022.

FINANCIAL POSITION

The Group's financial position remained stable as at 31 December 2023 with minimal liabilities.

Its total assets at year-end amounted to \$1.56 billion (2022: \$1.55 billion) and net gearing ratio was effectively Nil as at year-end (2022: Nil).

The Group's net asset per share as at 31 December 2023 was \$1.79 compared with \$1.83 as at 31 December 2022.

DIVIDENDS

Your Board recommends for your approval, a final one-tier ordinary dividend of 2.0 cent per ordinary share, in respect of the financial year ended 31 December 2023.

CHAIRMAN'S STATEMENT

OTHER MATTERS

UPDATE ON CONSTRUCTION OF AUCKLAND HOTEL

The construction of the new Auckland Hotel is unfortunately delayed due to COVID-19, impacting not only New Zealand but worldwide. Besides stop work orders from the Authorities, the project also suffered delay in the supply chain from local and foreign imports. Completion is now scheduled to take place in early June 2024 and a soft opening is planned to take place in early August 2024 barring unforeseen circumstances.

POST COVID-19 AND PROSPECT

The threat of COVID-19 has largely dissipated, but the world is still plagued by uncertainties due to the Russia-Ukraine war and the Israel-Palestine war. The weak Chinese economy and continuing disputes of the world's super powers caps the rebound from what the travel industry call 'revenge travel'. In addition, the hotel industry faces new operational challenges such as inflationary cost pressures, labour shortages, high interest rates environment and compliance to climate change. The hotel industry is therefore, cautiously optimistic of continued recovery in 2024.

The relative strength of the Singapore Dollar vis a vis the Australia and New Zealand Dollar in 2024 will continue to undermine the Group's performance subjecting it to translation loss as a result of foreign exchange differences. The valuation of the Group's portfolio of hotel assets and investment properties is not only determined by capitalisation rates which are influenced by interest rates levels in 2024 but also foreign exchange exposure.

CONCLUSION

In conclusion, on behalf of the Board of Directors, I would like to thank our valued customers, shareholders and all business associates for their continuing support. I would also like to express my sincere thanks to our management and staff for their dedication and hard work in these challenging times.

Tan Eng Teong
Chairman

12 April 2024

CORPORATE DATA

BOARD OF DIRECTORS

Tan Eng Teong (Executive Chairman/Managing Director)
Tan Teck Lin (Executive Director)
Tan Hwa Lian (Executive Director)
Tan Eng How (Non-Independent Non-Executive Director)
Tan Kok Aun (Lead Independent Non-Executive Director)
Fang Swee Peng (Independent Non-Executive Director)
Lim Thian Loong (Independent Non-Executive Director)
Hui Chiu Fung (Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE

Tan Kok Aun (Chairman)
Fang Swee Peng
Lim Thian Loong

NOMINATING COMMITTEE

Fang Swee Peng (Chairman)
Tan Teck Lin
Tan Kok Aun

REMUNERATION COMMITTEE

Lim Thian Loong (Chairman)
Fang Swee Peng
Tan Kok Aun
Hui Chiu Fung

COMPANY SECRETARY

Yoo Loo Ping, ACIS

REGISTERED OFFICE

22 Cavenagh Road
Singapore 229617
Tel: 65 6737 9944
Fax: 65 6737 3175
Email: chairman@grandcentral.com.sg
Company No: 196800243H

BANKERS

Agricultural Bank of China
Australia and New Zealand Banking Group Limited
Bank of New Zealand
Hong Kong and Shanghai Banking Corporation Limited
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited
The Development Bank of Singapore Limited
Westpac Banking Corporation

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner in charge: Lim Huijing Amanda (since financial year ended 31 December 2023)

DIRECTORS' AND SENIOR MANAGEMENT PROFILE

BOARD OF DIRECTORS

Tan Eng Teong is the Chairman and Managing Director of the Company. He has been with the Group since the inception of the Company. Mr. Tan has, over the years, accumulated vast experience in the hotel and travel, property development and investment and manufacturing industries. He is currently the Executive Chairman of Grand Central Enterprises Bhd, a company listed on the Malaysia Securities Exchange Berhad. He is also a Director of Tan Chee Hoe & Sons Sdn. Bhd., and the subsidiaries and associates companies of the Company.

Tan Teck Lin is an Executive Director of the Company. He has been with the Group since the inception of the Company. Mr. Tan is involved in the day to day operations of the Group's Australia and New Zealand companies and the property development business in Malaysia. He is currently the Deputy Executive Chairman and Managing Director of Grand Central Enterprises Bhd. He is also a Director of Tan Chee Hoe & Sons Sdn. Bhd. ("TCHS"), and various subsidiaries and associates companies of the Company and TCHS.

Tan Hwa Lian is an Executive Director of the Company. She joined the Board on 26 August 2003. After graduating from the National University of Singapore with a Bachelor of Business Administration (Hons) degree, she joined the banking & finance sector. Working initially in corporate banking in a local bank, she later joined a large financial institution where she was responsible for real estate lending and long term treasury investments. In total, she gathered 15 years of experience before leaving the sector in 2000. Ms. Tan is also a Director of various subsidiaries and associates companies of the Company and Tan Chee Hoe & Sons Sdn. Bhd.

Tan Eng How has been with the Group since the inception of the Company. He is an Executive Director of Grand Central Enterprises Bhd. Mr. Tan is a member of the Hotel Catering and Institutional Management Association, United Kingdom and obtained a post graduate diploma in hotel and catering administration from the Council for National Academic Awards, United Kingdom. He is also a Director of Tan Chee Hoe & Sons Sdn. Bhd. ("TCHS"), and various subsidiaries and associates companies of the Company and TCHS.

Fang Swee Peng is an Independent Non-Executive Director of the Company. He was appointed as a director of the Company on 28 April 2000. Mr. Fang is a professional electrical engineer and a fellow of the Singapore Institution of Engineers. He is the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee.

Tan Kok Aun is the Lead Independent Non-Executive Director of the Company. He was appointed as a director of the Company on 10 November 2011. Mr. Tan is the Chairman of the Audit and Risk Committee and is a member of the Nominating Committee and Remuneration Committee of the Company. Mr. Tan has more than 25 years of experience as a corporate secretary and taxation practitioner in private practice in Malaysia. Mr. Tan is currently a director of PCA Corporate Advisory PLT, PCATAX Global PLT, Harmonique Union PLT, Systems Associates Sdn. Bhd. and Julung Prestasi Sdn. Bhd. He is a member of the Malaysian Association of Company Secretaries and holds a MBA from the Southern Cross University, Australia.

Lim Thian Loong is an Independent Non-Executive Director of the Company. He was appointed as a director of the Company on 26 September 2017. Mr. Lim is the Chairman of Remuneration Committee and a member of the Audit and Risk Committee of the Company. Mr. Lim has more than 13 years of experience in accounts, audit and tax. He is a member of The Chartered Institute of Management Accountants (CIMA), Chartered Global Management Accountants (CGMA), Malaysian Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia (CTIM). Mr. Lim is currently the Independent Non-Executive Director of Grand Central Enterprise Berhad, a company listed on the Malaysia Securities Exchange Berhad.

Hui Chiu Fung, was appointed as an Independent Non-Executive Director of the Company on 11 March 2019. Mr. Hui is also a member of the Remuneration Committee. He graduated with a Bachelor Degree in Building and is a member of the Singapore Institute of Surveyors and Valuers and the Singapore Institute of Arbitrators. For the past 10 years, Mr. Hui works and practises as a Consulting Quantity Surveyor and is a director of CC Yeo QS Consultants Pte Ltd. He is also a director of Manta Equipment (S) Pte Ltd and Manta Services (S) Pte Ltd, both subsidiaries of Eagle Legend Asia Limited, a corporation listed in Hong Kong.

DIRECTORS' AND SENIOR MANAGEMENT PROFILE

MANAGEMENT

Tan Hwa Lam, Hellen is the Financial Controller of the Group. She has more than 35 years of experience in finance and accounting in the hotel industry. She has a MBA from the University of Leeds, United Kingdom. She also holds a Bachelor's degree in Management Studies from the University of Hull, United Kingdom, a diploma in Management Accounting from the then National Productivity Board and a London Chamber Commerce and Industry Higher Diploma in Accounting.

Tan Hwa Imm, Michelle is the Financial Controller of the Group's operations in Malaysia. She worked in an international accounting firm in London for 5 years and later as a Financial Controller of a commercial company. She graduated from the London School of Economics with a Bachelor of Science degree in Management Sciences (Second Upper Honours) and is also a fellowship member of the Institute of Chartered Accountants in England and Wales. Ms. Tan is an Executive Director of Grand Central Enterprises Bhd.

Poh Teik Heng, Anthony is the Group Accountant (Finance & Investments) of the Group. He has more than 25 years of experience in finance, accounting and auditing including more than 25 years in the hotel and property industries. He has a MBA from the University of Hull, United Kingdom and is a member of the Association of Chartered Certified Accountants. His responsibilities include the overseeing of the Group's accounting and finance functions primarily in Australia and New Zealand and other corporate matters of the Group.

Wayne Woods joined as our Group General Manager of Australia & New Zealand on 19 April 2022. He graduated from the Christ University with a Bachelor's Degree in Hospitality Management. Mr. Woods has over 25 years' experience in the hotel and property industry in Australia, New Zealand, Asia and UAE. His current responsibilities include overseeing the Group Operations in Australia and New Zealand.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

The Board of Directors (the “**Board**”) and management (“**Management**”) of Hotel Grand Central Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the Company’s business and performance, and supports long-term shareholder value. The Company also believes that the Directors must at all times act objectively in the best interest of the Company.

This corporate governance report (“**Report**”) sets out an overview of the Group’s corporate governance practices and adheres to the principles of the Singapore Code of Corporate Governance 2018 (the “**Code**”) with references to the accompanying practice guidance for the financial year ended 31 December 2023 (“**FY2023**”).

The Board is responsible for the Company’s corporate governance standards and policies, underscoring their importance to the Group and in ensuring that they are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group. Where there are deviations from any of the guidelines of the Code, an explanation has been provided within this Report. The Board has reviewed its best practices and ensured continued transparency and accountability in line with the principles of the Code.

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.

Role and Responsible

The principal functions of the Board are to:

1. provide entrepreneurial leadership and decide on matters in relation to the Group activities which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
2. oversee the business and affairs of the Company, establish, with Management, the strategies and financial objectives to be implemented by Management (including appropriate focus on value creation, innovation and sustainability), monitor the performance of Management and ensure that the Company has the necessary resources to meet its strategic objectives;
3. set the Company’s values, standards (including ethical standards), appropriate tone-from-the-top and desired organisational culture, and put in place policies, structures and mechanism to ensure such values, standards and culture are complied with;
4. constructively challenge Management and hold them accountable for performance and ensure proper accountability within the Group;
5. oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy and effectiveness of such processes;
6. be responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to effectively monitor and manage risks so as to safeguard the interests of the Company and its stakeholders, and achieve an appropriate balance between risks and company performance;
7. assume responsibility for corporate governance and ensure transparency and accountability to key stakeholder groups; and
8. review the succession plans and remuneration policies for the Board and key management personnel.

Independent Judgement

All Directors are expected to exercise independent judgement in the best interests of the Company. This is one of the performance criteria for the annual assessment of the Directors, as a full board. Based on the result of the annual assessment carried out by the Nominating Committee (“**NC**”) for FY2023, all Directors have discharged this duty well.

Conflicts of Interest

Every Director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge, and recuse himself/herself when the conflict-related matter is discussed, and abstain from voting in relation to conflict-related matters.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

Directors' Induction and Training

All Directors appointed to the Board are provided with a formal letter of appointment which sets out the Director's role and key responsibilities. The NC ensures that new Directors are made aware of their duties and obligations. In particular, new Directors receive comprehensive induction on joining the Board. They are provided with information on the corporate background, key personnel, core businesses, group structure, financial statements of the Group and their scope of duties and responsibilities. They are also briefed on the Group's businesses and operations. Site visits are conducted as necessary to familiarise them with the Group's properties. Guidance is also given to all Directors on regulatory requirements concerning disclosure of interests and restrictions on dealings in securities.

At the Company's cost, training is made available to Directors on the Company's business and governance practices, and updates/developments in the regulatory framework affecting the Company. Directors are provided with opportunities to attend courses and talks on board matters organised by professional and reputable organisations including the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Singapore Institute of Directors. This aims to give Directors a better understanding of the corporate governance matters relating to the Group and allows them to integrate into their roles and duties.

The briefings, updates and/or trainings attended by the Directors collectively for FY2023 include the following:

- the Company's external auditors updated the Audit and Risk Committee ("**ARC**") members on developments and/or changes on the accounting standards;
- the Directors are updated on the business activities and strategic directions of the Group;
- the Directors are updated on changes to the listing rules, corporate governance and other regulatory requirements, on a regular basis; and
- relevant training courses organised by the institutes and/or group associations of specific interests.

From time to time, the Company keeps the Directors apprised of any new laws, regulations, any latest changes to the SGX-ST listing requirements or changes to legislation which may impact the Group's business or business outlook, or may change the risks affecting the Group. The external auditors also brief and update ARC Members on developments in accounting and governance standards and issues which have a direct impact on financial statements. The Directors are also kept updated on the outlook and trends in the property and hospitality markets during the Board meetings. A new Director appointed who has no prior experience as a Director of an issuer listed on SGX-ST ("**first-time director**") will undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST, unless the NC is of the view that training is not required because he has other relevant experience. There is no new director appointed in FY2023.

Board Matters

Each Board member has equal responsibility to oversee the business and affairs of the Company. Management on the other hand, is responsible for the day-to-day operation and administration of the Company in accordance with the policies and strategy set by the Board.

The Company has adopted internal guidelines setting forth matters that require Board approval. Material items that require Board approval include strategic directions, annual budget, financial results and dividend declaration, major funding proposals, investments, acquisitions and divestment proposals.

Board Committees

To assist the Board in the discharge of its oversight function, various board committees, namely the ARC, NC and Remuneration Committee ("**RC**") (collectively the "**Board Committees**") with clear written terms of references. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group, and the Board is kept updated on discussions of the committees via circulation of minutes and regular updates by the respective chairmen of the committees at Board meetings. The terms of reference are reviewed periodically to ensure continued relevance. The composition and terms of reference of the respective Board Committees setting out their responsibilities and authority can be found in subsequent sections of this Report.

Board and Board Committees Meetings

The Board conducts regularly scheduled meetings on a half-yearly basis to coincide with the announcement of the Group's half-year and full-year financial results and to keep the Board updated on business activities and the overall business environment in which the Group operates. Additional meetings are convened as and when circumstances

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

dictate. The number of Board and Board Committees meetings held in FY2023 and the attendance of each Director are set out below:

		Board	ARC	NC	RC
No. of meetings held in FY2023		2	2	1	1
Name of Directors	Designation	No. of Meetings attended in FY2023			
Tan Eng Teong	Executive Chairman/Managing Director	2	N.A.	N. A.	N.A.
Tan Teck Lin	Executive Director	2	N.A.	1	N.A.
Tan Hwa Lian	Executive Director	2	N.A.	N.A.	N.A.
Fang Swee Peng	Independent Non-Executive Director	2	2	1	1
Tan Kok Aun	Lead Independent Non-Executive Director	2	2	1	1
Lim Thian Loong	Independent Non-Executive Director	1	2	N.A.	1
Hui Chiu Fung	Independent Non-Executive Director	2	N.A.	N.A.	1
Tan Eng How	Non-Independent Non-Executive Director	2	N.A.	N.A.	N.A.

In FY2023, all Directors attended and actively participated in the meetings of the Board and Board Committees of the Company. All Directors, including Directors with multiple board representations had ensured sufficient time and attention were given to the affairs of each company. Other than the formal meetings of the Board and Board Committees, the Board also discussed the Company's affairs regularly through email and/or informal meetings as and when deemed necessary.

Objectives and Benefits

The board assessment exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allowed him/her to discharge his/her duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or Board Committees. The assessment exercise also helped the Directors to focus on their key responsibilities. It also assisted the NC in determining whether to re-nominate Directors who are due for retirement at the next annual general meeting, and in determining whether Directors with multiple board representations were nevertheless able to and had adequately discharged their duties as Directors of the Company.

Based on feedback from the Directors, the Board and Board Committees continued to perform and fulfil its duties and responsibilities.

Access to Information

Prior to each Board meeting and when the need arises, the Board is provided with complete and adequate information in a timely manner, thus allowing them to deliberate on issues which require consideration. Management reports comparing actual performance with budget and previous corresponding periods and highlighting key performance indicators, as well as accounts and reports on the financial performance of the Group, are provided to Directors. Relevant Management staff make the appropriate presentations and answer queries from Directors at the Board meetings. Directors who require additional information may approach Management staff directly and independently and the required information is provided in a timely manner. Directors also have separate and independent access to the Company Secretary, and where necessary, obtain independent professional advice at the Company's expense. Such access to information is intended to enable the Directors to make informed decisions to discharge their duties and responsibilities.

Company Secretary

The Company Secretary administers, attends and prepares minutes of Board proceedings. The Company Secretary assist the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and Board Committees, and between senior management and the non-executive directors, and facilitating orientation and assisting in the professional development of the Directors) are

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

followed and regularly reviewed to ensure effective functioning of the Board, and that the Constitution and relevant rules and regulations, including requirements of the Companies Act, Securities & Futures Act and Listing Manual of the SGX-ST are complied with. The Company Secretary also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhancing long-term shareholder value. The appointment and removal of the Company Secretary rests with the Board as a whole.

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.

The Board currently comprises three (3) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The composition of the Board is summarised in the table below:

Name of Directors	Designation	Date of Appointment	Last Date of Re-election
Tan Eng Teong	Executive Chairman/Managing Director	10 July 1968	29 April 2022
Tan Teck Lin	Executive Director	10 July 1968	28 April 2023
Tan Hwa Lian	Executive Director	26 August 2003	28 April 2023
Fang Swee Peng	Independent Non-Executive Director	28 April 2000	30 April 2021
Tan Kok Aun	Lead Independent Non-Executive Director	10 November 2011	30 April 2021
Lim Thian Loong	Independent Non-Executive Director	26 September 2017	30 April 2021
Hui Chiu Fung	Independent Non-Executive Director	11 March 2019	29 April 2022
Tan Eng How	Non-Independent Non-Executive Director	10 July 1968	30 April 2021

The NC conducted an assessment in February 2024 and is satisfied that the Board and the Board Committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity. The NC is also satisfied that the Directors, as a group, possess core competencies required for the Board and the Board Committees to be effective, taking into account the Company's strategy and business.

Out of the eight members, four are Independent Directors and one is a Non-Independent Non-Executive Director. Despite the variation from Provision 2.2 of the Code which Independent Directors do not make up a majority of the Board where the Chairman is not independent, the Company considers the current Board size of eight members is appropriate. As a whole, there are five Non-Executive Directors which make up a majority of the Board, of whom four are Independent Directors which make up half of the Board, which had continued to make up a strong and independent element of the Board whereby the views of the Management and Executive Chairman and his team were constructively challenged, from time to time, at Board meetings.

With a half of the Board comprising Independent Directors and such Independent Directors having the requisite experience, expertise and standing, the Board is able to exercise objective judgement independently from its substantial Shareholders and Management, and no individual or small group of individuals dominate the Board's decision-making process. Where necessary, Non-Executive Directors may lead by the Lead Independent Director, Mr Tan Kok Aun, formally or informally meet without the presence of Management, and provide feedback to the Board and/or the Chairman after such meetings, as appropriate.

Taking note of provision 2.2 of the Code, the NC would continue to evaluate the composition of the Board.

Board Independence

The Board considers an Independent Director as one who 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 the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

The NC determines on an annual basis whether or not a Director is independent. The NC carried out the review on the independence of each Director based on the respective Directors' self-declaration on in the Directors' independence checklist and their actual performance on the Board and Board Committees, taking into account on the circumstances in which a Director will not be deemed independent and guidance in the Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST as to the circumstances in which a Director should not be deemed independent, including whether a Director is independent in conduct, character and judgment and whether there are relationships or circumstances which are likely to affect or could appear to affect the Director's judgment.

For FY2023, on the bases of the declarations of independence provided by the Independent Directors and the guidance in the Code and taken into account the assessment of the NC, the Board has determined that Messrs Fang Swee Peng, Tan Kok Aun, Lim Thian Loong and Hui Chiu Fung continue to be independent. Each member of the NC and Board had recused himself from the NC's and the Board's deliberations respectively on his own independence.

Board Renewal

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST and the Transition Practice Note 4 on Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Mr Fang Swee Peng and Mr Tan Kok Aun, who has been a Director for an aggregate period of more than nine years, will cease to be considered independent after the conclusion of the forthcoming annual general meeting ("AGM") to be held on 29 April 2024. As part of the Board renewal process, Mr Fang Swee Peng will be retiring and will not seek for re-election as a Director of the Company at the forthcoming AGM. Mr. Tan Kok Aun will cease to be considered independent after the conclusion of the forthcoming AGM, and be redesignated as the Non-Independent Non-Executive Director of the Company.

The NC and the Board are currently assessing potential candidates to replace Mr Fang Swee Peng as part of the Board renewal process and to ensure compliance with the Listing Manual and/or the Code. The Company will make an announcement(s) regarding the appointment of new director, and/or revision to the composition of the Board and its Committees on the SGXNet, once details are available.

Board Diversity

The Company has adopted a Board Diversity Policy, overseen by the NC, which is responsible for setting and maintaining the Board Diversity Policy, including setting of its targets, plans and timelines. The Company understands and believes that a diverse Board will help improve the overall performance and operation capability of the Company. It enhances decision-making capability and with a diverse Board, it is more effective in dealing with organisational changes as well as getting different views. This also provides an opportunity to ensure that all Board discussion and decisions made are considered from all angles.

The NC and the Board regularly reviews the diversity, size and composition of the Board, as well as succession planning, gender diversity and refreshment of the Board based on the current guidelines set under the Board Diversity Policy.

The annual assessment is led by the NC as part of the process for appointment of new Directors and board succession planning. To help the NC identify gaps (if any) in skills, knowledge, experience and other aspects of diversity in the board composition in any given year of assessment, each member of the Board is required to complete a Board evaluation form. The returns from the board members are then consolidated into a single Board Diversity summary to highlight the Board's current mix of skills, knowledge, experience and other aspects of diversity and NC, review and agree annually the qualitative for achieving diversity on the Board.

