FINANCIALS

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Banyan Tree Holdings 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,

(a) 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

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

Directors

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

Ho KwonPing
Karen Tay Koh
Paul Beh Jit Han
Tan Chian Khong
Arnoud De Meyer
Gaurav Bhushan
Ho Ren Hua
Ding ChangFeng
Parnsiree Amatayakul
Lien Choong Luen
Abdulla Ali M A Al-Kuwari
Abdul Rahim bin Mohamed Ali (Alternate Director to Abdulla Ali M A Al-Kuwari)

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 object 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, other than pursuant to the Banyan Tree Share Award Scheme 2016.

Banyan Tree Share Award Scheme 2016

The Company adopted the Banyan Tree Share Award Scheme 2016 ("Share Award Scheme") at the annual general meeting of the Company on 28 April 2016. Ho KwonPing, the Executive Chairman and controlling shareholder*, is not entitled to participate in the Share Award Scheme.

At the date of this statement, the Share Award Scheme is the only share incentive scheme of the Company in force and administered by the Remuneration Committee ("RC") which comprises Karen Tay Koh, Paul Beh Jit Han and Arnoud De Meyer, all of whom are Independent Directors of the Company.

The Share Award Scheme enable eligible participants to participate in the equity of the Company with the aim of motivating them towards better performance. More information about the Share Award Scheme and details of performance shares and awards granted to eligible participants during the financial year under the Share Award Scheme, can be found in Note 43 to the financial statements.

* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Rules.

Founder's Grant

Ho KwonPing is entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). The entitlement has ended at financial year ended 31 December 2019. Ho KwonPing was entitled to be paid a total amount of $734,492 in cash pursuant to the Founder's Grant in respect of financial year ended 31 December 2019. Ho KwonPing has requested for payment to be deferred which was approved by the Board of Directors on 28 February 2020. Payment of the Founder's Grant was deferred to such date as may be agreed with Management. The Founder's Grant was paid during the financial year ended 31 December 2023.

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 Companies Act 1967 of Singapore (the "Companies Act"), an interest in shares and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Holdings registered in the name of director or nominee			Holdings in which a director is deemed to have an interest		
Name of directors and companies in which interests are held	**At the beginning of financial year/date of appointment**	**At the end of financial year**	**As at 21 January 2024**	**At the beginning of financial year/date of appointment**	**At the end of financial year**	**As at 21 January 2024**
Banyan Tree Holdings Limited ("BTH") (Incorporated in Singapore)						
Ordinary shares						
Ho KwonPing	–	–	–	301,948,882	301,948,882	301,948,882
Ho Ren Hua	–	–	–	994,700	994,700	994,700
Arnoud De Meyer	–	–	–	183,000	183,000	183,000
Bangtao Laguna Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Phuket Grande Resort Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Twin Waters Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	2	2	2	–	–	–

DIRECTORS' STATEMENT

Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Companies Act, Ho KwonPing is deemed to have interests in shares of the subsidiaries held by the Company.

Except as disclosed in the financial statements, no director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Audit and Risk Committee ("ARC")

As at the date of this statement, the members of the ARC are as follows:

Tan Chian Khong (Chairman)
Karen Tay Koh
Lien Choong Luen

All ARC members are Non-Executive Independent Directors.

The ARC has adopted a Charter that is approved by the Board of Directors (the "Board") and which clearly set out its responsibilities as follows:

1. assisting the Board in the discharge of its statutory responsibilities on financial and accounting matters;

2. review the audit plans, and the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

3. review of the co-operation given by the Company's officers to the external auditors;

4. make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors;

5. review the remuneration and terms of engagement of the external auditors and make recommendations to the Board for approval;

6. review and pre-approve (which may be pursuant to pre-approval policies and procedures) both audit and non-audit services to be provided by the external auditors. The ARC delegates to management the authority to approve a list of non-audit services based on a pre-determined threshold. Management will present the list of non-audit services engaged to the ARC at its regular scheduled meetings;

7. monitor and assess annually whether the external auditors' independence or objectivity is impaired (with the provision of permissible non-audit services). The factors to consider include the amount of fees paid to the external auditors for the financial year, and the breakdown of aggregate fees for audit and non-audit services provided by the external auditors;

8. review significant financial reporting issues and judgements so as to ensure the integrity of any financial information including financial statements of the Group and any announcements relating to the Group's financial performance;

9. review the assurance provided by the Executive Chairman, Chief Executive Officer and the Head of Group Finance and Corporate Affairs on the financial records have been properly maintained, and that the financial statements give a true and fair view of the Group's operations and finances;

10. review of interested person transactions;

11. review at least annually of adequacy and effectiveness of the Company's internal controls and risk management systems, and oversight of the risk management processes and activities to mitigate and manage risk at levels that are determined to be acceptable to the Board;

Audit and Risk Committee ("ARC") (cont'd)

12. where necessary, commission and review of the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation; and

13. review of the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The ARC performed the functions specified in the Companies Act. The functions performed are detailed in the Corporate Governance Report.

Auditor

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

On behalf of the Board of Directors,

Ho KwonPing
Director

Tan Chian Khong
Director

Singapore
18 March 2024

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Banyan Tree Holdings 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 income statement, 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, 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 judgment, 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, including any commentary on the findings or outcome of our procedures, 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.

Fair Value Measurement of Investment Properties and Freehold Land and Buildings

As at 31 December 2023, the carrying values of investment properties and freehold land and buildings amounted to approximately $69.2 million and $710.8 million respectively, which accounted for 45.0% of the Group's total assets.