In FY2023, the NC had reviewed the Board composition. The Board, in concurrence with the NC, was of the view that a Board size of eight Directors, and composition of the Board comprises the requisite mix of experience and expertise, including directors with experience and expertise in the relevant industry, accounting and tax, and quantity surveyor, which allows for a productive exchange of ideas and views within the Board for the Group's current operations and focus, to facilitate effective decision-making, taking into account the nature and scope of the operations of the Company, the requirements of the Company's business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. No individual or small group of individuals dominate the Board's decision-making.

The NC and the Board have established the following diversity targets, plans, and timeline. When identifying potential candidates as director, the Board will prioritize individuals based on the skills, experience, and expertise required to drive the Group's strategy, business objectives, and focus, whilst the Board will also take into account its gender diversity target.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

Diversity Targets	Progress, Plan & Timeline
Ensure appropriate balance, skills, experience and knowledge to drive the Group's strategy, business and focus	<p>In FY2023, the NC conducted a thorough review of the Board's composition, assessing skills, experience, and knowledge. Given the Group's current emphasis on ongoing operational restructuring, the NC has determined that the existing Board possesses a diverse and balanced range of skills, experience, and knowledge crucial to the Company's needs. This includes directors with experience and expertise in the relevant hospitality and property industries, accounting and tax, and quantity survey. Such diversity ensures a productive exchange of ideas and perspectives within the Board, aligning effectively with the Group's current operations and strategic focus.</p> <p>With the proposed retirement of Mr Fang Swee Peng and the redesignation of Mr Tan Kok Aun as Non-Independent Non-Executive Director at the forthcoming AGM scheduled on 29 April 2024, the NC and the Board will actively seek a suitable candidate to fill the vacant position to complement the existing skill set of the Board.</p>
To have at least one female representation on Board	<p>The Board comprises of seven male and one female director. The NC and the Board acknowledge the benefits of having gender diversity in offering differing opinion, and target to maintain at least one female director on Board. In identifying suitable candidates for new appointments to the Board, the NC would ensure that female candidates were included for consideration, and is actively seeking a qualified female candidate with the appropriate skills, experience, and knowledge to join the Board.</p>

The NC will continue to review and consider the targets and the composition of the Board from time to time, and to do necessary adjustments as and when required to ensure that the composition of the Board aligns with the needs of the Group's business, its operating environment, and its current and future strategic objectives and focus areas.

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.

Mr. Tan Eng Teong is the Executive Chairman of the Board and Managing Director of the Company. As Chairman of the Company, Mr. Tan Eng Teong plays a pivotal role in steering the strategic direction and growth of the Group's business, sets the agenda for each Board meeting and ensures information flow between Management and the Board. As the Managing Director, Mr. Tan Eng Teong oversees the day to day running of the business in Singapore, Malaysia, China, Australia and New Zealand. In carrying out his responsibilities as the Managing Director, Mr. Tan Eng Teong works closely with Mr. Tan Teck Lin, the Executive Director, and Ms. Tan Hwa Lian, the Executive Director of the Company. Mr. Tan Teck Lin is involved in the day to day running of the business in Australia, New Zealand and Malaysia and makes all major operational decisions with the concurrence of Mr. Tan Eng Teong. Mr. Tan Eng Teong is kept informed of all significant operational decisions in Malaysia by Mr. Tan Teck Lin. Ms. Tan Hwa Lian is involved in the operations of the hotel business in Singapore, Australia, New Zealand and China.

Currently, the Company adopts a single leadership structure whereby the roles of the Chairman of the Board and the Managing Director are assumed by the same person such that the decision-making process of the Company would not be unnecessarily hindered.

Although this deviates from the recommendations set out in the Code, the Board believes that vesting the roles of both Chairman and Managing Director on the same person who is knowledgeable in the business of the Group provides the Group with a strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. The Board is mindful of the desirability of separating the two functional positions. However, it believes that vulnerability of the dual roles, if any, is considerably lessened by the checks and balances energetically exercised by the Board. The balance of power and authority is also provided by three committees, namely ARC, NC and RC which are all chaired by the Independent Directors.

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The Chairman, with the assistance of the Company Secretary, schedules meetings and prepares meeting agenda to enable the Board to perform its duties responsibly, having regard to the flow of the Company's operations. He sets guidelines on and monitors the flow of information from Management to the Board to ensure that all material information is provided in a timely manner to the Board to make good decisions. He also encourages constructive relations between the Board and Management, and between the executive and non-executive Directors. At Board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting. At annual general meetings and other shareholders' meetings, the Chairman ensures constructive dialogue between shareholders, the Board and Management. The Chairman sets the right ethical and behavioural tone and takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and Management.

The Chairman and Managing Director, assisted by the Management team, makes strategic proposals to the Board and after robust and constructive board discussion, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions.

Lead Independent Director

As the Chairman is not an independent Director, the Company has appointed Mr. Tan Kok Aun as the Lead Independent Non-Executive Director to serve in a lead capacity to coordinate the activities of the non-executive Directors in circumstances where it would be inappropriate for the Executive Chairman to serve in such capacity. He also assists the Executive Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

The role of the Lead Independent Director includes meeting with the Non-Executive Directors without the presence of the Executive Chairman/Managing Director and Executive Directors at least once annually and on such other occasions as are deemed appropriate. He will also be available to shareholders if they have concerns relating to matters that contact through the Chairman has failed to resolve, or where such contact is inappropriate or inadequate.

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, Mr. Tan Kok Aun will cease to be considered independent after the conclusion of the forthcoming AGM, and be redesignated as the Non-Independent Non-Executive Director of the Company. Mr. Lim Thian Loong will, upon re-election as a Director of the Company at the forthcoming AGM, be appointed as the Lead Independent Director of the Company.

BOARD MEMBERSHIP

Principal 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.

Nominating Committee

The NC comprises three Directors, the majority of whom, including the NC Chairman are Independent Directors. The Lead Independent Director is a member of the NC.

The NC Members are:

- Mr. Fang Swee Peng (Chairman), Independent Non-Executive Director
- Mr. Tan Kok Aun (Member), Lead Independent Non-Executive Director
- Mr. Tan Teck Lin (Member), Executive Director

Based on its written terms of reference which set out clearly its authority and duties, the NC will make its recommendations to the Board on all board appointments and re-appointments, the process and criteria for evaluating the performance of the Board, the Board Committees and the Directors, review the adequacy of the training and professional development programmes for the Board and the Directors, and review the succession plans for Directors, in particular for the Chairman, the Managing Director and the other key management personnel.

Process for appointment of new Directors

- a. The NC reviews annually the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, and the size of the Board which would facilitate decision-making. In this review, the NC would also take into account the needs of the Group, the collective skills and competencies of the Board and service tenure spread of the Directors.

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- b. In the light of such review and in consultation with Management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.
- c. The NC will in all cases, take into consideration the following objective criteria identified as necessary for the Board and Board Committees to be effective:
 - i. Integrity
 - ii. Independent mindedness
 - iii. Ability to commit time and effort to carry out duties and responsibilities effectively
 - iv. Track record of making good decisions
 - v. Experience in high-performing companies
 - vi. Financial literacy
- d. External help (for example, Singapore Institute of Directors and search consultants) may be used to source for potential candidates if need be. Directors and Management may also make recommendations.
- e. The NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required
- f. The NC makes recommendations to the Board for approval.

Alternate Directors

The Company does not have any alternate Directors appointed to the Board.

Board Succession Planning

The Board believes that orderly succession and renewal are achieved as a result of careful planning, where the appropriate composition of the Board is continually under review. In this process for the renewal of the Board and the selection of new Directors so that the experience of longer serving Directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation.

The NC leads the process and makes recommendations to the Board on the appointment of new directors and re-nomination of Directors.

Process for re-nomination of retiring Directors

The Constitution requires one-third of the Directors, or the number nearest to (but not greater than) one-third, to retire from office by rotation at every AGM. The Directors to retire in the relevant year by rotation shall be those who have been longest in office since their last re-election or appointment and as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. All Directors also must submit themselves for re-nomination and re-appointment at least once every three years pursuant to Rule 720(5) of the Listing Manual of SGX-ST. A Director appointed by the Board to fill a casual vacancy or as an additional Director may only hold office until the next AGM and will be eligible for re-election at such AGM.

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors:

- a. The NC reviews each Director's eligibility, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of board as a whole.
- b. NC makes recommendations to the Board for approval.

Messrs Tan Eng How, Tan Kok Aun and Lim Thian Loong, who are retiring at the forthcoming AGM pursuant to Regulation 120 of the Company's Constitution, has offered themselves for re-election. The Board has accepted the NC's recommendation and recommended that Messrs Tan Eng How, Tan Kok Aun and Lim Thian Loong, who retire by rotation pursuant to the Constitution, be nominated for re-election at the forthcoming AGM of the Company.

The detailed information as required under Rule 720(6) of the SGX-ST Listing Manual on Directors seeking re-election are disclosed in the "Supplemental Information" section of the Annual Report.

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, Mr Fang Swee Peng and Mr Tan Kok Aun, who have been Director for an aggregate period of more than nine years, will cease to be considered independent after the conclusion of the forthcoming AGM. As part of the Board renewal process, Mr Fang Swee Peng who is retiring

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at the forthcoming AGM pursuant to Regulation 120 of the Company's Constitution will be retired and will not seek for re-election as a Director of the Company at the forthcoming AGM. Mr. Tan Kok Aun will cease to be considered independent after the conclusion of the forthcoming AGM, and be redesignated as the Non-Independent Non-Executive Director of the Company after being re-elected at the forthcoming AGM.

Annual Review of Directors' Commitments

The NC assesses annually whether a Director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a Director of the Company. Instead of fixing a maximum number of listed company board representations and/or other principal commitments that a Director may have, the NC assesses holistically whether a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, taking into account the results of the assessment of the effectiveness of the individual Director, the level of commitment required of the Director's listed company board representations and/or other principal commitments, and the Director's actual conduct and participation on the Board and board committees, including availability and attendance at regular scheduled meetings and adhoc meetings. The NC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the Directors.

The NC conducted an assessment in February 2024 and is of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his/her duties as Director effectively. The NC noted that based on the attendance of Board and Board Committee meetings during the year, the Directors were able to participate all such meetings to carry out their duties. The NC also noted that, based on the report on the Directors' assessment for FY2023, all the Directors performed well. The NC was therefore satisfied that in FY2023, where a Director had other listed company board representations and/or other principal commitments, the Director was able and had been adequately carrying out his/her duties as Director of the Company.

Key Information on Directors

Key information on each Director, including his academic qualifications and principal commitments, are set out in the Directors' and Senior Management Profile section of the Annual Report. In addition, information on shareholdings in the Company held by each Director is set out in the "Directors' Statement" section of the Annual Report.

Information relating to Directors who are nominated for re-appointment or re-election, pursuant to Rule 720(6) of the Listing Manual of the SGX-ST are set out in the "Information On Directors Seeking Re-election" section of the Annual Report.

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.

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole to the effectiveness of the Board.

Through the NC, the Board has implemented an annual evaluation process to assess the effectiveness of the Board as a whole. The evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas relating to:

- Board composition
- Information to the Board
- Board procedures
- Board accountability
- Communication and evaluation with the CEO and Top Management
- Standards of conduct by the Board

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board including its procedures and processes and whether these may be improved upon.

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A collective evaluation exercise was carried out by the NC and the Board in the financial year under review. Led by the NC Chairman, this collective assessment was conducted by means of a confidential questionnaire completed by each Director which is collated, analysed and discussed with the NC and the Board. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate. The Chairman shall act on the results of the performance evaluation and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.

The evaluation determined that all Directors had contributed effectively and had demonstrated full commitment to their roles.

Given the current size of the Board, the NC was of the view that the performance evaluation of the Board as a whole would suffice and that performance evaluation of the ARC, NC and RC and individual performance evaluation of each Director is not necessary at this juncture. The NC would consider carrying out the aforesaid performance evaluation in the future, should the need arise.

For FY2023, the Board has not engaged any external consultant to conduct an assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. Where relevant, the NC will consider such an engagement.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6:

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

RC Composition and Role

The RC comprises four Directors, all of whom (including the RC Chairman) are independent.

The RC Members are:

- Lim Thian Loong (Chairman), Independent Non-Executive Director
- Fang Swee Peng (Member), Independent Non-Executive Director
- Tan Kok Aun (Member), Lead Independent Non-Executive Director
- Hui Chiu Fung (Member), Independent Non-Executive Director

The RC's written terms of reference set out the role and responsibilities of the RC, which include reviewing and making recommendations to the Board on:

- a framework of remuneration for the Board and the key management personnel. The framework takes into account the specific role and circumstances of each Director and key management personnel to ensure an appropriate remuneration level and mix that recognises the performance, potential and responsibilities of these individuals; and
- the remuneration package for each Director and key management personnel which covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, benefits-in-kind and termination payments.

The RC considers all aspects of remuneration, including termination terms, and aims to be fair and avoids rewarding poor performance.

None of the RC Members is involved in the deliberation on any remuneration, compensation or form of benefit to be granted to himself.

RC's Access to External Expert Advice

The RC Members are familiar with executive remuneration/compensation matters as they manage their own businesses and/or are serving on the boards of other listed companies. The RC has access to appropriate expert advice where necessary and did not consider it necessary to engage a remuneration consultant for FY2023.

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LEVEL AND MIX OF REMUNERATION

Principle 7:

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

Remuneration Framework

The remuneration policy of the Company seeks to align the interests of the Directors and the key management personnel with those of the Company, as well as to ensure that remuneration is commercially attractive to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company and enhance value creation for the long term. In determining remuneration packages, the RC takes into consideration industry practices, norms in compensation and the strategic objectives of the Company, as well as the need for remuneration to be linked with the long-term interest, risk policies, sustained performance and value creation of the Company.

Remuneration of Executive Directors

There are appropriate measures in place to assess the performance of the Executive Director and the other key management personnel. The performance-linked elements of their remuneration packages are designed to align their interests with shareholders, other stakeholders and the long-term success of the Company and take into account the risk policies of the Company.

Remuneration of Non-Executive Directors

For Non-Executive Directors, their remuneration is appropriate to their level of contribution, taking into account factors such as effort and time spent as well as their respective responsibilities. The Board recommends the fees to be paid to Non-Executive Directors for Shareholders' approval annually. The fees consist of a basic fee for service on the Board and additional fees for service as member or chairman of Board Committees. The fees are pro-rated based on a Director's length of service in the year under review. Non-Executive Directors do not receive any variable remuneration such as options or bonuses.

The RC reviews and makes recommendations to the Board in relation to Non-Executive Directors' fees and allowances. RC Members abstain from deliberations in respect of their remuneration.

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 remuneration policy of the Company seeks to align the interests of the employees with the Company's short-term and long-term business objectives, as well as to ensure that the Company remains attractive as a prospective employer, and a fair employer to retain and motivate the existing staff. The entire remuneration package of all employees comprises of salaries, short-term and long-term incentives, as well as benefits-in-kind. Short term incentives include bonuses for staff to drive business performance, and long-term incentives to reward value creation. As part of the Company's performance management system, the Company sets and reviews the key performance indicators ("KPIs") of each employee on an annual basis and the rewards package of each employee is dependent on achieving these annual targets.

The KPIs of each employee take into consideration the Company's, respective departments' and each individual's performance in accordance with his/her designation and responsibilities within the Group. The KPIs are communicated to each employee at the beginning of each year so as to align the employee's performance to the performance of the Company. The entire remuneration package and policy is reviewed periodically to ensure market competitiveness.

The remuneration of each individual Director and the key management personnel of the Group is disclosed below. The report covers the total remuneration as well as the breakdown of remuneration in FY2023.

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Remuneration of Directors

The level of each Director's remuneration for FY2023 are shown below:

	Fee S\$'000	Salary S\$'000	Bonus S\$'000	Benefit S\$'000	Total S\$'000
Mr. Tan Eng Teong	61.0	240.0	140.0	–	441.0
Ms. Tan Hwa Lian	54.4	177.9	15.2	–	247.5
Mr. Tan Teck Lin	58.8	–	–	–	58.8
Mr. Tan Eng How	54.4	–	–	–	54.4
Mr. Fang Swee Peng	53.7	–	–	–	53.7
Mr. Tan Kok Aun	48.2	–	–	–	48.2
Mr. Lim Thian Loong	30.0	–	–	–	30.0
Mr. Hui Chiu Fung	30.0	–	–	–	30.0

Remuneration of Key Management Personnel

For FY2023, the Company has only three (3) key management personnel who are not directors or the CEO of the Company who are Ms. Tan Hwa Lam, Hellen (Financial Controller), Mr. Poh Teik Heng, Anthony (Group Accountant (Finance & Investments)) and Mr. Wayne Elmo Woods (Group General Manager (Australia & New Zealand)). Each of these key executive's remuneration falls below the S\$250,000 band. The aggregate total remuneration paid to the three (3) KMP key executives (who are not Directors or the CEO of the Company) was approximately S\$528,000.

Remuneration of Employees who are Substantial Shareholder, or immediate family members of the Directors, the Managing Director or Substantial Shareholder of the Company

For FY2023, the following are the two immediate family members of the Directors and Chairman of the Company whose remuneration exceeds S\$100,000 for FY2023:

Remuneration bands	Name of employees	Employee's relationship
S\$100,000 - S\$150,000	Tan Hwa Lam, Hellen	Daughter of Tan Eng Teong and sister of Tan Hwa Lian
	Tan Hwa Kok	Son of Tan Eng Teong and brother of Tan Hwa Lian

The Company does not have any share option scheme.

For FY2023, there were no termination, retirement and post-employment benefits granted to Directors and the top five key executives other than the contractual notice period termination payment in lieu of services in respect of the executive.

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.

Risk Governance

The Group's internal control systems are designed to ensure the reliability and integrity of financial information and to safeguard the assets of the Group. During FY2023, Management, with the assistance of the internal auditors, carried out exercises to review and consolidate the Group's risk register which identifies key risks the Group faces and the internal controls in place to manage or mitigate those risks.

The Board has overall responsibility for the governance of risk. To pursue a sustainable long-term growth path, the Board recognises the importance of, and is responsible for, ensuring that Management designs, implements and monitors a sound system of risk management and internal controls as part of good governance. The ARC assists the Board

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in carrying out the Board's responsibilities of overseeing the Group's risk profile, and the adequacy and effectiveness of the risk management framework and policies, as well as the internal control system. The ARC reviews and the Board endorses the Group's risk appetite and risk policies, which determine the nature and extent of significant risks that the Group is willing to take to achieve its strategic and business objectives. The Board also reviews annually the adequacy and effectiveness of the Group's risk management and internal control systems.

At the Management level, the Internal Auditor reports to the ARC on a half-yearly basis or more frequently as needed. The Internal Auditors highlights significant risk issues, both existing and emerging, for discussion with the ARC and the Board, taking into account the immediate operating environment and the next half year prospects.

Enterprise Risk Management Framework

The Group has established an Enterprise Risk Management ("ERM") framework and is continuously reinforcing it across all levels of the Group's businesses and operations. The ERM framework aims to increase the confidence in the Group's strategies, businesses and operations, through assurance that key risks are properly and systematically addressed. The ERM framework enables Management to have a formal structure to:

1. define the risk appetite of the Group;
2. identify and assess the key risks which the Group faces and the current controls and strategies for the Group to respond to these risks;
3. evaluate the effectiveness of the current controls and strategies and determine if further risk treatment plans are needed;
4. set up key risk indicators to monitor risks that may have a material impact on the Group's businesses and operations as and when they arise and take mitigating steps as necessary; and
5. report and review the Group's overall risk profile.

The system of risk management and internal controls, including information technology risk controls are reviewed and, where appropriate, refined regularly by Management, the ARC and the Board. Where relevant, reference is made to the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

Management sets the appropriate tone at the top and is continuously reinforcing the "risk-aware" culture within the Group. With the belief that risk management is every employee's responsibility, Management works towards embedding risk management principles in the day-to-day decision-making and business processes. To promote risk awareness and enhance risk management knowledge, senior management staff in both the property and hospitality businesses actively participate in regular ERM discussions, training and workshops to acquire and maintain an adequate understanding of ERM concepts, methodologies and tools to enable them to manage risks in their respective areas of work.

To demonstrate ownership and accountability, senior management staff who are key risk and control owners review and provide assurances by way of sign-offs to the Financial Controller, Group Accountant and the other key management personnel in respect of the risks and controls under their charge or purview. In turn, based on these assurances, the Chairman and Managing Director and other key management personnel provide an annual written statement to the Board.

For FY2023, the Board has received assurances from:

- (a) the Chairman and Managing Director, Financial Controller and the Group Accountant (Finance & Investments) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Chairman and Managing Director and the other key management personnel who are responsible, that the Group's risk management and internal control systems were adequate and effective to address the risks (including financial, operational, compliance and information technology risks) which the Group considers material to its current business environment.

Based on the internal controls currently in place, the work undertaken by the internal and external auditors, the assurances from the Chairman and Managing Director, Financial Controller, Group Accountant (Finance & Investments) and the other key management personnel as well as reviews by the ARC and the Board, the Board, with the concurrence of the ARC, has commented that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective for FY2023. In commenting on the risk management and internal control systems, the Board has noted the ERM framework and processes as set out in the preceding paragraphs under "Enterprise Risk Management Framework".

The Group's risk management and internal control systems provide reasonable but not absolute assurance that the Group will not be adversely affected by the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities or other events arising from the business environment which the Group operates in.

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AUDIT COMMITTEE

Principle 10:

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

ARC Composition and Role

The ARC comprises three members who have recent and relevant accounting and financial management expertise and experience. All the ARC Members are (including the ARC Chairman) are independent. None of the ARC Members were former partners or directors of, or had any financial interest in, the Company's external auditor, Ernst & Young LLP ("EY"), within the past 24 months. Accordingly, the Board is of the view that the ARC members are appropriately qualified to discharge their responsibilities.

The ARC Members are:

- Tan Kok Aun (Chairman), Lead Independent Non-Executive Director
- Fang Swee Peng (Member), Independent Non-Executive Director
- Lim Thian Loong (Member), Independent Non-Executive Director

The Board recognises the importance of good corporate governance and the offering of a high standard of accountability to the shareholders. The ARC is authorised by the Board to investigate all matters within its term of reference. The ARC has full access to, and the co-operation of Management, as well as full discretion to invite any Director and key management personnel to attend its meetings, and is provided with reasonable resources for it to discharge its functions properly.