The Group's investment properties are measured at fair value. The Group's freehold land and buildings are measured at revalued amount, being its fair value at the date of the revaluation, less subsequent accumulated depreciation and impairment losses. The Group's freehold land and buildings are revalued at regular intervals, taking into consideration any significant changes to economic and market conditions. The Group engaged professional independent property valuers to support the determination of the fair value of investment properties and freehold land and buildings as at 31 December 2023.

As the assessment of the carrying values of investment properties and freehold land and buildings are judgmental and dependent on a range of estimates (amongst others, discount rates, yield adjustments, and growth rates), we determined this to be a key audit matter.

Key Audit Matters (cont'd)

Fair Value Measurement of Investment Properties and Freehold Land and Buildings (cont'd)

As part of our audit procedures, we reviewed the valuation reports issued by the external property valuers. We evaluated the objectivity, independence and competency of the external property valuers. With the assistance of our internal real estate valuation specialists, we held discussions with management and the external property valuers to understand the valuation models and the basis for the significant assumptions and estimates used, such as discount rates, yield adjustments and growth rates, and assessed the reasonableness of these significant assumptions and estimates by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We also assessed the overall reasonableness of the fair value of investment properties and freehold land and buildings. In addition, we assessed the adequacy of the disclosures related to investment properties and freehold land and buildings in Notes 13, 14 and 48 to the financial statements.

The results of our independent analyses are consistent with those of management's conclusion.

Acquisition of Banyan Tree Hotel Management (China) Pte. Ltd. ("BTMC") and Banyan Tree Services (China) Pte. Ltd. ("BTSC")

During the financial year, the Group acquired the remaining equity interest of 60% in BTMC and 60% in BTSC ("the acquirees") for a consideration of $86.6 million. The Group recognized a gain on remeasurement of previously held equity interest in the acquirees amounting to $33.5 million in other income line item of the Consolidated Income Statement and intangible assets (including goodwill) of $158.8 million in the Consolidated Balance Sheet.

The Group applied the acquisition method to account for the acquisition. The purchase price allocation exercise was incomplete at the end of the financial year and therefore, the acquisition-date fair value of the identifiable net assets acquired, the acquisition-date fair value of the previously held equity interest in the acquirees and the resulting goodwill are determined on a provisional basis as at the year end.

The Group engaged an external valuation specialist to assist them with the determination of the provisional amount of the acquisition-date fair values of the Group's previously held equity interests in the acquirees and allocation of the purchase consideration to the identifiable intangible assets and the measurement of their acquisition-date fair values. Significant judgement and estimates are involved in the measurement of the provisional fair value of the previously held equity interests and the preliminary identification of the intangible assets and the measurement of their provisional fair values. Given the significance of the acquisition and the judgement and estimates involved, we determined this to be a key audit matter.

In auditing the provisional accounting for the acquisition, we read the sales and purchase agreements to obtain an understanding of the transactions and the key terms. An important element of our audit relates to the identification and fair value measurement of the acquired assets and liabilities. We tested this identification based on our understanding of the business of the acquirees and explanations provided by management regarding the acquisitions. We involved our internal specialists in reviewing the valuation methodologies and certain key assumptions used by the external valuation specialists in the valuation of the Group's previously held equity interests in the acquirees and the acquired assets. We considered the objectivity, independence and capabilities of the external specialists. We also assessed the adequacy of the disclosures in Notes 15 and 17 to the financial statements concerning the acquisitions.

The results of our independent analyses are consistent with those of management's conclusion.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

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.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

- 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 Wong Yew Chung.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
18 March 2024

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	3	**327,911**	271,328
Other income	4	**51,082**	23,782
		378,993	295,110
Costs and expenses			
Cost of operating supplies		**(21,316)**	(17,147)
Cost of properties sold		**(38,268)**	(50,367)
Salaries and related expenses	5	**(95,579)**	(73,432)
Administrative expenses		**(50,545)**	(50,277)
Sales and marketing expenses		**(25,961)**	(13,548)
Other operating expenses	6	**(55,332)**	(48,471)
Impairment losses on financial assets	10	**(1,932)**	(167)
		(288,933)	(253,409)
Profit before interests, taxes, depreciation and amortisation		**90,060**	41,701
Depreciation of property, plant and equipment and right-of-use assets	13/37	**(23,469)**	(19,086)
Amortisation expense		**(906)**	(894)
Profit from operations and other gains	7	**65,685**	21,721
Finance income	8	**5,384**	7,573
Finance costs	9	**(22,312)**	(22,681)
Share of results of associates		**(6,179)**	(5,328)
Share of results of a joint venture		**9**	–
Profit before taxation		**42,587**	1,285
Income tax expense	11	**(9,732)**	(712)
Profit after taxation		**32,855**	573
Attributable to:			
Owners of the Company		**31,708**	767
Non-controlling interests		**1,147**	(194)
		32,855	573
Earnings per share attributable to owners of the Company (in cents):			
Basic	12	**3.66**	0.09
Diluted	12	**3.65**	0.08