The ARC carries out the functions set out in the Code and the Companies Act. The ARC's written terms of reference include:

- reviewing and reporting to the Board on the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance;
- reviewing and reporting to the Board on the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function at least annually, including reviewing the internal and external audit plans and audit reports, the internal auditors' evaluation of the system of internal accounting controls, the scope and results of the internal audit procedures, the cost-effectiveness, independence and objectivity of the external auditors;
- considering and recommending to the Board the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors;
- reviewing and reporting to the Board on interested person transactions in compliance with the SGX-ST Listing Manual;
- reviewing and reporting to the Board the adequacy and effectiveness of the Company's internal controls and risk management systems at least annually;
- reviewing the assurances from the Chairman and Managing Director, Financial Controller and the Group Accountant (Finance & Investments) on the financial records and financial statements; and
- reviewing the procedures for detecting fraud and for concerns about possible improprieties in financial reporting or other matters to be safely raised, and ensuring that these arrangements allow proportionate and independent investigation of such matters and are appropriately followed up on.

In performing the functions, the ARC has reviewed the Group's audited consolidated financial statements and discussed with Management and the external auditor the significant matters which involved judgement by the Management. The ARC reviewed, amongst other matters, the key audit matters as reported by the external auditors for FY2023, including (i) carrying value of hotel assets; and (ii) valuation of investment properties.

Significant matters

How the ARC reviewed these matters

Carrying value of hotel assets and valuation of investment properties

The ARC reviewed the outcomes of the valuation process with Management, focusing on the methodologies and key underlying assumptions applied to the valuation models in assessing the fair values of the hotel assets and investment properties of the Group. The ARC had reviewed the KAMs and concurred with the external auditors and Management on their assessment, judgements and estimates on the significant matters reported by the external auditors as set out under the Independent Auditor's Report on pages 30 to 33 of this Annual Report.

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The ARC also considered the findings of the independent external valuers and external auditors and was satisfied that the valuation approaches were appropriate.

During FY2023, the ARC reviewed the half-year and full-year financial statements prior to submission to the Board for approval; the annual audit plan of the external auditor and the internal auditors and the results of the audit performed by them; interested person transactions; effectiveness and adequacy of the Company's risk management and internal controls systems; audit and non-audit services rendered by the external auditors and the re-appointment of external auditors and their remuneration.

The ARC members had been briefed by the external auditors, EY on any changes to accounting standards and issues which have a direct impact on financial statements as part of their audit. A record of the ARC members' attendance at the ARC meetings during FY2023 is set out on page 9 of this Annual Report.

In accordance with Rule 1207(6) of the SGX-ST Listing Manual, details of the aggregate amount of fees paid to EY and the breakdown of fees payable in respect of audit and non-audit services can be found under Note 21(b) of the Notes to the Financial Statements. Further to the above, the Company has also complied with Rules 712 and 715 of the SGX-ST Listing Manual in respect of the suitability of the auditing firms. The auditing firms of the Company and its subsidiaries are disclosed in Note 8 of the Notes to the Financial Statements as set out in this Annual Report.

The ARC has reviewed and is satisfied with the independence and objectivity of the external auditor and has approved the remuneration and terms of engagement of EY. In its review, the ARC has considered the non-audit services provided by the external auditor for tax returns compliance services and sustainability reporting preparation and is of the opinion that these services do not affect the auditor's independence. The ARC has reviewed the Audit Quality Indicators and the performance of EY and has recommended to the Board the nomination EY for re-appointment by the Shareholders at the forthcoming AGM for FY2023.

Whistle-Blowing Policy

The Company is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company undertakes to investigate complaints of suspected fraud in an objective manner, and has put in place a whistle-blowing policy which provides employees and any other person with well-defined and accessible channels, including direct access to the Chairman of the ARC, to raise concerns about possible irregularities in matters of financial reporting or other matters in confidence relating to any misconduct or wrongdoing relating to the issuer and its officers (the "**Whistle-Blowing Policy**").

The Whistle-Blowing Policy which aims to encourage and provide a channel to employees and any other persons to report, in good faith and in confidence, concerns about possible fraud, improprieties in financial reporting or other matters. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Employees and any other persons may report their concerns to the Chairman of the ARC by post or email, details of which are disclosed in the handbook. Provided that an employee makes a disclosure in good faith and it does not matter if staff are mistaken, the Company will protect the personal interests of the employee, and will not tolerate any harassment or victimisation of anyone raising a concern. The identity of the person raising the matter will be kept confidential, if so requested.

The Chairman of the ARC is responsible for investigating any concerns raised and he reports his findings to the ARC independent of Management. The ARC is able to act independently to take such action as may be necessary to address the concerns raised and has the authority to instruct any senior management staff to assist or co-operate in such action, and to set up a special internal independent investigation or reference to external authority for further investigation. The ARC reports significant matters raised to the Board.

Internal Audit

The Group's internal audit function in FY2023 is outsourced to BDO Wellington Limited ("**BDO NZ**"). BDO NZ is part of the BDO global network of leading accountancy and business advisory organisations extending over 167 countries and territories. BDO NZ is staffed with professionals with relevant qualifications and experience in areas such as internal audits, risk management services and advisory services in the region. The Internal Auditor reports directly to the Chairman of the ARC on audit matters and the Executive Management on administrative matters. The ARC approves the hiring, removal, evaluation and compensation of the head of the internal audit function or the accounting/auditing firm or corporation to which the internal audit function is outsourced. BDO NZ has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

The internal audit function is carried out based on the BDO NZ Internal Audit methodology which is consistent with the standards set by nationally or internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing, as laid out in the International Professional Practices Framework issued by the Institute of Internal Auditors.

The ARC, on an annual basis, assesses the effectiveness of the internal audit by examining the scope of the internal audit work and results of the areas reviewed, getting the appropriate confirmation that there was no observable material weakness during their internal audit review, the Internal Auditor's reports and recommendations, and Management's implementation of such recommendations.

Based on the above, the ARC is satisfied that the internal audit function by BDO NZ is adequately resourced and staffed with persons with the relevant qualifications and experience. Accordingly, the ARC believes that the Group's internal audit function is independent, effective and adequately resourced.

The ARC met with the internal auditors and external auditors without the presence of Management in respect of FY2023 audit to review matters that might be raised privately and also review the independence of the external auditor annually.

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.

In line with its continuous disclosure obligations, the Group is committed to maintaining regular and proactive communication with shareholders. It is the Board's policy that shareholders are informed of all major developments that impact the Group, on a timely basis.

Information is communicated to shareholders on a timely basis and is made through:

- (a) annual reports that are prepared and issued to all shareholders;
- (b) financial statements containing a summary of the financial information and affairs of the Group for the year published through the SGXNet;
- (c) notices of and explanatory memoranda for annual and extraordinary general meetings;
- (d) announcement on major developments of the Group; and
- (e) the Company's website which provides, inter alia, corporate announcements, annual reports and profile of the Group at <http://www.ghihotels.com>.

The Company's Constitution allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. Subject to the Companies Act and any other relevant act in force from time to time, and the Listing Manual, the Company's Constitution allows the Directors, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

At the AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by the shareholders. All resolutions will be put to vote by way of a poll, and the detailed results will be announced via SGXNet and RNS after the conclusion of the meeting.

The Company records the minutes of general meetings that include relevant and substantial comments from shareholders relating to the agenda of the meetings and responses from management. Such minutes will be available to shareholders upon their request.

The Company's forthcoming AGM will be held on 29 April 2024, notice of which is set out on pages 107 to 112 of this annual report. The Company encourages active participation from the Shareholders at its AGMs. At the AGM, shareholders will be given the opportunity to voice their views and seek clarifications. Further, all resolutions will be put to vote by way of a poll, and the detailed results will be announced via SGXNet after the conclusion of the meeting.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

To facilitate voting by the Shareholders, the Constitution allow the Shareholders to appoint up to two proxies to attend and vote in the shareholders' place at the general meetings of the shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings. Proxy forms can be sent to the Company by mail.

The Chairmen of the Board Committees as well as the external auditors will be present and available to assist the Board in addressing any queries from the Shareholders. In addition, the minutes of the AGM, including substantial questions addressed during the meeting will be published on the SGXNet within one month after the general meeting.

Shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relation to the meeting agenda prior to the respective meetings, and the Company is to answer any relevant questions prior or during the general meetings.

Dividend Policy

The Company does not have a fixed dividend policy. The Board will consider various factors, such as the Company's and/or Group's earnings, general financial position, capital expenditure requirements, cash flow, general business environment, development plans and other factors that may be deemed appropriate, to determine whether dividends would be paid for the financial year.

For FY2023, the Board has recommended a first and final dividend of 2 cents per share. The dividend payment is subject to shareholders' approval at the upcoming AGM to be held on 29 April 2024.

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.

The Group engages in regular, effective and fair communication with its Shareholders through the release of the Group's periodic and annual results, the timely release of material information through SGXNET and the publication of the Annual Report. Announcements of the Group's results are released, and Annual Reports and Sustainability Reports are issued within the periods prescribed under the SGX-ST Listing Manual. The Company also makes timely disclosures to Shareholders via SGXNET in accordance with the SGX-ST listing requirements on any changes in the Company or its business which would likely materially affect the price or value of the Company's shares. Where appropriate, the Company also discloses such information on the "Investors and Media" section of its website. In line with maintaining communication with Shareholders, as and when briefings on the Company's performance and financial results are conducted for analysts and the media, the Company will disclose the presentation materials on SGXNET.

The Group's website (<http://www.ghihotels.com>) has a dedicated "Investors Relations" section that contains key information for Shareholders, investors, and other stakeholders, including announcements, stock information and financial summary, financial results, annual reports, letters to Shareholders, information on AGMs, shareholding statistics, upcoming events and analyst coverage. The website is updated regularly and allows users to subscribe for email notifications of the Company's latest updates on the website.

Investor relations policy

The Company currently does not have an investor relations policy but considers advice from its professionals on appropriate disclosure requirements before announcing material information to shareholders. Should the need arise, the Company will consider the appointment of a professional investor relations officer to manage the function.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2023

ADDITIONAL INFORMATION

DEALINGS IN SECURITIES

The Company has devised and adopted a Securities Transactions Code for securities dealing for the Group's officers and employees which applies the best practice recommendations in the SGX-ST Listing Manual. To this end, the Company has issued guidelines to its Directors and employees in the Group which set out prohibitions against dealings in the Company's securities (i) while in possession of material unpublished price-sensitive information, (ii) during the two weeks immediately preceding, and up to the time of the announcement of the Company's financial statements for each of the first three quarters of the financial year and, (iii) during the one month immediately preceding, and up to the time of the announcement of the Company's financial statements for the half or full financial year, whichever applicable. Prior to the commencement of each relevant period, an email would be sent out to all Directors and employees of the Group to inform them of the duration of the period.

Directors and officers are also reminded that they should not deal in the Company's securities on short-term considerations. The Company emphasises that the law on insider trading is always applicable notwithstanding the window periods for dealing in the shares. The Securities Transactions Code also enables the Company to monitor such share transactions by requiring employees to report to the Company whenever they deal in the Company's shares.

The Directors are required to notify the Company of any dealings in the Company's securities within two business days of the transactions.

The Board is satisfied with the Group's commitment in compliance with the Code.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all interested person transactions ("IPTs") are submitted in a timely manner to the ARC for review on the rationale and the terms of the Group's IPTs to ensure that they are conducted at arm's length basis and will not be prejudicial to the interest of the Company and its minority shareholders.

There were no transactions with interested person falling within the definition of Chapter 9 of the SGX-ST Listing Manual.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the SGX-ST Listing Manual.

MATERIAL CONTRACTS

No material contracts, not being contracts entered into in the ordinary course of business, had been entered into by the Company and its subsidiaries involving the interest of any Executive Director, Non-Executive Director or controlling shareholder of the Company during FY2023.

SUSTAINABILITY REPORT SUMMARY

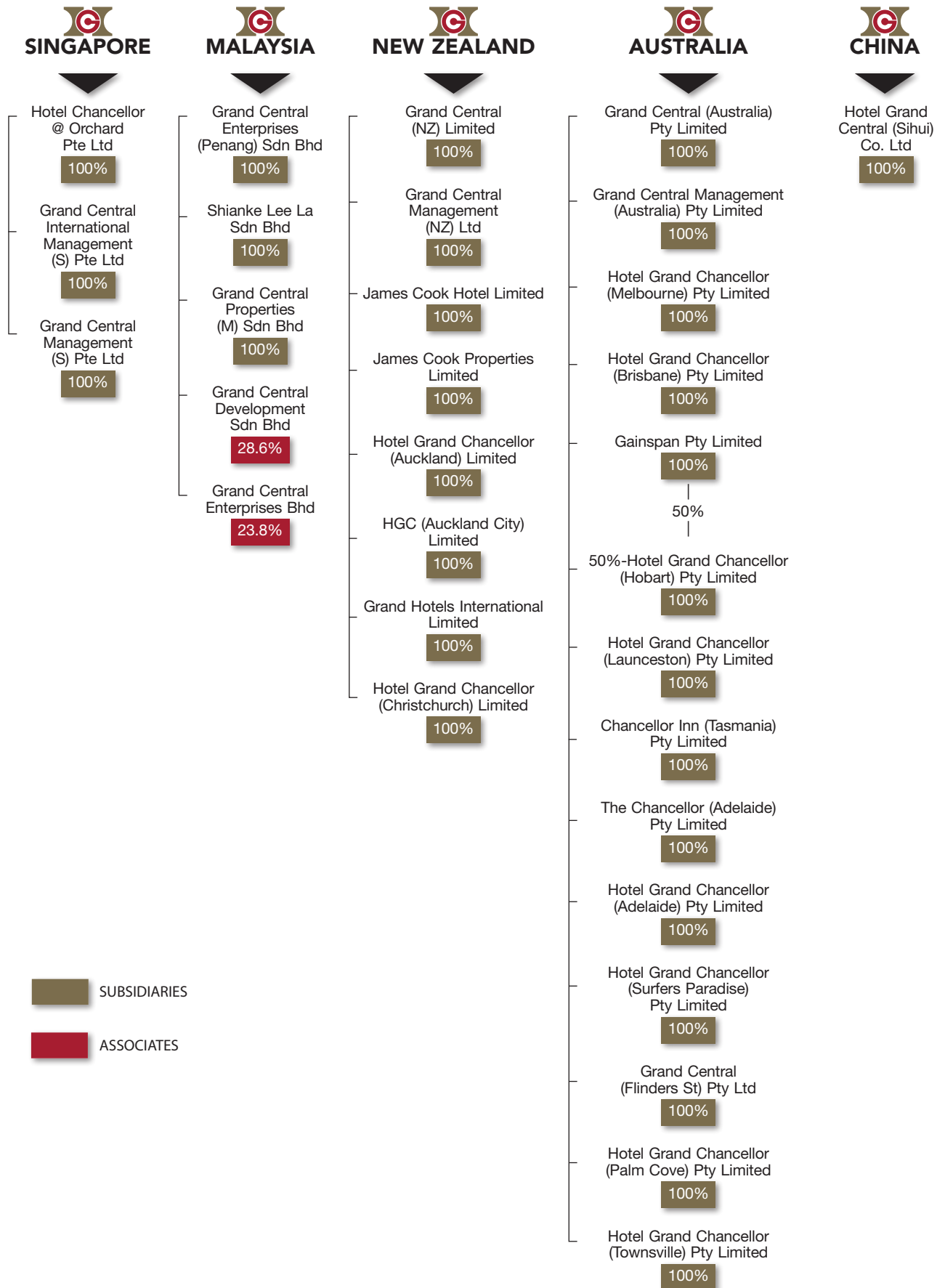
The Group believes that the management of environmental, social and governance ("ESG") factors is crucial in ensuring the sustainability and growth of the business in the long run.

The Group intends to publish its standalone FY2023 Sustainability Report on or before 30 April 2024. The Sustainability Report comprises information relating to the Group's sustainability approach and governance, material ESG factors that are relevant to our business and stakeholders, the policies and processes in place to monitor these factors as well as the performance against each factor.

The Sustainability Report will be prepared with reference to the SGX-ST Listing Manual (Rules 711A and 711B), which incorporates guidelines from the SGX-ST Sustainability Reporting Guide set out in Practice Note 7.6. In line with SGX's enhanced requirements introduced in December 2021, the Group will also be preparing its climate-related disclosures consistent with the recommendations of the Task Force on Climate Related Financial Disclosures ("TCFD"). The Sustainability Report is also prepared with reference to the internationally recognized framework, the Global Reporting Initiatives ("GRI") Universal Standards.

The Sustainability Report will be publicly accessible on SGXNet as well as the Group's website.

CORPORATE STRUCTURE

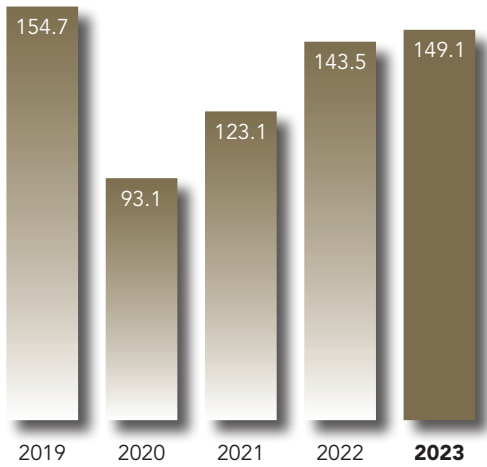


 SUBSIDIARIES

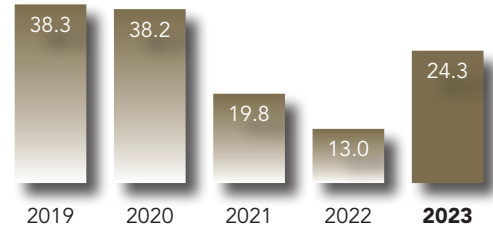
 ASSOCIATES

FINANCIAL STATISTICS & CHARTS

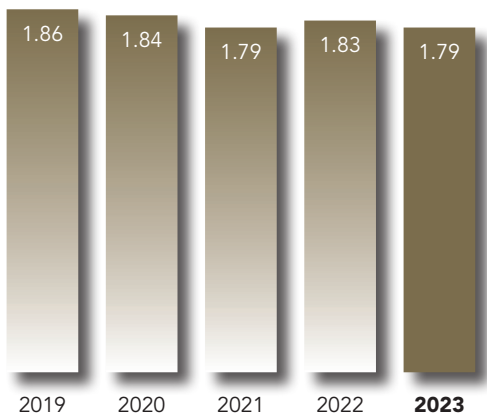
TURNOVER (\$ MILLION)



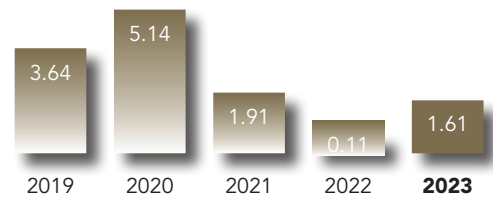
PROFIT BEFORE TAX (\$ MILLION)



NET ASSETS PER SHARE (\$)



NET EARNINGS PER SHARE (CENTS)



Profit & Loss (\$ Million)

	2019	2020	2021	2022	2023
Turnover	154.7	93.1	123.1	143.5	149.1
Profit Before Tax	38.3	38.2	19.8	13.0	24.3
Profit After Tax	26.5	37.3	14.0	0.8	11.9

Balance Sheet (\$ Million)

	2019	2020	2021	2022	2023
Total Assets	1,581.4	1,530.1	1,497.6	1,551.2	1,555.2
Paid Up Capital	502.5	502.5	515.0	515.0	515.0
Share Capital & Reserve	1,350.0	1,334.5	1,320.8	1,350.0	1,324.7

Selected Ratios

	2019	2020	2021	2022	2023
Net Earnings Per Share (Cents)	3.64	5.14	1.91	0.11	1.61
Ordinary Dividends Per Share (Cents)	4.00	2.00	1.00	2.00	2.00
Net Assets Per Share (\$)	1.86	1.84	1.79	1.83	1.79

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Hotel Grand Central Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity 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 and changes in equity of the Company for the year ended on that date, and
- (ii) 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:

Tan Eng Teong	(Chairman/Managing Director)
Tan Teck Lin	(Executive Director)
Tan Hwa Lian	(Executive Director)
Tan Eng How	
Fang Swee Peng	
Tan Kok Aun	
Lim Thian Loong	
Hui Chiu Fung	

In accordance with Regulation 120 of the Company's Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Tan Eng How, Tan Kok Aun and Lim Thian Loong retire, and being eligible, offer themselves re-election.

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 the 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 IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company as stated below:

	Direct interest			Deemed interest		
	At the beginning of financial year	At the end of financial year	At 21 January 2024	At the beginning of financial year	At the end of financial year	At 21 January 2024
The Company						
Ordinary shares						
Tan Eng Teong	43,139	43,139	43,139	480,858,038	480,858,038	480,858,038
Tan Teck Lin	–	–	–	456,732,253	456,732,253	456,732,253
Tan Hwa Lian	6,661	6,661	6,661	–	–	–
Tan Eng How	1,259,742	1,259,742	1,259,742	433,085,962	433,085,962	433,085,962
Fang Swee Peng	673,396	673,396	673,396	–	–	–

DIRECTORS' STATEMENT

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

By virtue of Section 7 of the Companies Act 1967, Tan Eng Teong, Tan Teck Lin and Tan Eng How are deemed to have an interest in the shares held by the Company in all its subsidiaries.

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

SHARE OPTIONS

No share options have been granted by the Company since its incorporation.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") comprises three board members, all of whom are non-executive and independent directors. The members of the ARC, during the financial year and at the date of this report, are:

Tan Kok Aun (Chairman)
Fang Swee Peng
Lim Thian Loong

The ARC carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the semi-annual and annual financial statements and the auditors' report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational, compliance, information technology controls and risk management via reviews carried out by the internal auditor;
- Met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- Reviewed the nature and extent of non-audit services provided by the external auditors;
- Recommended to the board of directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope and results of the audit;
- Reported actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Manual.

DIRECTORS' STATEMENT

AUDIT AND RISK COMMITTEE (CONT'D)

The ARC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The ARC has also conducted a review of interested person transactions.