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 $'000	Group 2022 $'000
Profit after taxation	**32,855**	573
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	**3,659**	(8,617)
	3,659	(8,617)
Items that will not be reclassified to profit or loss		
Adjustment on property revaluation reserve, net of deferred tax	**201,531**	4,884
Net fair value loss on equity instruments at fair value through other comprehensive income	**(5,153)**	(4,772)
Actuarial (loss)/gain arising from defined benefit plan, net of deferred tax	**(1,244)**	10
	195,134	122
Other comprehensive income/(loss) for the financial year, net of tax	**198,793**	(8,495)
Total comprehensive income/(loss) for the financial year	**231,648**	(7,922)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**206,526**	(6,484)
Non-controlling interests	**25,122**	(1,438)
	231,648	(7,922)

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

BALANCE SHEETS

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current assets					
Property, plant and equipment	13	**790,955**	555,621	**–**	–
Right-of-use assets	37	**62,400**	17,187	**–**	–
Investment properties	14	**69,230**	85,262	**–**	–
Intangible assets	15	**194,134**	38,031	**3,789**	3,881
Land use rights	16	**2,596**	2,731	**–**	–
Subsidiaries	17	**–**	–	**497,521**	502,259
Joint venture		**59**	51	**–**	–
Associates	18	**75,981**	102,669	**869**	869
Long-term investments	19	**853**	24,238	**–**	–
Deferred tax assets	38	**31,013**	29,368	**–**	–
Prepaid island rental	20	**15,559**	16,554	**–**	–
Prepayments		**1,950**	1,600	**–**	–
Long-term receivables	21	**19,596**	17,052	**–**	–
Other receivables	22	**19,011**	2,490	**–**	–
Costs to acquire contracts	23	**7,423**	–	**–**	–
Amounts due from related parties	32	**–**	269	**–**	–
		1,290,760	893,123	**502,179**	507,009
Current assets					
Property development costs	25	**185,822**	186,255	**–**	–
Inventories	26	**8,096**	4,463	**–**	–
Prepayments and other non-financial assets	27	**25,868**	14,546	**1,804**	403
Trade receivables	28	**58,483**	47,854	**32**	112
Other receivables	29	**7,050**	14,406	**1,109**	1,045
Contract assets	3	**1,765**	1,557	**–**	–
Amounts due from subsidiaries	30	**–**	–	**210,713**	171,582
Amounts due from associates	31	**23,147**	30,072	**250**	10,334
Amounts due from related parties	32	**45**	96	**21**	18
Investments	24	**–**	72,149	**–**	–
Cash and short-term deposits	33	**130,703**	92,795	**49,698**	29,673
		440,979	464,193	**263,627**	213,167
Total assets		**1,731,739**	1,357,316	**765,806**	720,176

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Current liabilities					
Tax payable		**18,329**	9,134	**–**	–
Other non-financial liabilities	34	**18,959**	13,134	**1,349**	1,726
Interest-bearing loans and borrowings	35	**92,734**	104,237	**46,260**	42,095
Trade payables		**33,552**	24,468	**–**	–
Other payables	36	**74,673**	128,777	**6,358**	6,696
Contract liabilities	3	**129,847**	95,038	**–**	–
Lease liabilities	37	**5,535**	2,705	**–**	–
Amounts due to subsidiaries	30	**–**	–	**70,746**	54,200
Amounts due to associates	31	**92**	17,912	**–**	–
Amounts due to related parties	32	**1,758**	990	**14**	13
		375,479	396,395	**124,727**	104,730
Net current assets		**65,500**	67,798	**138,900**	108,437
Non-current liabilities					
Deferred tax liabilities	38	**197,007**	131,752	**–**	–
Defined and other long-term employee benefits	39	**6,643**	5,016	**–**	–
Deposits received		**1,950**	1,874	**–**	–
Other non-financial liabilities		**23,726**	20,958	**–**	–
Interest-bearing loans and borrowings	35	**243,443**	233,107	**70,983**	42,778
Other payables	40	**44,063**	3,574	**–**	–
Lease liabilities	37	**74,484**	31,495	**–**	–
Amounts due to subsidiaries		**–**	–	**201,328**	194,952
		591,316	427,776	**272,311**	237,730
Total liabilities		**966,795**	824,171	**397,038**	342,460
Net assets		**764,944**	533,145	**368,768**	377,716
Equity attributable to owners of the Company					
Share capital	41	**250,668**	250,668	**250,668**	250,668
Treasury shares	42	**(500)**	(623)	**(500)**	(623)
Reserves	42	**440,809**	234,453	**118,600**	127,671
		690,977	484,498	**368,768**	377,716
Non-controlling interests		**73,967**	48,647	**–**	–
Total equity		**764,944**	533,145	**368,768**	377,716

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

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	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 42(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2023											
At 1 January 2023	**250,668**	**(623)**	**7,962**	**8,388**	**208,243**	**(66,087)**	**16,461**	**59,486**	**484,498**	**48,647**	**533,145**
Profit after taxation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**31,708**	**31,708**	**1,147**	**32,855**
Other comprehensive income/(loss)											
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	**–**	**–**	**–**	**–**	**–**	**5,568**	**–**	**–**	**5,568**	**(1,909)**	**3,659**
Adjustment on property revaluation reserve, net of deferred tax	**–**	**–**	**–**	**–**	**175,380**	**–**	**–**	**–**	**175,380**	**26,151**	**201,531**
Net fair value loss on equity instruments at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**(5,057)**	**–**	**(5,057)**	**(96)**	**(5,153)**
Actuarial loss arising from defined benefit plan, net of deferred tax	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,073)**	**(1,073)**	**(171)**	**(1,244)**
Total other comprehensive income/(loss) for the financial year	**–**	**–**	**–**	**–**	**175,380**	**5,568**	**(5,057)**	**(1,073)**	**174,818**	**23,975**	**198,793**
Total comprehensive income/(loss) for the financial year	**–**	**–**	**–**	**–**	**175,380**	**5,568**	**(5,057)**	**30,635**	**206,526**	**25,122**	**231,648**
Contributions by and distributions to owners											
Treasury shares reissued pursuant to Share-based Incentive Plan	**–**	**123**	**(68)**	**–**	**–**	**–**	**(55)**	**–**	**–**	**–**	**–**
Issuance of share grants pursuant to Share-based Incentive Plan	**–**	**–**	**150**	**–**	**–**	**–**	**–**	**–**	**150**	**–**	**150**
Total transactions with owners in their capacity as owners	**–**	**123**	**82**	**–**	**–**	**–**	**(55)**	**–**	**150**	**–**	**150**
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(197)**	**(197)**	**–**	**(197)**
Transfer to accumulated profits upon disposal of asset	**–**	**–**	**–**	**–**	**(17,777)**	**–**	**10,022**	**7,755**	**–**	**198**	**198**
Transfer to legal reserve	**–**	**–**	**–**	**9**	**–**	**–**	**–**	**(9)**	**–**	**–**	**–**
Total other changes in equity	**–**	**–**	**–**	**9**	**(17,777)**	**–**	**10,022**	**7,549**	**(197)**	**198**	**1**
At 31 December 2023	**250,668**	**(500)**	**8,044**	**8,397**	**365,846**	**(60,519)**	**21,371**	**97,670**	**690,977**	**73,967**	**764,944**

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	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 42(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2022											
At 1 January 2022	247,578	(706)	7,914	8,384	205,223	(58,662)	21,470	57,049	488,250	49,835	538,085
Profit/(loss) after taxation	–	–	–	–	–	–	–	767	767	(194)	573
Other comprehensive income/(loss)											
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	–	–	–	–	–	(7,425)	–	–	(7,425)	(1,192)	(8,617)
Adjustment on property revaluation reserve, net of deferred tax	–	–	–	–	4,884	–	–	–	4,884	–	4,884
Net fair value loss on equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	(4,720)	–	(4,720)	(52)	(4,772)
Actuarial gain arising from defined benefit plan, net of deferred tax	–	–	–	–	–	–	–	10	10	–	10
Total other comprehensive income/(loss) for the financial year	–	–	–	–	4,884	(7,425)	(4,720)	10	(7,251)	(1,244)	(8,495)
Total comprehensive income/(loss) for the financial year	–	–	–	–	4,884	(7,425)	(4,720)	777	(6,484)	(1,438)	(7,922)
Contributions by and distributions to owners											
Treasury shares reissued pursuant to Share-based Incentive Plan	–	83	(44)	–	–	–	(39)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	92	–	–	–	–	–	92	–	92
Issue of new shares	3,090	–	–	–	–	–	–	–	3,090	–	3,090
Total contributions by and distributions to owners	3,090	83	48	–	–	–	(39)	–	3,182	–	3,182
Changes in ownership interests in subsidiary											
Acquisition of non-controlling interests	–	–	–	–	–	–	(250)	–	(250)	250	–
Total changes in ownership interests in subsidiary	–	–	–	–	–	–	(250)	–	(250)	250	–
Total transactions with owners in their capacity as owners	3,090	83	48	–	–	–	(289)	–	2,932	250	3,182
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(200)	(200)	–	(200)
Transfer to accumulated profits upon disposal of asset	–	–	–	–	(1,864)	–	–	1,864	–	–	–
Transfer to legal reserve	–	–	–	4	–	–	–	(4)	–	–	–
Total other changes in equity	–	–	–	4	(1,864)	–	–	1,660	(200)	–	(200)
At 31 December 2022	250,668	(623)	7,962	8,388	208,243	(66,087)	16,461	59,486	484,498	48,647	533,145

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

Company	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Other reserves $'000 Note 42(f)	Accumulated profits $'000	Total equity $'000
At 1 January 2023	**250,668**	**(623)**	**7,962**	**4,523**	**115,186**	**377,716**
Loss after taxation	**–**	**–**	**–**	**–**	**(9,098)**	**(9,098)**
Total comprehensive loss for the financial year	**–**	**–**	**–**	**–**	**(9,098)**	**(9,098)**
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	**–**	**123**	**(68)**	**(55)**	**–**	**–**
Issuance of share grants pursuant to Share-based Incentive Plan	**–**	**–**	**150**	**–**	**–**	**150**
Total transactions with owners in their capacity as owners	**–**	**123**	**82**	**(55)**	**–**	**150**
At 31 December 2023	**250,668**	**(500)**	**8,044**	**4,468**	**106,088**	**368,768**
At 1 January 2022	247,578	(706)	7,914	4,562	166,646	425,994
Loss after taxation	–	–	–	–	(51,460)	(51,460)
Total comprehensive loss for the financial year	–	–	–	–	(51,460)	(51,460)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	83	(44)	(39)	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	92	–	–	92
Issue of new shares	3,090	–	–	–	–	3,090
Total transactions with owners in their capacity as owners	3,090	83	48	(39)	–	3,182
At 31 December 2022	250,668	(623)	7,962	4,523	115,186	377,716