The ARC convened two meetings during the year with full attendance from all members. The ARC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARC are disclosed in the Corporate Governance Report.

AUDITORS

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Tan Eng Teong
Director

Tan Teck Lin
Director

Singapore
12 April 2024

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOTEL GRAND CENTRAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hotel Grand Central Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the 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 information.

In our opinion, the accompanying consolidated financial statements of the Group, and the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") 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 and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current 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.

(a) Carrying value of hotel assets

The Group is the owner of several hotels in Australia, New Zealand, Singapore, China and Malaysia. The total carrying amount of the hotel assets subject to periodic revaluation comprised 86% of the total non-current assets as at 31 December 2023, and are disclosed in Note 6 to the consolidated financial statements. The Group's policy is to carry these hotel assets at revalued cost less accumulated depreciation and any accumulated impairment losses, with an asset revaluation exercise carried out once every three years to ensure the carrying amount does not differ materially from the fair value of the hotel assets at the end of the reporting period.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

Key Audit Matters (cont'd)

(a) Carrying value of hotel assets (cont'd)

Management reviews the carrying value of the hotel assets and assesses if there are any material changes in the carrying value of hotel assets and triggering events for potential impairment by considering individual hotel asset's operating performance and evaluating if the hotel's performance is in line with the assumptions applied in the most recent hotel valuation cycle. For certain hotel assets where there were changes in market and economic conditions since the date of last external valuation, management engaged external professional valuers to update the fair value of these selected hotel assets as at 31 December 2023. The carrying value of the hotel assets is significant to our audit due to their magnitude, significant judgement required and sensitivity of the assumptions used by the external professional valuers and management. Such assumptions focus predominantly on future hotel operating performance, which is, amongst others, dependent on the expected occupancy rates, average room rates, hotel operating expenses, revenue growth rates, discount rates, capitalisation rates and terminal yield rates applied to arrive at the carrying value of the hotel assets. Management assesses, on an annual basis, whether there are triggering events indicating potential impairment. Management then applies its judgement in the assessment of the recoverability of the amounts invested in the hotel assets.

Our audit procedures included, amongst others, an evaluation of the Group's policies and procedures to identify any material changes in the carrying value of hotel assets and triggering events for potential impairment. We validated management's main cash flow assumptions and corroborated them by comparing them to internal forecasts, long term and strategic plans as well as historic trend analyses. We considered the objectivity, independence and expertise of the external professional valuers and assessing the appropriateness of the valuation models and assumptions used by the external professional valuers for the selected hotel assets. In addition, we involved our internal real estate valuation specialists to assist us in validating the appropriateness of the valuation models and assumptions used by management by considering the valuation methodologies adopted for similar property types, and with reference to historical information, recent actual financial performance of the properties, recent transacted prices of comparable properties and industry data (where available). We also assessed the adequacy of the disclosures to Note 6 and 28 to the financial statements relating to the assumptions, given the estimation uncertainty and sensitivity of the valuations.

(b) Valuation of investment properties

Investment properties represent 12% of non-current assets as at 31 December 2023. The carrying amount of the Group's investment properties are disclosed in Note 7 to the financial statements. The valuation of these assets is significant to our audit due to their magnitude, their complexity and dependence on a range of estimates (amongst others, rental value, occupancy rates, revenue growth rates, discount rates, capitalisation rates and terminal yield rates) made by management as well as the external professional valuers.

Management uses external professional valuers to support its determination of the individual fair value of the investment properties annually. Our audit procedures included amongst others, considering the objectivity, independence and expertise of the external professional valuers, and assessing the appropriateness of the valuation models and assumptions used by the external professional valuers. In addition, we involved our internal real estate valuation specialists to assist us in validating the appropriateness of the valuation models and assumptions used by management by considering the valuation methodologies adopted for similar property types, and with reference to historical information, recent actual and expected financial performance of the properties, recent transacted prices of comparable properties and industry data (where available). We also assessed the adequacy of the disclosures to Note 7 and 28 to the financial statements relating to the assumptions, given the estimation uncertainty and sensitivity of the valuations.

Other Information

Management is responsible for 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

Other Information (cont'd)

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 misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

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.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Lim Huijing Amanda.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
12 April 2024

BALANCE SHEETS

As at 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Equity attributable to owners of the Company			
Share capital	4	515,009	515,009
Reserves	5	809,698	835,000
Total equity		<u>1,324,707</u>	<u>1,350,009</u>
Non-current assets			
Property, plant and equipment	6	1,066,705	1,060,655
Investment properties	7	145,942	157,310
Goodwill		619	626
Investments in associates	9	5,969	5,451
Investment securities	11	21,999	20,657
		<u>1,241,234</u>	<u>1,244,699</u>
Current assets			
Prepaid operating expenses		3,191	1,984
Inventories	12	863	889
Trade and other receivables	13	7,696	6,104
Cash and short-term deposits	14	302,221	297,524
		<u>313,971</u>	<u>306,501</u>
Current liabilities			
Trade and other payables	15	12,775	16,461
Accrued operating expenses		5,619	2,920
Lease liabilities	16	71	66
Loans and borrowings	17	58,548	21,670
Deferred income		446	517
Income tax payable		3,559	5,053
		<u>81,018</u>	<u>46,687</u>
Net current assets		232,953	259,814
Non-current liabilities			
Deferred tax liabilities	10	140,383	145,218
Lease liabilities	16	9,097	9,286
		<u>149,480</u>	<u>154,504</u>
Net assets		<u>1,324,707</u>	<u>1,350,009</u>

BALANCE SHEETS
As at 31 December 2023

	Note	Company	
		2023 \$'000	2022 \$'000
Equity attributable to owners of the Company			
Share capital	4	515,009	515,009
Reserves	5	223,723	212,521
Total equity		<u>738,732</u>	<u>727,530</u>
Non-current assets			
Property, plant and equipment	6	257,395	259,611
Investments in subsidiaries	8	356,366	356,366
Investments in associates	9	7,531	7,888
Investment securities	11	21,999	20,657
		<u>643,291</u>	<u>644,522</u>
Current assets			
Prepaid operating expenses		173	155
Inventories	12	13	12
Trade and other receivables	13	1,919	1,349
Cash and short-term deposits	14	112,142	99,584
		<u>114,247</u>	<u>101,100</u>
Current liabilities			
Trade and other payables	15	5,389	5,134
Accrued operating expenses		1,262	1,100
Lease liabilities	16	11	18
Income tax payable		928	775
		<u>7,590</u>	<u>7,027</u>
Net current assets		106,657	94,073
Non-current liabilities			
Deferred tax liabilities	10	11,214	11,051
Lease liabilities	16	2	14
		<u>11,216</u>	<u>11,065</u>
Net assets		<u>738,732</u>	<u>727,530</u>

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

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Revenue			
Hotel operations	18	137,557	130,365
Rental income from investment properties	18	11,569	13,145
Total revenue		<u>149,126</u>	<u>143,510</u>
Other income	19	1,423	1,026
		<u>150,549</u>	<u>144,536</u>
Costs and expenses			
Staff costs	20	(48,460)	(44,276)
Depreciation of property, plant and equipment	6	(21,570)	(20,552)
Operating costs and expenses	21	(56,074)	(51,260)
Reversal of impairment loss on investment in an associated company	19	1,818	499
Profit from operating activities before revaluation and fair value adjustment		<u>26,263</u>	<u>28,947</u>
Revaluation deficit on property, plant and equipment		–	(1,633)
Fair value loss on investment properties	7	(9,766)	(10,330)
Profit from operating activities		<u>16,497</u>	<u>16,984</u>
Finance costs	22	(360)	(404)
Interest income from fixed deposits		9,906	3,755
Foreign exchange loss		(1,335)	(7,110)
Share of results of associates		(392)	(226)
Profit before tax		<u>24,316</u>	<u>12,999</u>
Income tax expense	23	(12,443)	(12,154)
Profit net of tax and attributable to owners of the Company		<u>11,873</u>	<u>845</u>
Earnings per share attributable to owners of the Company (cents per share)			
Basic	24	<u>1.61</u>	<u>0.11</u>
Diluted	24	<u>1.61</u>	<u>0.11</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Group	
	2023	2022
	\$'000	\$'000
Profit net of tax	11,873	845
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Net (deficit)/gain on revaluation of hotel assets, net of tax	(13,174)	84,172
Net gain on fair value changes of equity instruments at fair value through other comprehensive income ("FVOCI")	1,259	1,121
	<u>(11,915)</u>	<u>85,293</u>
Item that may be reclassified subsequently to profit or loss		
Foreign currency translation	(10,471)	(49,517)
	<u>(10,471)</u>	<u>(49,517)</u>
Other comprehensive income for the year, net of tax	<u>(22,386)</u>	<u>35,776</u>
Total comprehensive income for the year and attributable to owners of the Company	<u>(10,513)</u>	<u>36,621</u>

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Note	Attributable to equity holders of the Company					Total equity	
		Share capital	Retained earnings	Asset revaluation reserve	Fair value adjustment reserve	Foreign currency translation reserve		Other reserve
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2023		515,009	290,841	700,590	4,693	(162,556)	1,432	1,350,009
Profit net of tax		-	11,873	-	-	-	-	11,873
<u>Other comprehensive income for the year</u>								
Net gain on revaluation of hotel assets, net of tax		-	-	(13,174)	-	-	-	(13,174)
Net gain on fair value changes of equity instruments at fair value through other comprehensive income		-	-	-	1,259	-	-	1,259
Foreign currency translation		-	-	-	-	(10,471)	-	(10,471)
Total comprehensive income for the year		-	11,873	(13,174)	1,259	(10,471)	-	(10,513)
<u>Distributions to owners</u>								
Cash dividends	25	-	(14,789)	-	-	-	-	(14,789)
Balance at 31 December 2023		515,009	287,925	687,416	5,952	(173,027)	1,432	1,324,707

Group

Balance at 1 January 2022		515,009	297,614	616,418	3,348	(113,039)	1,432	1,320,782
Profit net of tax		-	845	-	-	-	-	845
<u>Other comprehensive income for the year</u>								
Net gain on revaluation of hotel assets, net of tax		-	-	84,172	-	-	-	84,172
Net gain on fair value changes of equity instruments at fair value through other comprehensive income		-	-	-	1,121	-	-	1,121
Foreign currency translation		-	-	-	-	(49,517)	-	(49,517)
Total comprehensive income for the year		-	845	84,172	1,121	(49,517)	-	36,621
<u>Distributions to owners</u>								
Cash dividends	25	-	(7,394)	-	-	-	-	(7,394)
<u>Others</u>								
Transfer upon disposal of equity instruments at FVOCI		-	(224)	-	224	-	-	-
Balance at 31 December 2022		515,009	290,841	700,590	4,693	(162,556)	1,432	1,350,009

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Company	Note	Share capital \$'000	Retained earnings \$'000	Asset revaluation reserve \$'000	Fair value adjustment reserve \$'000	Total equity \$'000
Balance at 1 January 2023		515,009	8,077	199,751	4,693	727,530
Profit net of tax		–	24,494	–	–	24,494
<i>Other comprehensive income for the year</i>						
Net gain on revaluation of hotel asset, net of tax		–	–	238	–	238
Net gain on fair value changes of equity instruments at fair value through other comprehensive income		–	–	–	1,259	1,259
Total comprehensive income for the year		–	24,484	238	1,259	25,991
<i>Distributions to owners</i>						
Cash dividends	25	–	(14,789)	–	–	(14,789)
Balance at 31 December 2023		515,009	17,782	199,989	5,952	738,732
Company						
Balance at 1 January 2022		515,009	15,166	181,863	3,348	715,386
Profit net of tax		–	529	–	–	529
<i>Other comprehensive income for the year</i>						
Net gain on revaluation of hotel asset, net of tax		–	–	17,888	–	17,888
Net gain on fair value changes of equity instruments at fair value through other comprehensive income		–	–	–	1,121	1,121
Total comprehensive income for the year		–	529	17,888	1,121	19,538
<i>Distributions to owners</i>						
Cash dividends	25	–	(7,394)	–	–	(7,394)
<i>Others</i>						
Transfer upon disposal of equity instruments at FVOCI		–	(224)	–	224	–
Balance at 31 December 2022		515,009	8,077	199,751	4,693	727,530

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2023

	Group	
	2023 \$'000	2022 \$'000
Operating activities		
Profit before tax	24,316	12,999
Adjustments for:		
Depreciation of property, plant and equipment	21,570	20,552
Fair value loss on investment properties	9,766	10,330
Dividend income from investment securities	(1,371)	(951)
Reversal of impairment loss on investment in an associate	(1,818)	(499)
Loss on disposal of property, plant and equipment	(1)	42
Revaluation deficit on property, plant and equipment	–	1,633
Finance costs	360	404
Interest income from fixed deposits	(9,906)	(3,755)
Foreign exchange loss	1,335	7,110
Share of results of associates	392	226
Operating cash flows before changes in working capital	44,643	48,091
Decrease/(increase) in inventories	17	(132)
(Increase)/decrease in trade and other receivables	(1,658)	4,522
Increase in prepaid operating expenses	(1,231)	(252)
(Decrease)/increase in trade and other payables	(3,572)	4,716
Increase in accrued operating expenses	2,719	679
Cash flows from operations	40,918	57,624
Interest received	9,906	3,755
Interest paid	(31)	(133)
Income taxes paid	(10,841)	(17,919)
Net cash flows generated from operating activities	39,952	43,327
Investing activities		
Dividend income from investment securities	1,371	951
Proceeds from disposal of investment securities	–	517
Proceeds from disposal of investment properties	–	79,224
Proceeds from disposal of property, plant and equipment	–	17
Purchase of property, plant and equipment	(53,840)	(35,085)
Purchase of investment securities	(83)	(164)
Additions to investment properties	(1,041)	(1,044)
Net cash flows (used in)/generated from investing activities	(53,586)	44,416

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2023

	Group	
	2023	2022
	\$'000	\$'000
Financing activities		
Cash dividends paid on ordinary shares	(14,789)	(7,394)
Repayments of loans and borrowings	–	(11,046)
Repayment of lease liabilities	(407)	(378)
Proceeds from term loan	37,220	19,121
Placement of restricted cash – fixed deposits pledged for bank loan and credit facility	(12,986)	–
Net cash flows generated from financing activities	9,038	303
Net (decrease)/increase in cash and cash equivalents	(4,596)	88,046
Effect of exchange rate changes on cash and cash equivalents	(3,693)	(16,958)
Cash and cash equivalents at 1 January	246,050	174,962
Cash and cash equivalents at 31 December	237,761	246,050
Cash and cash equivalents at end of year comprise:		
Cash at bank and on hand	266,840	35,642
Short-term deposits	35,381	261,882
Cash and cash equivalents per balance sheets	302,221	297,524
Less: Fixed deposits pledged	(64,460)	(51,474)
Cash and cash equivalents at 31 December	237,761	246,050

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. CORPORATION INFORMATION

Hotel Grand Central Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

The registered office and principal place of business of the Company is located at 22 Cavenagh Road, Singapore 229617.

The principal activities of the Company consist of owning, operating and managing hotels. The principal activities of the subsidiaries and associates are disclosed in Note 8 and Note 9 respectively to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS (I)”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”) and all values in are rounded to the nearest thousand (“\$’000”), except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

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 amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have a material effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-7/ FRS 7 and SFRS(I) 7/ FRS 107: <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to SFRS(I) 1-21/ FRS 21, SFRS(I) 1/ FRS 101: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollars ("SGD"), which is also 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.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land, leasehold land (acquired and owned) and hotel buildings and improvements are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.15. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 *Property, plant and equipment (cont'd)*

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land, leasehold land (acquired and owned), and hotel buildings and improvements are measured at fair value less accumulated depreciation on leasehold land (acquired and owned) and hotel buildings and improvements and impairment losses recognised after the date of the revaluation. Valuations are performed at least once every three years to ensure that the carrying amount does not differ materially from the fair value of the freehold land, leasehold land (acquired and owned) and hotel buildings and improvements at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land (acquired and owned)	: 35 to 99 years
Hotel buildings and improvements	: 50 years
Furniture, fixtures and office equipment	: 2 to 13 years
Property, equipment and electrical fittings	: 10 years
Kitchen and room equipment	: 4 years
Motor vehicles	: 5 to 10 years

The remaining useful lives of leasehold land (acquired and owned) range from 20 years to 54 years (2022: 21 years to 55 years).

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

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. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

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

2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 *Associates*

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 those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

Under the equity method, the investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained interest at its fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2.11 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

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

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income and fair value through profit or loss. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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.

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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a 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.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 *Employee benefits*

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Group make contributions to the defined contribution pension schemes, including Central Provident Fund scheme in Singapore, Superannuation in Australia and New Zealand Superannuation in New Zealand. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.17 *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 representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased 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 shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land (New Zealand)	20 years
Building (New Zealand)	5 years
Furniture, fixtures and office equipment	4 to 5 years

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. The accounting policy for impairment is disclosed in Note 2.8.

Right-of-use assets are presented within property, plant and equipment (Note 6) and investment properties (Note 7).

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 (including in-substance 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 the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 *Leases (cont'd)*

(a) *As lessee (cont'd)*

Lease liabilities (cont'd)

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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (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 to leases that are considered to be low value. 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. 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. The accounting policy for rental income is set out in Note 2.18(b).

2.18 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Hotel operations*

Room revenue from rental of hotel rooms is recognised when the services are rendered.

Food and beverage income is recognised when the goods are delivered to the customer.

Other hotel operations revenue comprises income from the operation of hotel and facilities therein and is recognised as and when goods and services are provided.

(b) *Rental income from investment properties*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. 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.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 *Taxes (cont'd)*

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.20 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 *Share capital and share issuance expenses*

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

2.22 *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 balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.1 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statement was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Carrying value of hotel assets*

The Group and Company carries its hotel assets at revalued cost less accumulated depreciation and any accumulated impairment losses, with an asset revaluation exercise carried out once every three years to ensure the carrying amount does not differ materially from the fair value of the hotel assets at the end of the reporting period. Management reviews the carrying value of the hotel assets and assesses if there are any material changes in the carrying value of hotel assets and triggering event for potential impairment by considering individual hotel asset's operating performance and evaluating if the hotel's performance is in line with the assumptions applied in the most recent hotel valuation cycle. Management assesses, on an annual basis, whether there are triggering events indicating potential impairment. Management then applies its judgement in the assessment of the recoverability of the amounts invested in the hotel assets.

The fair values of hotel assets are determined by external professional valuers using recognised valuation techniques. These techniques comprise the Discounted Cash Flow Method, the Capitalisation Method and the Direct Comparison Method.

The key assumptions used to determine the fair values of the hotel assets predominantly focusing on future hotel operating performance, which is, amongst others, dependent on the expected occupancy rates, average room rates, hotel operating expenses, revenue growth rates, discount rates, capitalisation rates and terminal yield rates applied to arrive at the valuation of the hotel assets. These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount of the Group's hotel properties at the end of the reporting period is disclosed in Note 6 to the financial statements.

(b) *Valuation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The fair values of investment properties are determined by external professional valuers using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow Method and the Capitalisation Method.

The determination of the fair values of the investment properties require the use of estimates (amongst others, rental value, occupancy rates, revenue growth rates, discount rates, capitalisation rates and terminal yield rates). These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount and key assumptions used to determine the fair value of the investment properties are further explained in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. SHARE CAPITAL

	Group and Company			
	2023		2022	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares				
At 1 January and 31 December	739,426	515,009	739,426	515,009

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

5. RESERVES

(a) Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of freehold land, leasehold land (acquired and owned) and hotel buildings and improvements, net of related deferred tax, and decreases to the extent that such decrease relates to an increase in the same asset previously recognised in other comprehensive income.

(b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of investments in equity instruments designated at FVOCI until they are disposed of or impaired.

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(d) Other reserve

Other reserve comprises discount on acquisition of non-controlling interests.