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

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities			
Profit before taxation		**42,587**	1,285
Adjustments for:			
Share of results of associates		**6,179**	5,328
Share of results of a joint venture		**(9)**	–
Depreciation of property, plant and equipment and right-of-use assets	13/37	**23,469**	19,086
(Gain)/Loss on disposal of property, plant and equipment, net	7	**(704)**	126
Write-off of property, plant and equipment	7	**15**	335
(Reversal of impairment loss)/Impairment loss on property, plant and equipment	7	**(3,870)**	915
Finance income	8	**(5,384)**	(7,573)
Finance costs	9	**22,312**	22,681
Amortisation expense		**906**	894
Impairment losses on financial assets	10	**1,932**	167
Write down of property development costs	7	**3,299**	393
Allowance for inventory obsolescence	7	**6**	92
Defined and other long-term employee benefits expense	5	**487**	620
Share-based payment expenses	5	**153**	119
Gain on remeasurement of previously held equity interest in associates at fair value	4	**(33,515)**	–
Gain on expiry of derivatives	4	**–**	(15,384)
Net fair value gain on investment properties	4	**(4,331)**	(6,887)
Gain on disposal of investment property	4	**(10,545)**	–
Currency realignment		**15,821**	426
		16,221	21,338
Operating profit before working capital changes		**58,808**	22,623
Increase in inventories		**(3,768)**	(614)
(Increase)/Decrease in property development costs		**(8,041)**	18,127
Increase in trade and other receivables and contract assets		**(46,310)**	(6,024)
(Increase)/Decrease in amounts due from associates and related parties		**(1,168)**	27,653
Increase in trade and other payables, and contract liabilities		**59,284**	53,473
		(3)	92,615
Cash flows generated from operating activities		**58,805**	115,238
Interest received		**1,979**	2,207
Interest paid		**(15,273)**	(20,046)
Tax paid		**(4,359)**	(5,831)
Payment of employee benefits	39	**(259)**	(665)
Payment of cash-settled share grants		**(51)**	(15)
Net cash flows generated from operating activities		**40,842**	90,888

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

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(27,758)**	(18,738)
Proceeds from disposal of property, plant and equipment		**2,993**	431
Proceeds from disposal of investment properties		**40,545**	–
Proceeds from disposal of long-term investments		**13,834**	–
Proceeds from redemption of redeemable preference shares		**11,855**	–
Increase in investment in a joint venture		**–**	(53)
Acquisition of subsidiaries, net of cash acquired	17	**(35,699)**	–
Dividend income from an associate		**744**	769
Subsequent expenditure on investment properties		**–**	(78)
Additions to intangible assets	15	**–**	(237)
Net cash flows generated from/(used in) investing activities		**6,514**	(17,906)
Cash flows from financing activities			
Proceeds from bank loans		**129,729**	5,959
Repayment of bank loans		**(125,322)**	(48,803)
Redemption of convertible bonds		**–**	(43,760)
Payment of principal portion of lease liabilities	37	**(11,874)**	(4,128)
Payment of dividends			
- by subsidiaries to loan stockholders		**(197)**	(200)
Net cash flows used in financing activities		**(7,664)**	(90,932)
Net increase/(decrease) in cash and cash equivalents		**39,692**	(17,950)
Net foreign exchange difference		**(1,784)**	(1,581)
Cash and short-term deposits at beginning of the financial year		**92,795**	112,326
Cash and short-term deposits at end of the financial year	33	**130,703**	92,795
Cash and cash equivalents		**130,703**	90,052
Restricted cash		**–**	2,743
Total cash and short-term deposits as shown above		**130,703**	92,795

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. Corporate information

Banyan Tree Holdings Limited (the "Company") is a limited liability company, which is incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office of the Company is located at 211 Upper Bukit Timah Road, Singapore 588182.

The principal activities of the Company are those of investment holding and provision of project design and management services. The principal activities of the subsidiaries are set out in Note 17 to the financial statements. There have been no significant changes in the nature of these activities during the 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 $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

The financial statements have been prepared on the basis that it will continue to operate as a going concern.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are relevant to the Group and the Company and are effective for the annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any 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: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact to 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 Significant accounting estimates and judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) 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 statements were 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.

(i) Impairment of intangible assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations for goodwill and other indefinite life intangible assets are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is most sensitive to the discount rate applied to the cash flow projections used in the discounted cash flow model and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill and trademarks including a sensitivity analysis, are given in Note 15 to the financial statements.

(ii) Loss allowance for trade and non-trade receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effects in the economic conditions in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's trade and non-trade receivables at the end of each reporting period are disclosed in Note 46(a) to the financial statements.

The Group uses the general and simplified approaches to calculate the allowance for expected credit losses ("ECLs") for its trade and non-trade receivables. Under the general approach, the Group would assess if there is any significant increase in credit risk of the debtors, by evaluating qualitative and quantitative factors that are indicative of the risk of default (including but not limited to the latest available financial results, repayment history, economic environment and cash flow projections, if available, and applying the loss rates). The loss allowance is measured on the 12-month expected credit loss basis, if it is assessed that there has not been a significant increase in credit risk of the debtors since initial recognition.

For the simplified approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward looking information. At every reporting date, historical default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the estimated future repayments, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and non-trade receivables is disclosed in Note 46(a).

The carrying amounts of trade and non-trade receivables as at 31 December 2023 are disclosed in Notes 3, 21, 22, 28, 29, 31 and 32.