Details of the above reserve accounts are disclosed in the statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

6. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation			At cost					Total \$'000
	Freehold land \$'000	Leasehold land \$'000	Hotel buildings and improvements \$'000	Construction- in-progress \$'000	Furniture, fixtures and office equipment \$'000	Property, equipment and electrical fittings \$'000	Kitchen and room equipment \$'000	Motor vehicles \$'000	
Cost or valuation									
At 1 January 2022	308,042	308,240	296,147	22,875	94,466	28,386	3,395	1,016	1,062,567
Additions	-	-	3,362	27,074	4,456	190	28	-	35,110
Disposals	-	-	(1)	(9)	(1,553)	(13)	-	-	(1,576)
Reclassification	-	-	817	(1,493)	676	-	-	-	-
Revaluation surplus	21,090	30,542	51,026	-	-	-	-	-	102,658
Elimination of accumulated depreciation on revaluation	-	(4,732)	(8,567)	-	-	-	-	-	(13,299)
Exchange differences	(8,558)	(138)	(16,965)	(1,815)	(6,175)	(326)	(12)	(18)	(34,007)
At 31 December 2022 and 1 January 2023	320,574	333,912	325,819	46,632	91,870	28,237	3,411	998	1,151,453
Additions	-	-	3,167	44,955	5,366	322	31	34	53,875
Disposals	-	-	-	-	(1,218)	-	(5)	-	(1,223)
Reclassification	-	-	2,645	(3,475)	830	-	-	-	-
Revaluation deficit	(2,702)	-	(17,523)	-	-	-	-	-	(20,225)
Elimination of accumulated depreciation on revaluation	-	(5,320)	(9,262)	-	-	-	-	-	(14,582)
Exchange differences	(1,498)	(55)	(3,520)	(732)	(930)	(57)	(11)	(5)	(6,808)
At 31 December 2023	316,374	328,537	301,326	87,380	95,918	28,502	3,426	1,027	1,162,490
Accumulated depreciation and impairment losses									
1 January 2022	-	-	-	-	69,962	16,498	3,301	883	90,644
Charge for the year	-	4,786	9,072	-	4,761	1,847	42	44	20,552
Disposals	-	-	-	-	(1,505)	(12)	-	-	(1,517)
Elimination of accumulated depreciation on revaluation	-	(4,732)	(8,567)	-	-	-	-	-	(13,299)
Exchange differences	-	(54)	(505)	-	(4,773)	(223)	(12)	(15)	(5,582)
At 31 December 2022 and 1 January 2023	-	-	-	-	68,445	18,110	3,331	912	90,798
Charge for the year	-	5,343	9,359	-	4,937	1,847	43	41	21,570
Disposals	-	-	-	-	(1,210)	(1)	(5)	-	(1,216)
Elimination of accumulated depreciation on revaluation	-	(5,320)	(9,262)	-	-	-	-	-	(14,582)
Exchange differences	-	(23)	(97)	-	(599)	(51)	(11)	(4)	(785)
At 31 December 2023	-	-	-	-	71,573	19,905	3,358	949	95,785
Net carrying amount									
At 31 December 2022	320,574	333,912	325,819	46,632	23,425	10,127	80	86	1,060,655
At 31 December 2023	316,374	328,537	301,326	87,380	24,345	8,597	68	78	1,066,705

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

Company	At valuation		At cost				Total \$'000
	Freehold land \$'000	Hotel buildings and improvements \$'000	Furniture, fixtures and office equipment \$'000	Property, equipment and electrical fittings \$'000	Kitchen and room equipment \$'000	Motor vehicles \$'000	
Cost or valuation							
At 1 January 2022	192,000	42,092	3,664	11,797	1,079	789	251,421
Additions	-	4	2	-	2	-	8
Revaluation surplus	12,000	6,850	-	-	-	-	18,850
Elimination of accumulated depreciation on revaluation	-	(1,000)	-	-	-	-	(1,000)
At 31 December 2022 and 1 January 2023	204,000	47,946	3,666	11,797	1,081	789	269,279
Additions	-	18	1	-	16	-	35
Disposal	-	-	-	-	(5)	-	(5)
Elimination of accumulated depreciation on revaluation	-	(1,133)	-	-	-	-	(1,133)
At 31 December 2023	204,000	46,831	3,667	11,797	1,092	789	268,176
Accumulated depreciation							
At 1 January 2022	-	-	2,224	4,560	1,067	696	8,547
Charge for the year	-	1,000	338	742	7	34	2,121
Elimination of accumulated depreciation on revaluation	-	(1,000)	-	-	-	-	(1,000)
At 31 December 2022 and 1 January 2023	-	-	2,562	5,302	1,074	730	9,668
Charge for the year	-	1,133	336	740	9	33	2,251
Disposal	-	-	-	-	(5)	-	(5)
Elimination of accumulated depreciation on revaluation	-	(1,133)	-	-	-	-	(1,133)
At 31 December 2023	-	-	2,898	6,042	1,078	763	10,781
Net carrying amount							
At 31 December 2022	204,000	47,946	1,104	6,495	7	59	259,611
At 31 December 2023	204,000	46,828	758	5,765	18	26	257,395

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

Revaluation of land and buildings

In 2023, external professional valuers were engaged to update the fair value of the selected hotel assets in view of the changes in the market and economic conditions since the date of the last external valuation. The Group recognised a net valuation decrement of \$20,225,000 (2022: net valuation surplus of \$102,658,000) on the Group's hotel assets based on valuations performed by external professional valuers. In 2022, there was an impairment on hotel assets of \$1,633,000 recognised in profit or loss in relation to the valuation decrement of Hotel Grand Chancellor, Townsville.

For those hotel assets with no external professional valuers were involved, the management reviewed the carrying values of the hotel assets and performed an internal valuation. As the actual performance of these hotel assets are in correspondence with the assumptions used in last external valuation (e.g., occupancy rates, revenue growth rates and average room rates), the carrying amount of these hotel assets does not differ materially from its fair value at the end of the reporting period.

Details of valuation techniques and inputs used are disclosed in Note 28(c).

If the freehold land, leasehold land (acquired and owned) and hotel buildings and improvements were measured using the cost model, the carrying amounts would be as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Freehold land at 31 December:				
Cost and net carrying amount	43,791	44,322	2,749	2,749
Leasehold land at 31 December:				
Cost	121,376	121,431	-	-
Accumulated depreciation	(21,109)	(19,225)	-	-
Net carrying amount	100,267	102,206	-	-
Hotel buildings and improvements at 31 December:				
Cost	298,414	295,932	33,030	33,030
Accumulated depreciation	(93,540)	(88,641)	(5,521)	(4,860)
Net carrying amount	204,874	207,291	27,509	28,170

Cash flows during the year

During the current financial year, the cash outflow on acquisition of property, plant and equipment amounted to \$53,840,000 (2022: \$35,085,000).

Assets acquired under leasing arrangements

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a).

Borrowing costs capitalised within property, plant and equipment

During the current financial year, an amount of \$800,645 (2022: \$133,000) borrowing costs have been capitalised on property, plant and equipment construction-in-progress as it is part of the cost of qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. INVESTMENT PROPERTIES/ASSETS HELD FOR SALE

	Group	
	2023 \$'000	2022 \$'000
<u>Investment properties</u>		
At 1 January	157,310	156,356
Additions	1,041	6,170
Lease incentive	–	(81)
Net loss from fair value adjustments recognised in profit or loss	(9,766)	(10,330)
Exchange differences	(2,643)	(12,141)
Completed investment properties	145,942	139,974
Less: Classified from assets held for sale	–	17,336
At 31 December	<u>145,942</u>	<u>157,310</u>
<u>Assets held for sale</u>		
At 1 January	–	98,056
Classified to investment properties	–	(17,336)
Disposals	–	(79,224)
Exchange differences	–	(1,496)
At 31 December	<u>–</u>	<u>–</u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Investment properties comprise commercial properties that are leased to third parties on operating leases.

Investment properties are stated at fair value which has been determined based on valuations performed at the end of the reporting period. The valuations were performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of properties being valued. The valuations are determined based on the Capitalisation Method and Discounted Cash Flow Method. Details of the valuation techniques and inputs used are disclosed in Note 28(c).

In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuations were carried out by the following independent valuers:

Country	2023 Valuer	2022 Valuers
New Zealand	<ul style="list-style-type: none"> • Coldwell Banker Richard Ellis Limited (“CBRE”) 	<ul style="list-style-type: none"> • Coldwell Banker Richard Ellis Limited (“CBRE”) • Savills (NZ) Limited

The property rental income earned by the Group for the year ended 31 December 2023 from its investment properties, all of which are leased out under operating leases, amounted to \$11,569,000 (2022: \$13,145,000). Direct operating expenses (including repairs and maintenance) arising on the rental-earning investment properties amounted to \$4,017,000 (2022: \$4,345,000).

In 2021, the Group classified one of its investment properties amounted to \$17,336,000 (New Zealand Dollar ('NZD') 20,400,000) which are Fonterra House, New Zealand under assets held for sale and recorded at fair value less cost to sell. Fonterra House, New Zealand was contracted for sale on 23 December 2021 but the sale was not completed as at year ended 31 December 2021 and subsequently the contract was lapsed as the vendor was unable to secure finance by the due date. This asset held for sale was reclassified to investment property during the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	\$'000	\$'000
Shares, at cost	360,286	348,656
Addition	–	11,630
Impairment loss	(3,920)	(3,920)
	356,366	356,366

During the financial year ended 31 December 2022, the Company subscribed additional 13,000,000 ordinary shares at NZD1.00 each in Grand Central (NZ) Limited, equivalent to NZD11,630,000.

(a) Subsidiary companies

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2023	2022
			%	%
Held by the Company				
(1) Hotel Chancellor @ Orchard Pte Ltd	Hotel operations	Singapore	100	100
(1) Grand Central International Management (S) Pte Ltd	Dormant	Singapore	100	100
(1) Grand Central Management (S) Pte Ltd	Provision of marketing and support services	Singapore	100	100
(3) Grand Central Enterprises (Penang) Sdn Bhd	Hotel operations	Malaysia	100	100
(4) Grand Central Properties (M) Sdn Bhd	Under liquidation	Malaysia	100	100
(2) Grand Central (Australia) Pty Ltd	Hotel operations	Australia	100	100
(2) Grand Central (NZ) Ltd	Commercial property investment	New Zealand	100	100
(3) Hotel Grand Central (Sihui) Co., Ltd (“HGC Sihui”)	Hotel operations	China	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Subsidiary companies (cont'd)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2023 %	2022 %
Held through subsidiaries				
⁽³⁾ Shianke Lee La Sdn Bhd	Hotel operations	Malaysia	100	100
⁽²⁾ Grand Central Management (NZ) Ltd	Provision of management services	New Zealand	100	100
⁽²⁾ Hotel Grand Chancellor (Christchurch) Ltd	Property investment	New Zealand	100	100
⁽²⁾ Hotel Grand Chancellor (Auckland) Ltd	Hotel operations	New Zealand	100	100
⁽²⁾ James Cook Hotel Ltd	Hotel operations	New Zealand	100	100
⁽²⁾ James Cook Properties Ltd	Property investment	New Zealand	100	100
⁽²⁾ Grand Hotels International Ltd	Dormant	New Zealand	100	100
⁽²⁾ Hotel Grand Chancellor (Auckland City) Ltd	Hotel operations	New Zealand	100	100
⁽²⁾ Gainspan Pty Ltd	Investment holding	Australia	100	100
⁽²⁾ Grand Central Management (Australia) Pty Ltd	Dormant	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Brisbane) Pty Ltd	Hotel operations	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Hobart) Pty Ltd	Hotel operations	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Melbourne) Pty Ltd	Hotel operations	Australia	100	100
⁽²⁾ Chancellor Inn (Tasmania) Pty Ltd	Dormant	Australia	100	100
⁽²⁾ The Chancellor (Adelaide) Pty Ltd	Hotel operations	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Townsville) Pty Ltd	Hotel operations	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Launceston) Pty Ltd	Hotel operations	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Adelaide) Pty Ltd	Hotel operations	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Surfers Paradise) Pty Ltd	Dormant	Australia	100	100
⁽²⁾ Grand Central (Flinders St) Pty Ltd	Commercial property investment	Australia	100	100
⁽²⁾ Hotel Grand Chancellor (Palm Cove) Pty Ltd	Hotel operations	Australia	100	100

⁽¹⁾ Audited by Ernst & Young LLP, Singapore.

⁽²⁾ Audited by member firms of Ernst & Young Global in the respective countries.

⁽³⁾ Audited by local CPA firms.

⁽⁴⁾ The company commenced voluntary liquidation procedures on 12 February 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. INVESTMENTS IN ASSOCIATES

The Group's investments in associates comprised:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Grand Central Enterprises Bhd	4,701	4,163	4,701	5,058
Grand Central Development Sdn Bhd	1,268	1,288	2,830	2,830
	5,969	5,451	7,531	7,888
Fair value of investment in an associate for which there is a published price quotation	4,701	5,058		

Details of the associates of the Group are set out below:

Name of associate	Principal activities	Country of incorporation	Effective equity held by the Group	
			2023 %	2022 %
Held by the Company				
⁽¹⁾ Grand Central Enterprises Bhd	Hotel operations	Malaysia	23.8	23.8
⁽¹⁾ Grand Central Development Sdn Bhd	Property development	Malaysia	28.6	28.6

⁽¹⁾ Audited by local CPA firms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. INVESTMENTS IN ASSOCIATES (CONT'D)

The summarised financial information of the associates, based on their IFRS financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements are as follows:

Summarised balance sheet

	Grand Central Enterprises Bhd		Grand Central Development Sdn Bhd	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets and liabilities:				
Current assets	14,265	16,572	8,499	8,857
Non-current assets	44,864	48,507	2	3
Total assets	<u>59,129</u>	<u>65,079</u>	<u>8,501</u>	<u>8,860</u>
Current liabilities	1,106	1,110	147	159
Non-current liabilities	2,582	3,100	-	-
Total liabilities	<u>3,688</u>	<u>4,210</u>	<u>147</u>	<u>159</u>
Net assets	55,441	60,869	8,353	8,701
Attributable to:				
- Non-controlling interests	367	419	3,920	4,198
- Associate's shareholders	<u>55,074</u>	<u>60,450</u>	<u>4,433</u>	<u>4,503</u>
Proportion of the Group's ownership	<u>23.8%</u>	<u>23.8%</u>	<u>28.6%</u>	<u>28.6%</u>
Group's share of net assets	13,107	14,387	1,268	1,288
Adjustment:				
- Impairment loss	(8,406)	(10,224)	-	-
	<u>4,701</u>	<u>4,163</u>	<u>1,268</u>	<u>1,288</u>

Summarised statement of comprehensive income

Revenue	<u>7,132</u>	<u>5,414</u>	<u>77</u>	<u>-</u>
(Loss)/profit net of tax, representing total comprehensive income for the year attributable to shareholders	<u>(1,894)</u>	<u>(799)</u>	<u>86</u>	<u>75</u>

Impairment testing of investment in an associated company

During the current financial year, management performed an updated impairment assessment for the investment in Grand Central Enterprises Bhd ("GCE Bhd"). Based on the impairment assessment for this investment, a reversal of impairment of \$1,818,000 (2022: reversal of impairment of \$499,000) had been recognised in the "reversal of impairment loss on investment in an associated company" line item of the profit or loss to reflect the investment in this associated company at its recoverable amount.

The recoverable amount was determined based on the fair value less costs to sell of the investment. The fair value less costs to sell was calculated using the open market trading price of GCE Bhd's shares on the Bursa Malaysia, less anticipated selling costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10. DEFERRED TAX

Deferred income tax at 31 December relates to the following:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred tax liabilities				
Differences in depreciation for tax purposes	(15,372)	(19,538)	(348)	(487)
Revaluations to fair value:				
- Land, hotel buildings and improvements	(118,970)	(121,045)	(3,643)	(3,881)
Unremitted income	(7,223)	(6,683)	(7,223)	(6,683)
Other items	(187)	75	-	-
	<u>(141,752)</u>	<u>(147,191)</u>	<u>(11,214)</u>	<u>(11,051)</u>
Less: Deferred tax assets				
Provisions and other liabilities	1,352	1,273	-	-
Unabsorbed capital allowances	-	237	-	-
Unutilised tax losses	17	463	-	-
	<u>1,369</u>	<u>1,973</u>	<u>-</u>	<u>-</u>
Net deferred tax liabilities	<u>(140,383)</u>	<u>(145,218)</u>	<u>(11,214)</u>	<u>(11,051)</u>

Unutilised tax losses and unabsorbed capital allowances

The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of undistributed earnings of overseas subsidiaries

At the end of the reporting period, no deferred tax liability has been recognised for withholding tax that would be payable on certain undistributed earnings of the overseas subsidiaries as the Group has determined that undistributed earnings of these overseas subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax has been recognised aggregate to approximately \$81,622,000 (2022: \$85,677,000) and the deferred tax liability is estimated at approximately \$4,081,000 (2022: \$4,284,000).

Tax consequences of proposed dividends

There are no income tax consequences (2022: \$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 25).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. INVESTMENT SECURITIES

	Group and Company	
	2023	2022
	\$'000	\$'000
FVOCI		
Equity shares (quoted), at fair value	21,999	20,657

Investments in equity instruments designated at FVOCI

	Group and Company	
	2023	2022
	\$'000	\$'000
Equity shares (quoted), at fair value		
- OCBC	20,194	18,920
- SingTel	432	450
- SPH REIT previously known as Paragon REIT	197	200
- Others	1,176	1,087
	21,999	20,657

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

During the financial year ended 31 December 2022, the Group disposed certain equity shares at FVOCI with fair value of \$517,000 due to mandatory share buy back. The cumulative gain arising from disposal of these equity shares of \$224,000 were transferred from fair value adjustment reserve to retained earnings (Note 5(b)).

The Group recognised dividends from the equity instruments of \$1,371,000 (2022: \$951,000) during the current financial year.

12. INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance sheet:				
Food and beverage	706	736	4	3
Sundry stores and consumables	156	153	9	9
	863	889	13	12
Income statement:				
Inventories recognised as an expense in stock consumables (Note 21(a))	8,391	7,408		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade and other receivables:				
Trade receivables	4,866	4,107	54	147
Amount due from subsidiaries	–	–	546	555
Deposits	254	198	56	42
Other receivables	2,576	1,799	1,263	605
	<hr/>	<hr/>	<hr/>	<hr/>
Total trade and other receivables	7,696	6,104	1,919	1,349
Add: Cash and short-term deposits (Note 14)	302,221	297,524	112,142	99,584
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets carried at amortised costs	<u>309,917</u>	<u>303,628</u>	<u>114,061</u>	<u>100,933</u>

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade receivables are denominated in the respective functional currencies of the entities in the Group.

Related party balances

Amount due from subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

Expected credit losses

Information on the Group and Company's allowance for expected credit loss is disclosed in Note 29.

14. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at banks and on hand	35,381	35,642	3,238	6,008
Short-term deposits	266,840	261,882	108,904	93,576
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents per balance sheets	302,221	297,524	112,142	99,584
Restricted cash – fixed deposits pledged	(64,460)	(51,474)	(64,403)	(51,413)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of the financial year	<u>237,761</u>	<u>246,050</u>	<u>47,739</u>	<u>48,171</u>

During the current financial year, the Group's restricted cash which comprises fixed deposit balances of \$64,460,000 (2022: \$51,474,000) were pledged to banks for bank loan and credit facility granted to subsidiaries. During the financial year, the Company's restricted cash which comprises fixed deposit balance of \$64,403,000 (2022: \$51,413,000) was pledged to a bank for bank loan granted to a fellow subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. CASH AND SHORT-TERM DEPOSITS (CONT'D)

Cash at banks

Cash at banks earn interest at floating rates based on daily bank deposit rates ranging from 2.75% to 4.35% (2022: 0.10% to 3.10%) per annum.

Short-term deposits

Short-term deposits of the Group and Company are placed with financial institutions, have an average maturity of up to 365 days (2022: 180 days) and effective interest rates ranging from 0.55% to 5.95% (2022: 0.01% to 4.02%) per annum.

Cash and short-term deposits denominated in foreign currencies are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Australian Dollar (AUD)	215,731	212,240	87,351	76,828
New Zealand Dollar (NZD)	14,342	13,402	911	890
Malaysian Ringgit (MYR)	20,502	21,560	5,451	5,602
Renminbi (RMB)	9,965	10,002	7,599	7,756
	<u>260,540</u>	<u>257,204</u>	<u>101,312</u>	<u>91,076</u>

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade and other payables:				
Trade payables	4,642	8,874	563	567
Other payables	6,401	5,637	144	92
Rental deposits received	938	1,141	18	7
Amounts due to associates	79	27	79	27
Amounts due to subsidiaries	–	–	4,396	4,220
Goods and Services Tax ('GST') payables	715	782	189	221
	<u>12,775</u>	<u>16,461</u>	<u>5,389</u>	<u>5,134</u>
Total trade and other payables				
Less:				
GST payables	(715)	(782)	(189)	(221)
	<u>12,060</u>	<u>15,679</u>	<u>5,200</u>	<u>4,913</u>
Total trade and other payables (exclude GST payables)				
Add:				
Accrued operating expenses	5,619	2,920	1,262	1,100
Lease liabilities (Note 16)	9,168	9,352	13	32
Loans and borrowings (Note 17)	58,548	21,670	–	–
	<u>85,395</u>	<u>49,621</u>	<u>6,475</u>	<u>6,045</u>
Total financial liabilities carried at amortised cost				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

15. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables/other payables

Trade payables/other payables are non-interest bearing and are denominated in the respective functional currencies of the entities in the Group.

Trade payables are normally settled on 60-days' terms. Other payables have an average term of 90 days.

Amounts due to associates

These amounts are non-trade in nature, unsecured, interest-free, repayable on demand and are to be settled in cash. Amounts due to associates are denominated in MYR.

Amounts due to subsidiaries

These amounts are non-trade in nature, unsecured, interest-free, repayable on demand and are to be settled in cash. An amount of \$938,000 (2022: \$1,157,000) is denominated in MYR.

16. LEASES

As lessee

The Group has lease contracts for building and furniture, fixtures and office equipment. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. There are lease contracts that include extension options which are further discussed below.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

Group	Building \$'000	Furniture, fixtures and office equipment \$'000	Total \$'000
At 1 January 2022	30	104	134
Additions	–	25	25
Depreciation	(9)	(66)	(75)
Exchange differences	(3)	(4)	(7)
At 31 December 2022 and 1 January 2023	18	59	77
Additions	–	35	35
Disposals	–	(2)	(2)
Depreciation	(9)	(23)	(32)
Exchange differences		(1)	(1)
At 31 December 2023	9	68	77

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. LEASES (CONT'D)

As lessee (cont'd)

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment (cont'd)

Company	Furniture, fixtures and office equipment \$'000
At 1 January 2022	20
Depreciation	<u>(8)</u>
At 31 December 2022 and 1 January 2023	12
Depreciation	<u>(8)</u>
At 31 December 2023	<u><u>4</u></u>

(b) Carrying amounts of right-of-use assets classified within investment properties

Group	Total \$'000
At 1 January 2022	4,529
Additions	5,126
Exchange difference	<u>(360)</u>
At 31 December 2022 and 1 January 2023	9,295
Exchange difference	<u>(146)</u>
At 31 December 2023	<u><u>9,149</u></u>

(c) Lease liabilities (investment properties)

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current	71	66	11	18
Non-current	9,097	9,286	2	14
	<u>9,168</u>	<u>9,352</u>	<u>13</u>	<u>32</u>

The Group's investment property JacksonStone House located at Wellington, New Zealand is situated on leased land parcels (refer to (b) and (c) above) with a perpetual renewal option. The corresponding leases are renewable at 21 year intervals and has no escalation clauses. In recognising right-of-use assets and lease liabilities, the Group assumes that the leases will be renewed in perpetuity.

The maturity analysis of lease liabilities is disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. LEASES (CONT'D)

As lessee (cont'd)

(d) Amounts recognised in consolidated statement of comprehensive income

	Group	
	2023 \$'000	2022 \$'000
Depreciation of right-of-use assets	32	75
Interest expense on lease liabilities (Note 22)	329	271
Lease expense not capitalised in lease liabilities:		
Expenses relating to leases of low value assets (included in operating costs and expenses)	22	45
	383	391
Total amount recognised in consolidated statement of comprehensive income	383	391

(e) Total cash outflows

The Group had total cash outflows for leases of \$367,000 (2022: \$378,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$36,000 (2022: \$5,151,000) during the financial year ended 31 December 2023.

As lessor

The Group has entered into commercial property leases and property leases on its investment properties (Note 7) and hotel portfolio as a lessor. These non-cancellable leases have remaining non-cancellable lease terms of between one year and ten years (2022: one year and ten years) with renewal options for some contracts but no escalation clauses included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Rental income from investment properties is disclosed in Note 18.

Future minimum lease receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2023 \$'000	2022 \$'000
Less than one year	10,487	11,543
Between two and five years	30,661	25,869
More than five years	10,778	13,903
	51,926	51,315
	51,926	51,315

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17. LOANS AND BORROWINGS

	Maturity	Group	
		2023 \$'000	2022 \$'000
Current:			
Short term bank loan (Note 17(a))	Within 1 year	58,548	21,670

(a) Short term bank loan

Details of the short term bank loan is as follows:

Subsidiaries

	Group	
	2023 \$'000	2022 \$'000
NZD loan to subsidiary in New Zealand - Short term bank loan (current)	58,548	21,670

The NZD short term revolving bank loan facility that was granted to a subsidiary in New Zealand was secured by a charge over certain fixed deposits of the Company (Note 14). The loan bears interest at 0.9% per annum above the bank's cost of funds. The effective interest rate ranged between 5.04% to 6.88% (2022: 1.68% to 5.32%) per annum. Interest is repriced at an interval of between one to three months.

(b) Reconciliation of liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:

	2023 \$'000	Cash flows \$'000	Non-cash items			2023 \$'000
			Accretion of interests \$'000	Additions \$'000	Foreign exchange movement \$'000	
Lease liabilities	9,352	(407)	329	35	(141)	9,168
Bank term loans						
- Current	21,670	37,220	-	-	(342)	58,548
	31,022	36,813	329	35	(483)	67,716

	2022 \$'000	Cash flows \$'000	Non-cash items			2022 \$'000
			Accretion of interests \$'000	Additions \$'000	Foreign exchange movement \$'000	
Lease liabilities	4,683	(378)	271	5,151	(375)	9,352
Bank term loans						
- Current	14,770	8,075	-	-	(1,175)	21,670
	19,453	7,697	271	5,151	(1,550)	31,022

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. REVENUE FROM HOTEL OPERATIONS AND RENTAL INCOME FROM INVESTMENT PROPERTIES

	Group	
	2023	2022
	\$'000	\$'000
Revenue from contracts with customers:		
- Hotel operations	137,557	130,365
Rental income from investment properties	11,569	13,145
	149,126	143,510

Disaggregation of revenue from contracts with customers**Segments**

	2023	2022
	\$'000	\$'000
Primary geographical markets		
Singapore	32,058	30,358
Malaysia	246	218
Australia	84,858	83,852
New Zealand	19,659	15,125
China	736	812
	137,557	130,365

Major product or service lines

Room revenue	102,522	98,498
Food and beverage income	30,538	25,596
Others	4,497	6,271
	137,557	130,365

Timing of transfer of goods or services

Over time	107,019	104,769
At a point in time	30,538	25,596
	137,557	130,365

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

19. OTHER INCOME AND EXPENSES

(a) Other income

	Group	
	2023	2022
	\$'000	\$'000
Dividend income from investment securities at FVOCI	1,371	951
Others	52	75
	<u>1,423</u>	<u>1,026</u>

(b) Reversal of impairment loss on investment in an associated company

	Group	
	2023	2022
	\$'000	\$'000
Reversal of impairment loss on investment in an associate (Note 9)	<u>1,818</u>	<u>499</u>

20. STAFF COSTS

	Group	
	2023	2022
	\$'000	\$'000
Wages, salaries and bonuses	40,025	36,654
CPF and pension contributions	3,664	3,256
Other benefits	4,771	4,458
Government grant income	–	(92)
	<u>48,460</u>	<u>44,276</u>

Other benefits include long service leave, payroll tax, work cover, employee meals, fringe benefit tax and annual leave.

Government grant income relates to temporary wage subsidy schemes introduced by the Governments to help enterprises retain employees in the respective countries the Group operates in, including the Jobs Support Scheme in Singapore, JobKeeper Scheme in Australia and Wage subsidy scheme in New Zealand. There is no government grant income from the temporary wage subsidy schemes for the financial year ended 31 December 2023 (2022: \$92,000).

Staff costs include directors' and executive officers' remuneration (Note 27(b)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

21. OPERATING COSTS AND EXPENSES

(a) *Hotel marketing and operating costs*

	Group	
	2023	2022
	\$'000	\$'000
Laundry expenses	5,568	4,938
Marketing expenses and commissions	9,946	8,620
Repair and maintenance expenses	7,946	7,620
Room daily supplies	1,129	1,135
Stock consumables (Note 12)	8,391	7,408
Utilities expenses	6,511	5,818
	39,491	35,539

(b) *Other operating expenses*

	Group	
	2023	2022
	\$'000	\$'000
Audit fees payable to:		
- Auditors of the Company	232	221
- Other auditors	345	389
Non-audit fees payable to:		
- Auditors of the Company	78	70
Corporate fee	394	405
Directors' fees payable to Directors of the Company	391	351
Loss on disposal of property, plant and equipment	1	42
Insurance expenses	4,301	3,716
Printing, postage and stationery	272	281
Professional fees	585	844
Property and land taxes	4,946	4,802
Rental expense	769	624
Telecommunication	183	190
Travelling	249	170
Administrative and general expenses	3,837	3,616
	16,583	15,721
Total operating costs and expenses	56,074	51,260

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. FINANCE COSTS

	Group	
	2023 \$'000	2022 \$'000
Interest expenses on:		
- Bank loans	31	133
- Lease liabilities (Note 16(d))	329	271
	360	404

23. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2023 and 2022 are:

	Group	
	2023 \$'000	2022 \$'000
Consolidated income statement:		
<i>Current income tax</i>		
- Current income taxation	9,452	19,466
- Over provision in respect of previous years	1	(276)
	9,453	19,190
<i>Deferred income tax</i>		
- Origination and reversal of temporary differences	2,943	(8,367)
- Under/(over) provision in respect of previous years	47	1,331
	2,990	(7,036)
Income tax expense recognised in profit or loss	12,443	12,154

Statement of comprehensive income:

Deferred income tax related to other comprehensive income:		
Reversal of deferred tax liability on net deficit on revaluation of hotel land and buildings	(6,935)	-
Deferred tax liability on net surplus on revaluation of hotel land and buildings	-	20,042
	(6,935)	20,042

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

23. INCOME TAX EXPENSE (CONT'D)

Relationship between tax expense and accounting profit

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 are as follows:

	Group	
	2023 \$'000	2022 \$'000
Profit before tax	24,316	12,999
Tax at the domestic rates applicable to profits in the countries where the Group operates	5,879	3,549
Adjustments:		
Non-deductible expenses (Note 10)	4,376	6,248
Income not subject to taxation	(232)	(202)
Effect of partial tax exemption	(128)	(52)
Under/(over) provision in respect of previous years		
- Current income tax	1	(276)
- Deferred tax	47	1,331
Share of results of associates	67	38
Others	2,433	1,518
Income tax expense recognised in profit or loss	12,443	12,154

The above reconciliation is prepared by aggregating the separate tax reconciliation for each national jurisdiction.

Non-deductible expenses mainly comprised tax effects on fair value loss of investment properties, foreign currency loss and depreciation of non-qualifying assets (2022: fair value loss of investment properties, revaluation deficit of hotel assets, foreign currency loss and depreciation of non-qualifying assets).

Unrecognised tax losses

The Group has deferred tax assets that have not been recognised due to uncertainty of their recoverability. The use of these balances is subject to the assessment of the relevant tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies in the Group operates, as follows:

	Group	
	2023 \$'000	2022 \$'000
Unutilised tax losses	204	171

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

As there were no share options and warrants granted, basic and diluted earnings per share are the same.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2023 \$'000	2022 \$'000
Profit net of tax attributable to owners of the Company	11,876	845
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	739,426	739,426

25. DIVIDENDS

	Group and Company	
	2023 \$'000	2022 \$'000
Declared and paid during the financial year		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend for 2023: Ordinary: 2.0 cents (2022: Ordinary: 1.0 cents) per share	14,789	7,394

The final dividend was paid on 31 May 2023 (2022: 29 July 2022). \$14,789,000 of dividend declared was settled by cash (2022: \$7,394,000 was settled by cash (Note 4)).

Proposed but not recognised as a liability as at 31 December

	Group and Company	
	2023 \$'000	2022 \$'000
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2023 - Ordinary: 2.0 cents (2022: 2.0 cents) per share	14,489	14,489

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

26. COMMITMENTS

(a) *Capital commitments*

As at 31 December 2023, the Group had outstanding commitments of \$12,983,000 (2022: \$50,714,000) in respect of the construction and renovation of hotels in New Zealand.

(b) *Other commitments*

The Company has agreed to provide continuing financial support to certain subsidiary companies to enable them to operate as going concerns at least through twelve months from the date of financial statements of the subsidiaries.

27. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

(a) *Sale and purchase of goods and services*

	Group	
	2023 \$'000	2022 \$'000
Administrative and management fee charged to a subsidiary	44	52
Rental charged from a related party	60	64
	64	116

(b) *Compensation of key management personnel*

	Group	
	2023 \$'000	2022 \$'000
Directors of the Company		
Short-term employee benefits	573	574
Contribution to CPF and other defined contribution pension schemes	17	21
Directors' fees	391	351
	981	946

Other key management personnel

Short-term employee benefits	2,189	2,163
Contribution to CPF and other defined contribution pension schemes	176	173
	2,365	2,336

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. FAIR VALUES OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			Total
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
2023				\$'000
Assets measured at fair value				
Financial asset:				
Equity instruments at FVOCI				
- Investment securities	21,999	-	-	21,999
Non-financial assets:				
Investment properties	-	-	145,942	145,942
Hotel assets				
- Freehold land	-	-	316,374	316,374
- Leasehold land	-	-	328,537	328,537
- Hotel buildings and improvements	-	-	301,326	301,326
	<u>21,999</u>	<u>-</u>	<u>1,092,179</u>	<u>1,114,178</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets and liabilities measured at fair value (cont'd)*

	Group			Total
	Fair value measurements at the end of the period using			
2022	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	\$'000
Assets measured at fair value				
Financial asset:				
Equity instruments at FVOCI				
- Investment securities	20,657	-	-	20,657
Non-financial assets:				
Investment properties	-	-	157,310	157,310
Hotel assets				
- Freehold land	-	-	320,574	320,574
- Leasehold land	-	-	333,912	333,912
- Hotel buildings and improvements	-	-	325,819	325,819
	<u>20,657</u>	<u>-</u>	<u>1,137,615</u>	<u>1,158,272</u>

	Company			Total
	Fair value measurements at the end of the period using			
2023	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	\$'000
Assets measured at fair value				
Financial asset:				
Equity instruments at FVOCI				
- Investment securities	21,999	-	-	21,999
Non-financial assets:				
Hotel assets				
- Freehold land	-	-	204,000	204,000
- Hotel buildings and improvements	-	-	46,828	46,828
	<u>21,999</u>	<u>-</u>	<u>250,828</u>	<u>272,827</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets and liabilities measured at fair value (cont'd)*

	Company			Total
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	
2022	(Level 1)	(Level 2)	(Level 3)	
	\$'000	\$'000	\$'000	\$'000
Assets measured at fair value				
Financial asset:				
Equity instruments at FVOCI				
- Investment securities	20,657	-	-	20,657
Non-financial assets:				
Hotel assets				
- Freehold land	-	-	204,000	204,000
- Hotel buildings and improvements	-	-	47,946	47,946
	<u>20,657</u>	<u>-</u>	<u>251,946</u>	<u>272,603</u>

(c) *Level 3 fair value measurements*

(i) **Investment properties**

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2023 \$'000	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Recurring fair value measurements				
Non-financial asset:				
- Investment properties	145,942	Capitalisation method	Capitalisation rate - 6.00% to 12.05% per annum	The estimated fair value varies inversely against the capitalisation rate
		Discounted cash flow method	Discount rate - 6.75% to 14.00% per annum Terminal yield rate - 6.25% to 10.00% per annum	The estimated fair value varies inversely against the discount rate and terminal yield rate

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements (cont'd)

(i) Investment properties (cont'd)

Group

Description	Fair value at 31 December 2022 \$'000	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Recurring fair value measurements				
Non-financial asset:				
- Investment properties	157,310	Capitalisation method	Capitalisation rate - 5.50% to 9.75% per annum	The estimated fair value varies inversely against the capitalisation rate
		Discounted cash flow method	Discount rate - 6.25% to 9.00% per annum Terminal yield rate - 5.75% to 10.00% per annum	The estimated fair value varies inversely against the discount rate and terminal yield rate

Key unobservable inputs correspond to:

- Capitalisation rate corresponds to a rate of return on a property based on the income that the property is expected to generate.
- Discount rate represents the required rate of return, adjusted for a risk premium that reflects the risks relevant to an asset.
- Terminal yield rate reflects an exit capitalisation rate applied to a projected terminal cash flow.

Reconciliation of fair value for financial reporting purposes

	Group	
	2023 \$'000	2022 \$'000
Market value as estimated by external valuer	136,793	148,015
Add: Lease liabilities recognised separately	9,149	9,295
Fair value for financial reporting purposes	145,942	157,310

Movements in Level 3 assets measured at fair value

The movements of non-financial assets and measured at fair value classified under Level 3, have been disclosed in Note 6 and Note 7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements (cont'd)

(i) Investment properties (cont'd)

Valuation policies and procedures

The Group engages external independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year.

Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge of valuation of commercial investment properties. For valuation performed by external valuers, management reviews the appropriateness of the valuation methodologies and assumptions adopted.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources. Significant valuation issues are reported to the Audit and Risk Committee.

(ii) Hotel assets

The following table shows the information on revaluation measurements performed by using significant unobservable inputs (Level 3):

<u>Group</u>	Fair value	Valuation techniques	Significant unobservable inputs
Description	2023		
	\$'000		
Recurring fair value measurements			
Non-financial assets:			
- Freehold land	316,374	Capitalisation method	Capitalisation rate - 5.50% to 8.00% per annum
		Discounted cash flow method	Discount rate - 6.00% to 9.75% per annum
- Leasehold land	328,537	Discounted cash flow method	Discount rate - 6.00% per annum
		Direct comparison method	Selling price per square metre
- Hotel buildings and improvements	301,326	Capitalisation method	Capitalisation rate - 5.50% to 8.00% per annum
		Discounted cash flow method	Discount rate - 6.00% to 9.75% per annum
		Direct comparison method	Selling price per square metre

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)**(c) Level 3 fair value measurements (cont'd)****(ii) Hotel assets (cont'd)**

<u>Group</u>	Fair value 2022 \$'000	Valuation techniques	Significant unobservable inputs
Description			
Recurring fair value measurements			
Non-financial assets:			
- Freehold land	320,574	Capitalisation method	Capitalisation rate - 5.50% to 7.50% per annum
		Discounted cash flow method	Discount rate - 6.00% to 9.50% per annum
- Leasehold land	333,912	Discounted cash flow method	Discount rate - 6.00% per annum
		Direct comparison method	Selling price per square metre
- Hotel buildings and improvements	325,819	Capitalisation method	Capitalisation rate - 5.50% to 7.50% per annum
		Discounted cash flow method	Discount rate - 6.00% to 9.50% per annum
		Direct comparison method	Selling price per square metre

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(c) *Level 3 fair value measurements (cont'd)*

(ii) **Hotel assets (cont'd)**

Company

Description	Fair value 2023 \$'000	Valuation techniques	Significant unobservable inputs
Recurring fair value measurements			
Non-financial assets:			
- Freehold land	204,000	Discounted cash flow method	Discount rate - 6.00% per annum
- Hotel buildings and improvements	46,828	Discounted cash flow method	Discount rate - 6.00% per annum

Company

Description	Fair value 2022 \$'000	Valuation techniques	Significant unobservable inputs
Recurring fair value measurements			
Non-financial assets:			
- Freehold land	204,000	Discounted cash flow method	Discount rate - 6.00% per annum
- Hotel buildings and improvements	47,946	Discounted cash flow method	Discount rate - 6.00% per annum

Valuation policies and procedures

The valuation policies and procedures of the Group's hotel assets are similar to those of the Group's investment properties (Note 28(c)(i)).

For hotel assets valued under the discounted cash flow method, a significant increase/(decrease) in discount rates based on valuer's assumptions would have resulted in a significantly (lower)/higher fair value measurement.

(d) ***Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Trade and other receivables and payables (Notes 13 and 15), cash and short-term deposits (Note 14), accrued operating expenses, and loans and borrowings at floating rate (Note 17)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks include interest rate risk, liquidity risk, foreign currency risk, credit risk and market price risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

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.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their cash and short-term deposits. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2022: less than 6 months) from the end of the reporting period.

Information relating to the Group's interest rate exposure is disclosed in cash and short-term deposits (Note 14) and loans and borrowings (Note 17).

The Group has cash and cash equivalents placed with reputable financial institutions, which generate interest income for the Group. The Group manages its interest rate risk by placing such balances on varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2022: 100) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been \$2,221,000 lower/higher (2022: \$2,171,000 lower/higher), arising mainly as a result of lower/higher interest income on cash and short-term deposits. The interest capitalised in property, plant and equipment construction-in-progress would have been \$422,000 lower/higher (2022: \$156,000 lower/higher), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. 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 objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities. At the end of the reporting period, the Group's loans and borrowings (Note 17) that will mature in less than one year based on the carrying amount reflected in the financial statements amounted to approximately 100% (2022: 100%) of total loans and borrowings.

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	One year or less \$'000	One to five years \$'000	More than 5 years \$'000	Total \$'000
2023				
Financial assets				
Trade and other receivables	7,696	–	–	7,696
Cash and short-term deposits	302,221	–	–	302,221
Total undiscounted financial assets	309,917	–	–	309,917
Financial liabilities				
Trade and other payables (exclude GST payables)	12,060	–	–	12,060
Accrued operating expenses	5,619	–	–	5,619
Lease liabilities	405	1,415	27,742	29,562
Loans and borrowings	62,037	–	–	62,037
Total undiscounted financial liabilities	80,121	1,415	27,742	109,278
Total net undiscounted financial assets/(liabilities)	229,796	(1,415)	(27,742)	200,639

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)*Liquidity risk (cont'd)*

<u>Group</u>	One year or less \$'000	One to five years \$'000	More than 5 years \$'000	Total \$'000
2022				
Financial assets				
Trade and other receivables	6,104	–	–	6,104
Cash and short-term deposits	297,524	–	–	297,524
Total undiscounted financial assets	303,628	–	–	303,628
Financial liabilities				
Trade and other payables (exclude GST payables)	15,679	–	–	15,679
Accrued operating expenses	2,920	–	–	2,920
Lease liabilities	406	1,453	28,398	30,257
Loans and borrowings	22,298	–	–	22,298
Total undiscounted financial liabilities	41,303	1,453	28,398	71,154
Total net undiscounted financial assets/(liabilities)	262,325	(1,453)	(28,398)	232,474
Company				
2023				
Financial assets				
Trade and other receivables	1,919	–	–	1,919
Cash and short-term deposits	112,142	–	–	112,142
Total undiscounted financial assets	114,061	–	–	114,061
Financial liabilities				
Trade and other payables (exclude GST payables)	5,200	–	–	5,200
Accrued operating expenses	1,262	–	–	1,262
Lease liabilities	12	2	–	14
Total undiscounted financial liabilities	6,474	2	–	6,476
Total net undiscounted financial assets/(liabilities)	107,587	(2)	–	107,585

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

<u>Company</u>	One year or less \$'000	One to five years \$'000	More than 5 years \$'000	Total \$'000
2022				
Financial assets				
Trade and other receivables	1,349	–	–	1,349
Cash and short-term deposits	99,584	–	–	99,584
Total undiscounted financial assets	100,933	–	–	100,933
Financial liabilities				
Trade and other payables (exclude GST payables)	4,913	–	–	4,913
Accrued operating expenses	1,100	–	–	1,100
Lease liabilities	19	14	–	33
Total undiscounted financial liabilities	6,032	14	–	6,046
Total net undiscounted financial assets/(liabilities)	94,901	(14)	–	94,887

Foreign currency risk

Foreign currency risk arises when transactions are denominated in currencies other than the functional currencies of the respective Group entities. The Group and the Company hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances (mainly in AUD, NZD, MYR and RMB) amounted to \$260,540,000 (2022: \$257,204,000) for the Group. The Group does not enter into any derivatives to hedge foreign exchange exposures.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Australia, New Zealand, Malaysia and People's Republic of China. The Group's net investments are not hedged as currency positions in AUD, NZD, MYR and RMB are considered to be long-term in nature.

The Group has minimal transactional currency exposures arising from sales or purchases that denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD, AUD, NZD, MYR and RMB.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the AUD, NZD, MYR and RMB exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

	Profit net of tax	
	2023	2022
	\$'000	\$'000
AUD/SGD - strengthened 5% (2022: 5%)	4,368	3,841
- weakened 5% (2022: 5%)	(4,368)	(3,841)
NZD/SGD - strengthened 5% (2022: 5%)	46	44
- weakened 5% (2022: 5%)	(46)	(44)
MYR/SGD - strengthened 5% (2022: 5%)	276	285
- weakened 5% (2022: 5%)	(276)	(285)
RMB/SGD - strengthened 5% (2022: 5%)	380	388
- weakened 5% (2022: 5%)	(380)	(388)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arising primarily from trade and other receivables. For other financial assets, including investment securities and cash and short-term deposits, the Group and the Company minimise credit risk by dealing exclusively with high credit ratings counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Cash terms and advance payments are required for customers of lower credit standing. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due within 90 days, or when the debtor is in significant financial difficulties or liquidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Trade and other receivables at amortised cost

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables which are grouped based on days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjust to reflect current and forward-looking macroeconomic data. Loss allowances for other receivables are measured based on 12 month expected credit loss.