(iii) Revaluation of freehold and investment properties

The Group carries its freehold and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The Group engaged professional independent property valuers to determine the fair values for its freehold properties and investment properties in Singapore, Thailand and Morocco on a regular basis, taking into consideration any significant changes to economic and market conditions. The fair value is determined using recognised valuation techniques which require the use of estimates such as market comparables, future cash flows and discount rates applicable to these assets. These estimates are based on local market conditions existing at each valuation date.

The carrying amounts, key assumptions and valuation techniques used to determine the fair value of the freehold and investment properties of the Group are stated in Notes 13, 14 and 48 respectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in Notes 15 and 17, which relates to the measurement of the provisional fair values of the intangible assets, comprising of identifiable customer contracts and residual goodwill, and previously held equity interests, arising from the Group's acquisition of remaining equity interest of 60% in BTMC and BTSC.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (cont'd)

2.4 Significant accounting estimates and judgments (cont'd)

(b) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Investment in associates

Management has assessed and is of the view that the Group exercises significant influence over associates, as disclosed in Note 18, notwithstanding that the Group holds less than 20% voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities.

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities as at 31 December 2023 are disclosed in the balance sheet and Note 38 respectively.

(iii) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, 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 except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which 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.

2. Material accounting policy information (cont'd)

2.5 Foreign currency (cont'd)

(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.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 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 any impairment losses.

2.7 Basis of consolidation and business combinations

(a) 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 interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities for the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interests;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Material accounting policy information (cont'd)

2.7 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss. Acquisition-related costs are recognised as administrative expenses in the periods in which the costs are incurred and the services are received.

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.8 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

2. Material accounting policy information (cont'd)

2.8 Transactions with non-controlling interests (cont'd)

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

2.9 Joint ventures and 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.

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

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

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

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

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

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 associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

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

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such 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 2.21. 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)

2.10 Property, plant and equipment (cont'd)

Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost or valuation less accumulated depreciation and any accumulated impairment losses. The Group segregates land and buildings into two classes: leasehold and freehold. For leasehold land and buildings, the Group adopts the cost model and no revaluation will be carried out on these classes of assets. For freehold land and buildings, the Group adopts the revaluation model. Fair value is determined based on appraisal undertaken by professional independent property valuers, using market-based evidence.

Valuations are performed with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount is credited to other comprehensive income and accumulated in equity under the property revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously 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 property 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 property revaluation reserve in respect of an asset is transferred directly to accumulated profits on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use. Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	-	40 to 50 years
Leasehold buildings	-	10 to 50 years
Furniture, fittings and equipment	-	3 to 20 years
Computers	-	3 years
Motor vehicles	-	5 to 10 years

The Group reviews the estimated residual value and expected useful life of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful life and estimated residual value.

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

2.11 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 and properties that are being constructed or developed for future use as 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.

2. Material accounting policy information (cont'd)

2.11 Investment properties (cont'd)

Investment properties are derecognised 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 gain or loss on the retirement or disposal of an investment property is 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 or inventories, 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 2.10 up to the date of change in use.

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives except those classified as other intangible assets are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(a) Customer contracts

Customer contracts acquired by the Group are measured at cost less accumulated amortisation and any accumulated impairment losses. The useful life of customer contracts is finite, which is determined based on the remaining term of the hotel management and consultancy agreements.

(b) Trademarks

The trademarks acquired are measured on initial recognition at cost. Following initial recognition, the trademarks are carried at cost less any accumulated impairment loss. The useful life of trademarks is estimated to be indefinite as management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flows for the Group.

(c) Club memberships

Club memberships are acquired separately and are amortised on a straight-line basis over its remaining useful life of underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (cont'd)

2.12 Intangible assets (cont'd)

(d) Other intangible assets

Sales commission costs arising from property sales are recognised as an intangible asset when the Group can demonstrate that these are incremental costs directly attributable to securing a property sales contract and are recoverable in the gross margin of the contract. Incremental cost is one that would not have been incurred if the Group had not secured the property sales contract.

Following initial recognition of the sales commission costs as an intangible asset, it is carried at cost and expensed off to profit or loss upon the recognition of revenue from property sales.

2.13 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 such 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 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 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 increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Reversal of an impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as a revaluation increase recognised in other comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Impairment losses relating to goodwill cannot be reversed in future periods.

2.14 Financial instruments

(a) Financial assets

<u>Initial recognition and measurement</u>

Financial assets 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 assets at initial recognition.

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.

2. Material accounting policy information (cont'd)

2.14 Financial instruments (cont'd)

(a) Financial assets (cont'd)

<u>Subsequent measurement</u>

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:

(i) <u>*Amortised cost*</u>

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 fair value and subsequently at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) <u>*Fair value through other comprehensive income ("FVOCI")*</u>

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) <u>*Fair value through profit or loss*</u>

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

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. 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 other comprehensive income, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.14 Financial instruments (cont'd)

(a) Financial assets (cont'd)

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- The contractual rights to receive cash flows from the asset has expired; or
- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly 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. Financial liabilities include trade payables, which are normally settled on 30 to 90 days' terms, other payables, amounts due to subsidiaries, associates and related parties, interest-bearing loans and borrowings and lease liabilities.

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 expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.14 Financial instruments (cont'd)

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from the changes in fair value are recognised in profit or loss.

2.15 Investments

Investments are classified as equity investments at FVOCI as disclosed in Note 19 to the financial statements.