Other than the debtors that are identified to be credit impaired, the Group had assessed that the lifetime expected credit loss of trade and other receivables is not significant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging may be used within the Group to manage risk concentrations at both the relationship and industry levels. The Group does not apply hedge accounting.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2023		2022	
	\$'000	%	\$'000	%
By country:				
Singapore	430	9	807	20
Australia	2,422	50	2,588	62
New Zealand	1,982	41	680	17
Malaysia	28	1	28	1
China	4	–*	4	–*
	4,866	100	4,107	100

* Less than 1%

Expected credit losses

The exposure to credit risk for trade receivables using provision matrix at the end of the reporting period are as follows:

Group	Current \$'000	Past due			Total \$'000
		Within 30 days \$'000	More than 30 to 60 days \$'000	More than 60 to 90 days \$'000	
31 December 2023					
Gross carrying amount	75	3,268	992	274	257
	75	3,268	992	274	257
31 December 2022					
Gross carrying amount	1,906	575	547	203	876
	1,906	575	547	203	876

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

Expected credit losses (cont'd)

Company	Current \$'000	Within 30 days \$'000	Past due			Total \$'000
			More than 30 to 60 days \$'000	More than 60 to 90 days \$'000	More than 90 days \$'000	
31 December 2023						
Gross carrying amount	25	–	1	28	–	54
31 December 2022						
Gross carrying amount	60	20	1	–	66	147

The Group had assessed that the lifetime expected credit loss of these trade receivables is not significant.

As at 31 December 2023 and 2022, management has identified certain debtors to be credit impaired as they experienced significant financial difficulties and delays in payment. Hence, management has assessed the recoverability of the outstanding balances separately from the provision matrix.

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Gross carrying amount	92	199	–	–
Less: loss allowance	(92)	(199)	–	–
Carrying amount net of allowance	–	–	–	–

The movement in allowance for expected credit losses of trade and other receivables are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Movement in allowances account:				
At 1 January	199	209	–	–
Write back of provision	(104)	(2)	–	–
Exchange differences	(3)	(8)	–	–
At 31 December	92	199	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are quoted on the Singapore Exchange and are classified as financial assets at FVOCI. The Group does not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk by investing in shares with steady dividend yield. At the end of the reporting period, 97% (2022: 96%) of the Group's equity portfolio comprise shares included in the Straits Times Index ("STI").

Sensitivity analysis for equity price risk

At the end of the reporting period, if the equity share price had been 5% (2022: 5%) higher/lower with all other variables held constant, the Group's other comprehensive income would have been \$1,100,000 (2022: \$1,033,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as FVOCI.

30. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group manages its capital structure by taking into account its current and projected cash flow, expansion and capital expenditure commitments, and ensuring a prudent debt to equity ratio.

The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, accrued operating expenses, lease liabilities, loans and borrowings, less cash and short-term deposits (excluding restricted cash). Capital include equity attributable to owners of the Company, less asset revaluation reserve and fair value adjustment reserve.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 2022. The Group has complied with externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

	Group	
	2023	2022
	\$'000	\$'000
Trade and other payables (Note 15)	12,775	16,461
Accrued operating expenses	5,619	2,920
Lease liabilities (Note 16)	9,168	9,352
Loans and borrowings (Note 17)	58,548	21,670
Less: Cash and short-term deposits (Note 14)	(302,221)	(297,524)
Restricted cash – fixed deposits pledged for bank loan and credit facility (Note 14)	64,460	51,474
<i>Net cash position</i>	(151,651)	(195,647)
Equity attributable to the owners of the Company	1,324,707	1,350,009
Less: Asset revaluation reserve	(687,416)	(700,590)
Fair value adjustment reserve	(5,952)	(4,693)
<i>Total capital</i>	631,339	644,726
Capital and net cash	479,688	449,079
Gearing ratio	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their geographical locations, and has five reportable operating segments as follows:

- Singapore
- Malaysia
- Australia
- New Zealand
- China

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Unallocated items comprise mainly income tax and foreign exchange gain or loss, and deferred tax assets and liabilities. Inter-segment assets and liabilities are eliminated.

Transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with external parties.

Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

	Singapore	Malaysia	Australia	New Zealand	China	Eliminations	Group
31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	32,058	246	84,858	31,228	736	-	149,126
Segment results	7,161	(265)	10,376	(1,965)	(628)	-	14,679
Finance costs	(5)	-	(1)	(354)	-	-	(360)
Interest income from fixed deposits	4,366	449	4,646	439	6	-	9,906
Share of results of associates	-	(392)	-	-	-	-	(392)
Reversal of investment in an associated company	1,818	-	-	-	-	-	1,818
Income tax expense							(12,443)
Unallocated foreign exchange loss							(1,335)
Profit for the year attributable to owners of the Company							11,873
Segment assets	652,704	5,376	264,383	320,380	12,137	(7,965)	1,247,015
Cash and short-term deposits	143,058	14,985	128,381	13,432	2,365	-	302,221
Investment in associates	-	5,969	-	-	-	-	5,969
Total assets							1,555,205
Segment liabilities	(9,370)	(86)	(9,920)	(15,240)	(1,056)	7,664	(28,008)
Loans and borrowings	-	-	-	(58,548)	-	-	(58,548)
Unallocated liabilities							(143,942)
Total liabilities							(230,498)
Capital expenditure	105		12,011	42,651	4	-	54,771
Depreciation and amortisation	11,030	114	7,007	2,609	810	-	21,570

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. SEGMENT INFORMATION (CONT'D)

31 December 2022	Singapore \$'000	Malaysia \$'000	Australia \$'000	New Zealand \$'000	China \$'000	Eliminations \$'000	Group \$'000
Turnover	30,358	218	84,529	27,593	812	-	<u>143,510</u>
Segment results	8,737	(319)	12,003	(3,539)	(397)	-	16,485
Finance costs	(2)	-	(1)	(401)	-	-	(404)
Interest income from fixed deposits	1,575	320	1,745	107	8	-	3,755
Share of results of associates	-	(226)	-	-	-	-	(226)
Reversal of investment in an associated company	499	-	-	-	-	-	499
Income tax expense							(12,154)
Unallocated foreign exchange loss							(7,110)
Profit for the year attributable to owners of the Company							<u>845</u>
Segment assets	661,832	5,642	270,327	304,746	13,181	(7,503)	1,248,225
Cash and short-term deposits	131,395	15,958	135,412	12,513	2,246	-	297,524
Investment in associates	-	5,451	-	-	-	-	5,451
Total assets							<u>1,551,200</u>
Segment liabilities	(9,253)	(161)	(11,104)	(14,862)	(1,071)	7,202	(29,249)
Loans and borrowings	-	-	-	(21,670)	-	-	(21,670)
Unallocated liabilities							(150,272)
Total liabilities							<u>(201,191)</u>
Capital expenditure	129	84	9,508	26,391	18	-	36,130
Depreciation and amortisation	10,097	140	6,505	2,952	858	-	20,552

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. SEGMENT INFORMATION (CONT'D)

Information about products and services

The following table presents information regarding the Group's products and services as at and for the years ended 31 December 2023 and 2022.

	Hotel operations		Commercial property investments		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue:						
Sales to external customers	137,557	130,365	11,569	13,145	149,126	143,510
Assets:						
Segment assets	1,099,302	1,090,447	147,713	157,778	1,247,015	1,248,225
Interest earning cash and short-term deposits	294,548	289,888	7,673	7,636	302,221	297,524
Investments in associates	5,969	5,451	–	–	5,969	5,451
Total assets	1,399,819	1,385,786	155,386	165,414	1,555,205	1,551,200
Capital expenditure	53,730	35,085	1,041	1,044	54,771	36,130

32. 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 12 April 2024.

OWNED HOTELS/INVESTMENT PROPERTIES

As at 31 December 2023

HOTELS OWNED BY THE GROUP

The hotels of the Group consist of the following:

Fixed Assets/Location	Description	Number Of Guest Rooms	Approximate Land Area (sq m)	Tenure
Hotel Grand Central, Singapore	Land with 10 level hotel building	264	1,239	Freehold
Hotel Chancellor @ Orchard, Singapore	Land with 10 level hotel building	488	2,805	Leasehold 99 years from 2 May 1978
Hotel Grand Crystal Kedah, Malaysia	Land with 6 level hotel building	130	4,192	Freehold
The Chancellor on Currie, Adelaide, Australia	Land with 8 level hotel building	64	542	Freehold
Hotel Grand Chancellor Adelaide, Australia	Land with 14 level hotel building	220	2,644	Freehold
Hotel Grand Chancellor Brisbane, Australia	Land with 12 level hotel building	230	3,799	Freehold
Hotel Grand Chancellor Hobart, Australia	Land with 13 level hotel building and a concert hall with a seating capacity for 1,086 people	244	11,020	Freehold
Hotel Grand Chancellor Launceston, Australia	Land with 7 level hotel building	165	9,036	Freehold
Hotel Grand Chancellor Melbourne, Australia	Land with 17 level hotel building	160	1,582	Freehold
Hotel Grand Chancellor Townsville, Australia	Land with 20 level hotel building	200	1,465	Freehold
The Chancellor on Hobson, Auckland, New Zealand	65 hotel units	65	-	Freehold
James Cook Hotel Grand Chancellor Wellington, New Zealand	Hotel Building comprising of two towers of 6 levels and 11 levels respectively	269	-	Freehold
Hotel Grand Central, Sihui, China	Land with 16 level hotel building	216	2,548	Leasehold 35 years from 22 Sep 2008
Total		2,715	40,872	

LAND OWNED BY THE GROUP

74-80 Wellesley Street, Auckland	Land	-	998	Freehold
182-192, Armagh Street Christchurch	Land	-	1,495	Freehold
Total		-	2,493	

INVESTMENT PROPERTIES OWNED BY THE GROUP

The investment properties of the Group consist of the following:

Investment Properties/Location	Description	Approximate Land Area (sq m)	Net Lettable Area (sq m)	Tenure
James Cook Arcade and Office Tower, Wellington, New Zealand	A 7 level retail and office building with 426 car park spaces	3,526	2,253	Freehold
JacksonStone House, Wellington, New Zealand	A 13 level retail and office building with 23 car park spaces	1,320	8,350	Freehold & Perpetual Leasehold
Grand Central Building, Christchurch, New Zealand	A 7 level retail and office building with 64 car park spaces	3,683	14,118	Freehold
Fonterra House, Hamilton, New Zealand	A 9 level office building with 93 car park spaces	5,302	7,275	Freehold
Total		13,831	31,996	

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following are the information relating to the Directors seeking re-appointment (as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST):

Name of Person	Mr. Tan Eng How	Mr. Tan Kok Aun	Mr. Lim Thian Loong
Date of Appointment	10 July 1968	10 November 2011	26 September 2017
Date of last re-appointment (if applicable)	30 April 2021	30 April 2021	30 April 2021
Age	69	65	60
Country of principal residence	Malaysia	Malaysia	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, board diversity and the search and nomination process)	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Tan Eng How, as well as the overall size, composition and diversity of skillsets of the Board, is of the view that he possesses the experience, expertise, knowledge and skills valuable to the Company, and is satisfied that Mr. Tan Eng How will continue 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 Company and the Group.	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Tan Kok Aun, as well as the overall size, composition and diversity of skillsets of the Board, is of the view that he possesses the experience, expertise, knowledge and skills valuable to the Company, and is satisfied that Mr. Tan Kok Aun will continue 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 Company and the Group.	The Board, having considered, among others, the recommendation of the NC and reviewed and assessed the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Lim Thian Loong, as well as the overall size, composition and diversity of skillsets of the Board, is of the view that he possesses the experience, expertise, knowledge and skills valuable to the Company, and is satisfied that Mr. Lim Thian Loong will continue 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 Company and the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.	Non-Executive.	Non-Executive.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Mr. Tan Eng How	Mr. Tan Kok Aun	Mr. Lim Thian Loong
<p>Job Title (e.g. Lead ID, ARC Chairman, ARC Member etc.)</p>	<p>Non-Independent Non-Executive Director</p>	<p>Lead Independent Director, Chairman of Audit and Risk Committee (“ARC”), Member of Nominating Committee (“NC”) and Remuneration Committee (“RC”).</p> <p>Mr. Tan Kok Aun will, upon re-election as a Director of the Company, pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, cease to be considered independent after the conclusion of the AGM, and be redesignated as the Non-Independent Non-Executive Director of the Company. Following the re-election, with effect from 30 April 2024, he will contemporaneously relinquish his position as the Chairman of ARC, and member of NC. He will remain as a member of the RC.</p>	<p>Independent Director, Member of Audit and Risk Committee, Chairman of Remuneration Committee.</p> <p>Mr. Lim Thian Loong will, upon re-election as a Director of the Company, be redesignated as the Lead Independent Director of the Company. Following the re-election, with effect from 30 April 2024, he will be appointed as the Chairman of ARC, and a member NC. He will remain as the Chairman of the RC.</p>
<p>Professional qualifications</p>	<p>Member of the Hotel Catering and Institutional Management Association, United Kingdom</p> <p>Post Graduate Diploma in Hotel and Catering Administration from the Council for National Academic Awards, United Kingdom</p>	<p>Member of the Malaysian Association of Company Secretaries</p> <p>Master of Business Administration from the Southern Cross University, Australia</p>	<p>Member of Chartered Institute of Management Accountants (CIMA), Chartered Global Management Accountants (CGMA), Malaysian Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia (CTIM).</p>

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Mr. Tan Eng How	Mr. Tan Kok Aun	Mr. Lim Thian Loong
Working experience and occupation(s) during the past 10 years	Director of the Company and its subsidiaries and associates companies. Director of the subsidiaries and associates companies of Tan Chee Hoe & Sons Sdn. Bhd.	Company Director Corporate secretary and taxation practitioner in private practice in Malaysia	Over 15 years of experience in accounting, auditing and taxation and has been practising as a sole practitioner under his own firm since 2002.
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 1,259,742 ordinary shares Deemed Interest: 433,085,962 ordinary shares	Nil	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	Brother of Mr. Tan Eng Teong (Executive Chairman and Managing Director) and Mr. Tan Teck Lin (Executive Director) Uncle of Ms. Tan Hwa Lian (Executive Director)	Nil	Nil
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
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(8)			
Past (for the last 5 years)	Nil	Nil	Iconic Worldwide Berhad, Independent Non-Executive Director Eduspec Holdings Berhad, Independent Non-Executive Director

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Mr. Tan Eng How	Mr. Tan Kok Aun	Mr. Lim Thian Loong
Present	<p>Director of the Company and its subsidiaries and associates companies.</p> <p>Director of the subsidiaries and associates companies of Tan Chee Hoe & Sons Sdn. Bhd.</p>	<p>PCA Corporate Advisory PLT – Director</p> <p>PCATax Global PLT – Director</p> <p>Harmonique Union PLT – Director</p> <p>Systems Associates Sdn. Bhd. – Director</p> <p>Julung Prestasi Sdn. Bhd. – Director</p>	<p>Grand Central Enterprise Berhad, Independent Non-Executive Director</p> <p>Avcomtax Sdn Bhd, Director</p> <p>Lim Kon Lian & Sons Sdn Bhd, Director</p> <p>AI EQ Capital Sdn Bhd, Director</p>
<p>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.</p>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Mr. Tan Eng How	Mr. Tan Kok Aun	Mr. Lim Thian Loong
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Mr. Tan Eng How	Mr. Tan Kok Aun	Mr. Lim Thian Loong
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	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	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Mr. Tan Eng How	Mr. Tan Kok Aun	Mr. Lim Thian Loong
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of an issuer listed on the Exchange?	N.A. This relates to re-appointment of Director.	N.A. This relates to re-appointment of Director.	N.A. This relates to re-appointment of Director.
If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.
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)	N.A.	N.A.	N.A.

STATISTICS OF SHAREHOLDINGS

As at 28 March 2024

Class of Shares	: Ordinary Shares
Issued and fully paid-up capital	: SGD 515,009,085.551
Number of Ordinary Shares issued (excluding treasury shares)	: 739,426,148
Number of Treasury Shares held	: Nil
Number of Subsidiary Holdings Held	: Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	190	6.01	7,942	0.00
100 - 1,000	371	11.74	178,023	0.03
1,001 - 10,000	1,194	37.78	6,091,343	0.82
10,001 - 1,000,000	1,377	43.58	79,800,053	10.79
1,000,001 AND ABOVE	28	0.89	653,348,787	88.36
TOTAL	3,160	100.00	739,426,148	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TAN CHEE HOE & SONS HOLDINGS PTE LTD	412,568,507	55.80
2	TAN ENG TEONG PTE LTD	66,859,520	9.04
3	CHNG GIM HUAT	29,432,250	3.98
4	TAN TECK LIN HOLDINGS SDN BHD	23,383,240	3.16
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	22,360,699	3.02
6	ADITAN HOLDINGS SDN BHD	20,517,455	2.77
7	TAN ENG SIN	14,465,106	1.96
8	CHNG GIM HUAT HOLDINGS PTE LTD	8,711,609	1.18
9	CITIBANK NOMINEES SINGAPORE PTE LTD	7,402,245	1.00
10	DBS NOMINEES (PRIVATE) LIMITED	6,194,935	0.84
11	MORPH INVESTMENTS LTD	4,626,080	0.63
12	PHILLIP SECURITIES PTE LTD	3,727,647	0.50
13	HSBC (SINGAPORE) NOMINEES PTE LTD	3,458,665	0.47
14	RAFFLES NOMINEES (PTE.) LIMITED	3,188,444	0.43
15	GRAND CITY DEVELOPMENT PTE LTD	3,031,293	0.41
16	KHOE HONG OAN	2,722,813	0.37
17	NG POH CHENG	2,700,295	0.37
18	WEE AIK KOON PTE LTD	2,695,791	0.36
19	TAN HWA IMM	2,363,872	0.32
20	OCBC SECURITIES PRIVATE LIMITED	2,226,785	0.30
TOTAL		642,637,251	86.91

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders at at 28 March 2024)

Substantial Shareholder	Direct Interest		Deemed Interest	
	No of shares	%	No of shares	%
Tan Chee Hoe & Sons Holdings Pte. Ltd.	412,568,507	55.80	Nil	–
Tan Chee Hoe & Sons Sdn Bhd	Nil	–	412,568,507 ⁽¹⁾	55.80
Tan Eng Teong Holdings Sdn Bhd	Nil	–	412,568,507 ⁽¹⁾	55.80
Tan Teck Lin Holdings Sdn Bhd	23,383,240	3.16	412,568,507 ⁽¹⁾	55.80
Tan Teck Lin ⁽²⁾	Nil	–	456,732,253	61.77
Tan Eng Teong ⁽³⁾	43,139	0.006	480,858,038	65.03
Tan Eng How ⁽⁴⁾	1,259,742	0.17	433,085,962	58.57
Tan Eng Teong Pte. Ltd.	66,859,520	9.04	412,568,507 ⁽¹⁾	55.80
Aditan Holdings Sdn Bhd	20,517,455	2.77	412,568,507 ⁽¹⁾	55.80
Chng Ghim Huat ⁽⁵⁾	29,432,250	3.98	27,711,609	3.81

Notes:

- (1) Tan Chee Hoe & Sons Sdn Bhd (“**TCH&SSB**”) is the holding company of Tan Chee Hoe & Sons Holdings Pte. Ltd., a substantial shareholder of the Company holding 412,568,507 shares in the share capital of the Company. Tan Eng Teong Holdings Sdn. Bhd. (“**TETHSB**”), Tan Teck Lin Holdings Sdn. Bhd. (“**TTLHSB**”) and Aditan Holdings Sdn. Bhd. (“**Aditan**”) are shareholders of TCH&SSB, each holding more than 20% shareholdings in TCH&SSB. Tan Eng Teong Pte. Ltd. (“**TETPL**”) is shareholder of TETHSB, holding more than 20% shareholdings in TETHSB. (all the abovementioned entities are collectively known as “**Tan Group of Entities**”). Accordingly all Tan Group of Entities are deemed interested in 412,568,507 shares in the share capital of the Company held by Tan Chee Hoe & Sons Holdings Pte. Ltd.
- (2) Mr. Tan Teck Lin is deemed interested in (i) 412,568,507 shares in the share capital of the Company held by Tan Chee Hoe & Sons Holdings Pte. Ltd. through TTLHSB and Aditan; (ii) 23,383,240 shares in the share capital of the Company held by TTLHSB; and (iii) 20,517,455 shares in the share capital of the Company held by Aditan, by virtue of his shareholdings held in TTLHSB and Aditan. Mr. Tan Teck Lin also deemed interested in 263,051 shares in the share capital of the Company held by his spouse.
- (3) Mr. Tan Eng Teong is deemed interested in (i) 66,859,520 shares in the share capital of the Company held by TETPL; and (ii) 412,568,507 shares in the share capital of the Company held by Tan Chee Hoe & Sons Holdings Pte. Ltd. through TETPL, by virtue of his shareholding held in TETPL. Mr. Tan Eng Teong also deemed interested in 1,430,011 shares in the share capital of the Company held by his spouse.
- (4) Mr. Tan Eng How is deemed interested in (i) 412,568,507 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd. through Aditan; and (ii) 20,517,455 held by Aditan, by virtue of his shareholdings held in Aditan.
- (5) Chng Ghim Huat’s deemed interest arose through shares held by Chng Gim Huat Holdings Pte. Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC’S HANDS

Based on the information available and to the best knowledge of the Company, as at 28 March 2024, approximately 18.11% of the issued ordinary shares of the Company were held by the public.

Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 56th Annual General Meeting (“**AGM**”) of HOTEL GRAND CENTRAL LIMITED (the “**Company**”) will be convened and held at Hotel Chancellor @ Orchard, Function Room, Level 2, 28 Cavenagh Road, Singapore 229635 on Monday, 29 April 2024 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **[Resolution No. 1]**
2. To approve a first and final One-Tier tax exempt ordinary dividend of 2 cents (Singapore Dollars) per ordinary share for the financial year ended 31 December 2023. **[Resolution No. 2]**
3. To approve Directors’ Fee of S\$390,500 for the financial year ended 31 December 2023 (2022: S\$350,500). **[Resolution No. 3]**
4. To re-elect the following Directors of the Company retiring pursuant to Regulation 120 of the Company’s Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited:
 - (a) Mr. Tan Eng How **[Resolution No. 4]**
 - (b) Mr. Tan Kok Aun **[Resolution No. 5]**
 - (c) Mr. Lim Thian Loong **[Resolution No. 6]**

[See Explanatory Note (i)]
5. To note the retirement of Mr. Fang Swee Peng as a Director of the Company pursuant to Regulation 120 of the Company’s Constitution.

[See Explanatory Note (ii)]
6. To re-appoint Messrs. Ernst & Young LLP as the Company’s auditor and to authorise the Directors of the Company to fix their remuneration. **[Resolution No. 7]**
7. To transact any other ordinary business which may properly be transacted at the Annual General Meeting.