2.16 Cash and short-term deposits

Cash and short-term deposits comprise cash on hand and at banks, and short-term, highly liquid deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 Property development costs

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Costs comprise cost of land, design fee, infrastructure and construction and related interest and are assigned by using specific identification. Included in the property development costs are completed properties which are held for sale in the ordinary course of business.

Non-refundable commissions paid to sales or marketing agents on the sale are capitalised and amortised to profit or loss when the Group recognises the related revenue.

Net realisable value of the development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (cont'd)

2.18 Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at amortised costs. 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 under the general approach. For credit exposures 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, contract assets, amounts due from associates (trade) and amounts due from related parties (trade), 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 geographical locations, aging of the debts and historical information that reflects high levels of default risk (e.g. in financial difficulty, outstanding legal law suits and amounts in dispute).

The Group considers a financial asset in default when contractual payments are 90 days past due or if there are significant deterioration in credit rating. 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.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Food and beverage - cost of purchase on a weighted average basis;
- Trading goods and supplies - cost of purchase on a weighted average basis; and
- Materials and others - cost of purchase on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Segment reporting

For management reporting 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 49, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. Material accounting policy information (cont'd)

2.21 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.

2.22 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.

2.23 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.18 and the amount initially recognised less, when appropriate,the cumulative amount of income recognised over the period of the guarantee.

2.24 Employee benefits

(a) 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 Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes and defined contribution plans are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. Material accounting policy information (cont'd)

2.24 Employee benefits (cont'd)

(c) Share-based payment

Performance share plan and restricted share plan

The Group's Performance Share Plan ("PSP") and Restricted Share Plan ("RSP") are both equity-settled and cash-settled share-based payment transactions.

The cost of these equity-settled share-based payment transactions is measured by reference to the fair value at the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The cost of cash-settled share-based payment transactions is measured initially at fair value at the grant date. This fair value is recognised in profit or loss over the vesting period with recognition of a corresponding liability. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to liability over the remaining vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss and a corresponding adjustment to liability for the period.

The share-based payment reserve is transferred to accumulated profits reserve upon expiry of the plan. Where shares are issued under the PSP or RSP, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the plan is satisfied by the reissuance of treasury shares.

No expense is recognised for shares under both PSP and RSP that do not ultimately vest, except where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

(d) Post employment benefits and other long term employment benefits plans

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The LSP scheme is a defined benefit plan which pays employees a lump sum benefit computed based on their number of years of service and their basic salary upon retirement or early termination of their employment contracts.

The LSA scheme is a long-term employee benefit which rewards employees in cash and/or in gold. To be entitled to the award, employees will have to complete certain number of years of service with the Group.

2. Material accounting policy information (cont'd)

2.24 Employee benefits (cont'd)

(d) Post employment benefits and other long term employment benefits plans (cont'd)

The benefit schemes are assessed by professional qualified independent actuaries using the projected unit credit actuarial valuation method. The cost of providing for the employee benefits are charged to profit or loss so as to spread the service cost over the service lives of employees. The provision for the employee benefits is measured as the present value of the estimated future cash outflows by reference to the interest rates of government bonds in Thailand that have terms to maturity approximating the terms of the related liabilities. Actuarial gains and losses arising from LSP are recognised in other comprehensive income and for those arising from LSA to be recognised in profit or loss in the year these gains and losses arise.

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a scheme, past service costs are recognised immediately.

(e) Defined benefits plans

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation. The defined benefit obligation is determined by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality long-term bonds that are denominated in Indonesian Rupiah in which the benefits will be paid and that have terms of maturity similar to the related pension liability.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier between:

(i) the date of the plan amendment or curtailment, and

(ii) the date the related restructuring costs and termination benefits are recognised.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The following changes in the net defined benefit obligation are recognised in the profit or loss:

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and

(ii) Net interest expense or income.

2. Material accounting policy information (cont'd)

2.25 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 leases of 'low value' assets and short-term leases. The Group recognises lease liabilities to make a lease payment and right-of-use assets representing the right to use the underlying assets during the lease term.

(i) *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:

Land	-	10 to 44 years
Buildings	-	2 to 5 years

If the ownership of the lease asset transfers to the Group at the end of the lease 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 of non-financial assets is set out in Note 2.13.

(ii) *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 a 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 payments occurs.

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

2. Material accounting policy information (cont'd)

2.25 Leases (cont'd)

(a) As lessee (cont'd)

(iii) *Short-term leases and leases of 'low value' assets*

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (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 of equipment 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 of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating 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. The accounting policy for rental income is set out in Note 2.27(i).

2.26 Prepaid island rental and land use rights

Prepaid island rental and land use rights are initially measured at cost. Following initial recognition, prepaid island rental and land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid island rental and land use rights are amortised over the lease term as stipulated in the respective island rental and land use rights agreements.

2.27 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. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Hotel investments

Revenue from hotel investments mainly comprises room rental, food and beverage sales and auxiliary activities, and represents the invoiced value of goods transferred and services rendered after deducting discounts.

Room revenue are recognised over time as the accommodation and related services are provided based on the daily room rates over the duration of stay stated in the contract.

Food and beverages sales and revenue from ancillary activities are recognised at a point in time when the goods are transferred and services are rendered.