AS SPECIAL BUSINESS:

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

8. Authority to Allot and Issue Shares

THAT pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and subject to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to (a) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be allotted and issued, or other transferable rights to subscribe for or purchase Shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares; (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and/or (d) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) to issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:-

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which

NOTICE OF ANNUAL GENERAL MEETING

the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company;

- (ii) for the purpose of determining the aggregate number of Shares that may be issued (subject to such manner of calculation as may be prescribed by SGX-ST) under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for (1) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards that are outstanding or subsisting when this Resolution is passed; and (2) any subsequent consolidation or sub-division of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance is waived by the SGX-ST) and the Company's Constitution; and
- (iv) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (iii)]

[Resolution No. 8]

9. Renewal of Share Repurchase Mandate

That:-

- (a) for the purposes of Section 76E of the Companies Act, the exercise by the Directors of the Company of all the powers to purchase or otherwise acquire issued ordinary shares in the capital of Company ("**Ordinary Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), by way of Market Purchase(s)(as hereafter defined) and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Repurchase Mandate**");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Repurchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held, wherever is earlier; or
 - (ii) the date on which the authority conferred by the Share Repurchase Mandate is revoked or varied in a general meeting; or
 - (iii) the date on which the purchases or acquisitions of Ordinary Shares by the Company pursuant to the Share Repurchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:-

"**Market Purchase**" means on-market purchases or acquisitions of Ordinary Shares through the SGX-ST's trading system undertaken by the Company in accordance with the Companies Act;

"**Maximum Percentage**" means that number of Ordinary Shares representing 5% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution (excluding Ordinary Shares which are held as treasury shares and subsidiary holdings); and

"**Maximum Price**" in relation to an Ordinary Share to be purchased or acquired, means the maximum purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses), which shall not exceed 105% of the average closing price of an Ordinary Share over the period of five (5) market days on which the transactions in the Ordinary Shares on the SGX-ST were recorded before the day

NOTICE OF ANNUAL GENERAL MEETING

on which such purchase is made and deemed to be adjusted for any corporate action that occurs after the relevant five (5) market days period; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (iv)]

[Resolution No. 9]

BY ORDER OF THE BOARD

Yoo Loo Ping
Company Secretary
Singapore, 12 April 2024

Explanatory Notes:

- (i) Mr. Tan Eng How will, upon re-election as a Director of the Company, remain as the Non-Executive Director of the Company.

Mr. Tan Kok Aun will, upon re-election as a Director of the Company, pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, cease to be considered independent after the conclusion of the AGM, and be redesignated as the Non-Independent Non-Executive Director of the Company. Following the re-election, Mr. Tan Kok Aun will contemporaneously relinquish his position as the Chairman of Audit and Risk Committee (“**ARC**”), and member of Nominating Committee (“**NC**”). He will remain as a member of the Remuneration Committee (“**RC**”).

Mr. Lim Tian Loong will, upon re-election as a Director of the Company, be appointed as the Lead Independent Director of the Company. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Following the re-election, Mr. Lim Tian Loong will be appointed as the Chairman of ARC, and member NC. He will remain as the Chairman of the RC.

The key information Mr. Tan Eng How, Mr. Tan Kok Aun and Mr. Lim Tian Loong as required pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found on the annual report for the financial year ended 31 December 2023.

- (ii) Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, Mr. Fang Swee Peng (“**Mr. Fang**”) will cease to be considered independent after the conclusion of the AGM. As part of the Board renewal process, Mr. Fang will be retiring and will not seek for re-election as a Director of the Company at the AGM. Following his retirement, Mr. Fang will contemporaneously relinquish his position as the Chairman of NC and member of ARC and RC.
- (iii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of the AGM effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Ordinary Resolution, for such purposes as they consider would be in the interests of the Company, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share

NOTICE OF ANNUAL GENERAL MEETING

options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

- (iv) The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or the date on which the authority conferred by the Share Repurchase Mandate is revoked or varied in a general meeting, or the date on which purchases and acquisitions of shares pursuant to the Share Repurchase Mandate are carried out to the full extent mandated, whichever is the earlier, to repurchase ordinary shares of the Company by way of on-market purchases of up to 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution are set out in the Appendix attached to this Notice of AGM.

IMPORTANT NOTICE FOR SHAREHOLDERS:

The Company's AGM will be held physically at Hotel Chancellor @ Orchard, Function Room, Level 2, 28 Cavenagh Road, Singapore 229635 on Monday, 29 April 2024 at 11.30 a.m. There will be no option for shareholders to participate virtually.

The Notice of AGM, Proxy Form, Annual Report 2023, Appendix in relation to Renewal of Share Repurchase Mandate, and the Annual Report 2023 request form ("**Request Form**") have been made available to shareholders by electronic means via publication on the SGXNet and the Company's corporate website and may be accessed at the following URLs, as well as the printed copies of the Notice of AGM, Proxy Form and Request Form be circulated by post to their registered address. The Notice of AGM will also be published in the print edition of the Straits Times.

- (i) www.sgx.com/securities/company-announcements
(ii) www.ghihotels.com

Shareholders who wish to receive a printed copy of the Annual Report 2023 may do so by completing the Request Form and sending it by post to the Company's registered office address at 22 Cavenagh Road, Singapore 229617 or by email to chairman@grandcentral.com.sg by 26 April 2024 (subject to availability).

Shareholders should take note of the following arrangements for the AGM:

(a) Participation in the AGM

Shareholders, including investors who hold shares through the Central Provident Fund and/or Supplementary Retirement Scheme ("**CPF and/or SRS Investors**"), may participate in the AGM by:-

- (i) Attending the AGM in person;
(ii) Submitting questions in relation to any agenda item in this notice of AGM in advance of, or ask questions physically during the AGM; and/or
(iii) voting at the AGM by (i) themselves; or (ii) through duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by shareholders, are set out in items (b) to (f) below.

(b) Registration to attend the AGM

Shareholders, including CPF and/or SRS Investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. They are required to bring along their NRIC/passport to enable the Company to verify their identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

For investors who hold shares through relevant intermediaries please refer to item (e) for the procedures to attend and vote at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

(c) Asking Questions relevant to the AGM

Shareholders, including CPF and/or SRS Investors, who have questions in relation to any agenda item in this notice of AGM can ask questions physically during the AGM or can submit their questions to the Company in advance (“**Advanced Questions**”) by **19 April 2024**, through any of the following means:

- (a) by email to hotelgrand-agm@complete-corp.com; or
- (b) by post to the Company’s service provider, Complete Corporate Services Pte. Ltd. at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

Shareholders, including CPF and/or SRS Investors, must identify themselves when posting questions through email or mail by providing the following details:

- (i) Full Name;
- (ii) Contact Telephone Number;
- (iii) Email Address; and
- (iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

The Company will endeavour to respond to all substantial and relevant Advanced Questions through an announcement on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL www.ghihotels.com by 24 April 2024 before trading hours.

Follow up questions which are submitted after 19 April 2024 will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company’s website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from Shareholders and Investors via an announcement on SGXNet and the Company’s website within one (1) month after the AGM.

(d) Voting at the AGM

For investors who hold shares through relevant intermediaries please refer to item (e) for the procedures to vote at the AGM.

For CPF and/or SRS Investors please refer to item (f) for the procedures to vote at the AGM.

Shareholders will be able to vote at the AGM in person at the AGM, or by appointing proxy(ies) to vote on their behalf at the AGM.

For appointing proxy(ies), the duly completed Proxy Form must be submitted through any of the following means not later than **26 April 2024, 11.30 a.m.** (being no later than 72 hours before the time appointed for holding the AGM) and in default the instrument of proxy shall not be treated as valid:

- (i) by email, a copy to hotelgrand-agm@complete-corp.com; or
- (ii) by post, be deposited to the Company’s polling agent, Complete Corporate Services Pte. Ltd. at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

The Proxy Form has been made available on SGXNet and the Company’s corporate website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and www.ghihotels.com.

Please refer to the detailed instructions set out in the Proxy Form.

(e) Voting at the AGM by Relevant Intermediary Investors

Relevant Intermediary Investors who wish to attend and vote at the AGM, or to appoint proxy(ies) to attend and vote at the AGM should not make use of the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form not later than **26 April 2024, 11.30 a.m.**

NOTICE OF ANNUAL GENERAL MEETING

(f) Voting at the AGM by CPF and/or SRS Investors

CPF and/or SRS Investors who wish to vote at the AGM may attend the AGM in person, or may appoint the Chairman of the Meeting as their proxy to vote. The CPF and/or SRS Investors who wish to appoint the Chairman of the Meeting as their proxy should not make use of the Proxy Form. They should instead approach their respective CPF agent banks or SRS approved banks or depository agents to submit their votes by **18 April 2024, 11.30 a.m.**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective CPF agent banks or SRS approved banks or depository agents to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf not later than **26 April 2024, 11.30 a.m.**

Personal Data Privacy:

“**Personal data**” in this notice of AGM has the same meaning as “personal data” in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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HOTEL GRAND CENTRAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196800243H)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

- This proxy form is not valid for use by investor holding shares through relevant intermediaries ("Investors") (including Investors holding through Central Provident Fund ("CPF"), or Supplementary Retirement Scheme ("SRS")) ("CPF/SRS Investors") and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than CPF/SRS Investors) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS Investor who wish to appoint Chairman of the Meeting as their proxy to vote should approach his/her CPF and/or SRS Approved Nominees at least seven (7) working days before the AGM.
- By submitting this proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2024.

*I/We _____ (Name) _____ (*NRIC/Passport/Registration No.)

of _____ (Address)

being a *shareholder/shareholders of HOTEL GRAND CENTRAL LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Annual General Meeting of the Company ("AGM" or the "Meeting") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company to be held at Hotel Chancellor @ Orchard, Function Room, Level 2, 28 Cavenagh Road, Singapore 229635 on Monday, 29 April 2024 at 11.30 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(Please indicate your votes for or against or abstain from a resolution with a tick "✓" in the box provided under "For" or "Against" or "Abstain" below. Alternatively, please indicate the number of shares that the proxy(ies) is/are directed to vote "For" or "Against" or to abstain from voting.)

No.	Ordinary Resolutions relating to	FOR#	AGAINST#	ABSTAIN#
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2.	Approval of first and final one-tier tax exempt ordinary dividend of 2 cents (Singapore Dollars) per Ordinary Share			
3.	Approval of Directors' fees for the financial year ended 31 December 2023 amounting to S\$390,500			
4.	Re-election of Mr. Tan Eng How as a Director			
5.	Re-election of Mr. Tan Kok Aun as a Director			
6.	Re-election of Mr. Lim Thian Loong as a Director			
7.	Re-appointment of Ernst & Young LLP as Auditor of the Company			
8.	Authority to allot and issue Shares			
9.	Renewal of Share Repurchase Mandate			

* Delete where inapplicable

Dated this _____ day of April 2024

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read the notes overleaf for this Proxy Form.



Affix
Postage
Stamp

HOTEL GRAND CENTRAL LIMITED
c/o Complete Corporate Services Pte. Ltd.
10 Anson Road
#29-07 International Plaza
Singapore 079903

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Notes to the Proxy Form:

- (1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number of shares is inserted, this proxy form will be deemed to relate to all shares held by you.
- (2) A shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company. Where a shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (3) A shareholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one (1) proxy to attend and vote instead of the shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one (1) proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
- (4) A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.
- (5) The instrument appointing proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

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- (6) The instrument appointing a proxy or proxies, duly executed, must be submitted through any of the following means by **26 April 2024 at 11.30 a.m.**, which is not later than 72 hours before the time appointed for holding the AGM:
 - (i) by email, a copy to hotelgrand-agm@complete-corp.com; or
 - (ii) by post, be deposited to the Company's polling agent, Complete Corporate Services Pte. Ltd. at 10 Anson Road, #29-07 International Plaza, Singapore 079903.
- (7) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointment a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his/her/its name in the Depositor Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

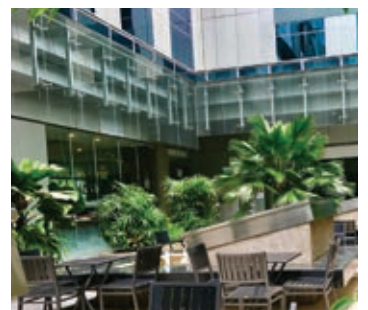
By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2024.



Hotel Grand Central, Singapore



Hotel Chancellor@Orchard, Singapore



Hotel Grand Central, Sihui

(Wholly owned subsidiary hotel in China)



Hotel Grand Chancellor, Hobart

(Wholly owned subsidiary hotel in Australia)



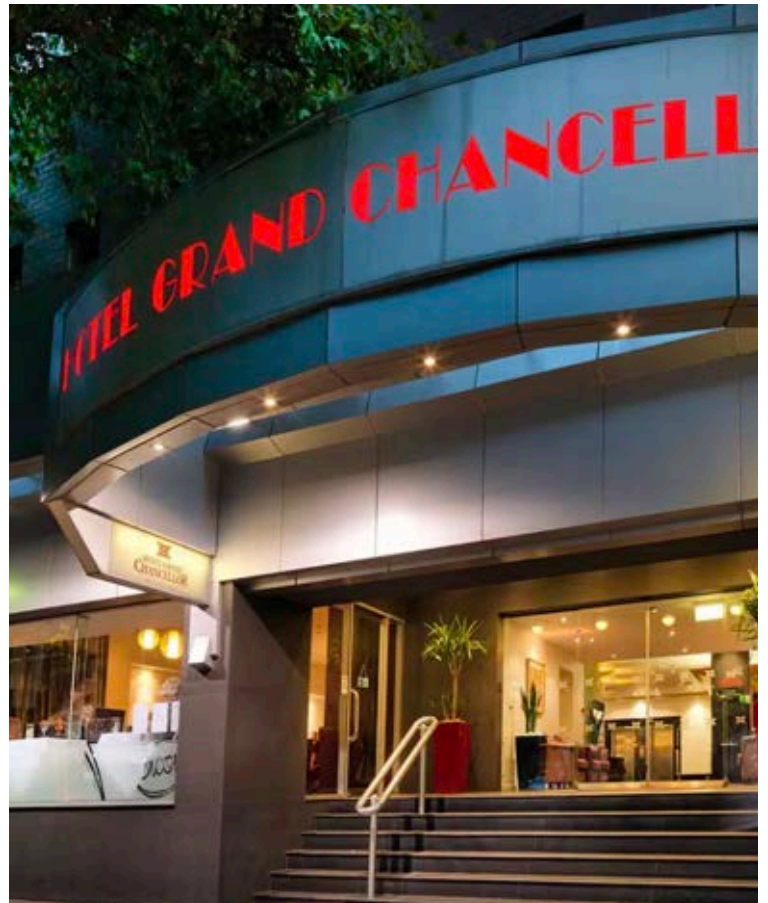
Hotel Grand Chancellor, Launceston

(Wholly owned subsidiary hotel in Australia)



Hotel Grand Chancellor, Melbourne

(Wholly owned subsidiary hotel in Australia)



Hotel Grand Chancellor, Brisbane

(Wholly owned subsidiary hotel in Australia)



Hotel Grand Chancellor, Adelaide

(Wholly owned subsidiary hotel in Australia)



The Chancellor on Currie, Adelaide

(Wholly owned subsidiary hotel in Australia)



Hotel Grand Chancellor, Townsville

(Wholly owned subsidiary hotel in Australia)



The Chancellor on Hobson , Auckland

(Wholly owned subsidiary hotel in New Zealand)



James Cook Hotel Grand Chancellor, Wellington

(Wholly owned subsidiary hotel in New Zealand)



Hotel Grand Chancellor, Wellesley Street, Auckland

(Opening in year 2024)



Grand Central Building, Christchurch

(Wholly owned investment property in New Zealand)



Fonterra House, Hamilton

(Wholly owned investment property in New Zealand)



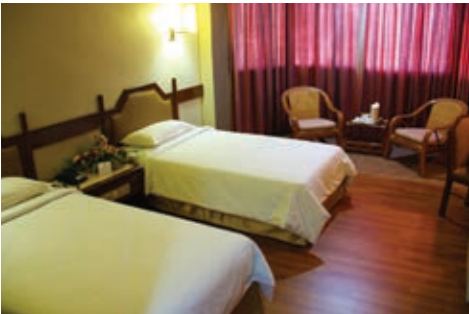
JacksonStone House, Wellington

(Wholly owned investment property in New Zealand)



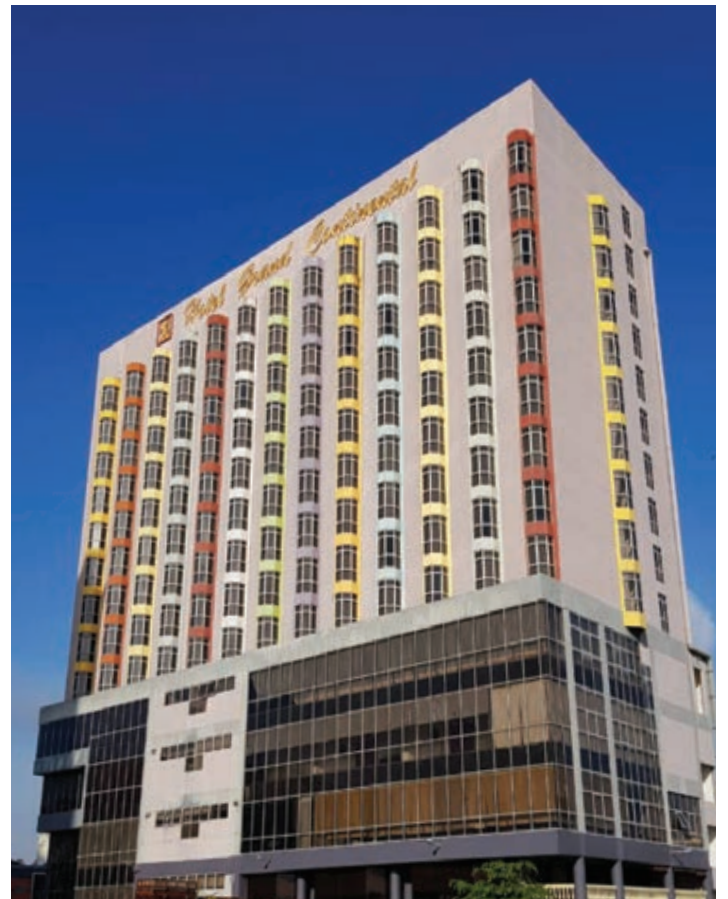
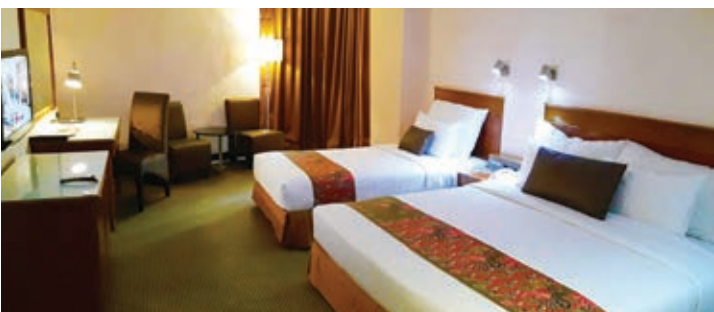
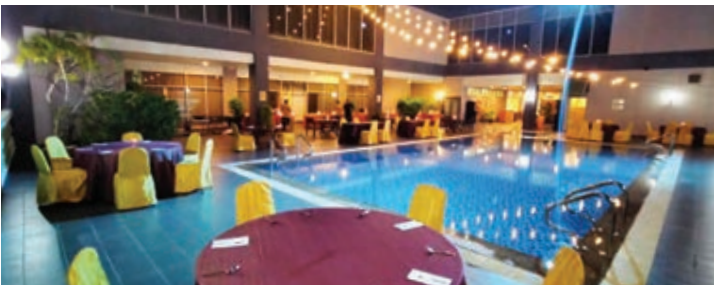
Hotel Grand Crystal, Alor Star

(Wholly owned subsidiary hotel in Malaysia)



Hotel Grand Continental, Kuala Terengganu

(Associated hotel in Malaysia)



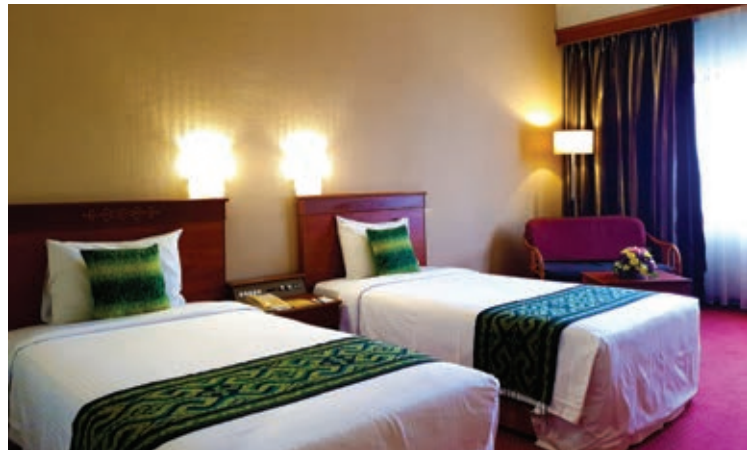
Hotel Grand Continental, Kuala Lumpur

(Associated hotel in Malaysia)



Hotel Grand Continental, Kuching

(Associated hotel in Malaysia)



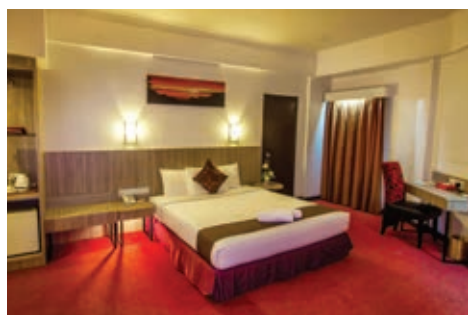
Hotel Grand Continental, Kuantan

(Associated hotel in Malaysia)



Hotel Grand Continental, Langkawi

(Associated hotel in Malaysia)



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GRAND HOTELS INTERNATIONAL

A S I A • P A C I F I C



HOTEL GRAND CENTRAL

Singapore, China



**HOTEL GRAND
CONTINENTAL**

Malaysia



**HOTEL GRAND
CHANCELLOR**

Australia, New Zealand



**HOTEL
CHANCELLOR**

@Orchard

Singapore



Australia

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Email: grpgm@ghi-hotels.com

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