(b) Property sales

Revenue from sale of a development property is recognised at a point in time when control over the property is transferred to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the property sold, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

2. Material accounting policy information (cont'd)

2.27 Revenue (cont'd)

(c) Management services

Management services comprises the management of hotels and resorts, the management of an asset-backed club and the management of golf courses. In addition, the Group also collects royalty fees from licensing its Brands for branded residences development.

Revenue from management services is recognised over time as the relevant services are rendered over the duration of the service contracts.

(d) Spa operation

Revenue from operating spas is recognised over time as the relevant services are rendered over the duration of the service contracts.

(e) Merchandise sales

Revenue is recognised at a point in time when control of the goods is transferred to the customer, and generally coincides with delivery and acceptance of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

Payment of the transaction price is due immediately at the point the customer purchases the goods for retail customer. Otherwise, invoices are issued on a monthly basis and are payable within 30 days.

(f) Project and design services

Revenue from the provision of project and design services is recognised over time based on completion of certain performance obligations according to the stage of completion as certified by qualified professionals.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified project milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer.

(g) Dividend income

Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

(h) Interest income

Interest income is recognised using the effective interest method.

(i) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2. Material accounting policy information (cont'd)

2.28 Costs to acquire contracts

Costs to acquire contracts pertains to advances payable or paid to hotel owners mainly for the Group's access to opportunities and brand representations in strategic locations, and are capitalised if the costs relate directly to the contracts and are expected to be recovered. These amounts constitute consideration payable to customers and are amortised on a systematic basis as a reduction of revenue over the remaining term of the hotel management agreements. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised costs to acquire contracts exceed the remaining amount of the consideration that the Group expects to receive less direct costs.

2.29 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 assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax 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, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (cont'd)

2.29 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction of goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) Sales tax

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

- Where the sales tax incurred on 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. Material accounting policy information (cont'd)

2.30 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.

2.31 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.32 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 for which the fair values can be reliably determined.

2. Material accounting policy information (cont'd)

2.33 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Revenue

(a) Disaggregation of revenue

Revenue of the Group represents revenue from operation and management of hotels, property sales and fee-based segment after eliminating intercompany transactions. The amount of each significant category of revenue recognised during the year is as follows:

Segments	Hotel investments		Property sales		Fee-based segment		Total revenue	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Primary geographical markets								
Singapore	**–**	–	**–**	–	**333**	282	**333**	282
South East Asia	**135,349**	88,116	**87,316**	90,839	**32,003**	22,245	**254,668**	201,200
Indian Oceania	**43,518**	45,211	**–**	–	**278**	335	**43,796**	45,546
Middle East	**–**	–	**–**	–	**1,306**	1,416	**1,306**	1,416
North East Asia	**–**	–	**–**	–	**12,906**	10,189	**12,906**	10,189
Rest of the world	**1,841**	1,169	**–**	–	**13,061**	11,526	**14,902**	12,695
	180,708	134,496	**87,316**	90,839	**59,887**	45,993	**327,911**	271,328
Major product or service lines								
Hotel investments	**180,708**	134,496	**–**	–	**–**	–	**180,708**	134,496
Property sales	**–**	–	**87,316**	90,839	**–**	–	**87,316**	90,839
Management services	**–**	–	**–**	–	**45,367**	33,956	**45,367**	33,956
Spa operation	**–**	–	**–**	–	**2,212**	2,827	**2,212**	2,827
Project and design services	**–**	–	**–**	–	**4,546**	4,269	**4,546**	4,269
Merchandise sales	**–**	–	**–**	–	**6,369**	3,494	**6,369**	3,494
Rental income	**–**	–	**–**	–	**1,393**	1,447	**1,393**	1,447
	180,708	134,496	**87,316**	90,839	**59,887**	45,993	**327,911**	271,328
Timing of transfer of goods or services								
At a point in time	**77,124**	59,952	**87,316**	90,839	**8,612**	5,891	**173,052**	156,682
Over time	**103,584**	74,544	**–**	–	**51,275**	40,102	**154,859**	114,646
	180,708	134,496	**87,316**	90,839	**59,887**	45,993	**327,911**	271,328

3. Revenue (cont'd)

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2023 $'000	**2022** $'000
Long-term receivables (Note 21)	**19,596**	17,052
Trade receivables (Note 28)	**58,483**	47,854
Contract assets	**1,765**	1,557
Contract liabilities	**(129,847)**	(95,038)

The Group has recognised write back on impairment losses on receivables arising from contracts with customers amounting to $178,000 (2022: $466,000).

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for project and design services. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from customers for project and design services, hotel operations and property sales.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	Group	
	2023 $'000	**2022** $'000
Contract assets reclassified to receivables	**(1,557)**	(1,666)

(ii) Significant changes in contract liabilities are explained as follows:

	Group	
	2023 $'000	**2022** $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**71,647**	59,512

3. Revenue (cont'd)

(c) Transaction price allocated to remaining performance obligations

Property sales

The Group expects to recognise $377,710,000 (2022: $232,554,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2023 within the next 3 years.

Management services

Other than revenue from the management of hotels and resorts, the Group expects to recognise royalties from branded residences development of $12,379,000 (2022: $9,286,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2023 within the next 5 years.

Spa operation

The Group expects to recognise $949,000 (2022: $945,000) as management fees relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2023 within the next 3 years.

Project and design services

The Group expects to recognise $9,157,000 (2022: $12,989,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2023 within the next 3 years.

The above amounts have not included the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
  - The performance obligation is part of a contract that has an original expected duration of one year or less, or
  - The Group recognises revenue from the management of hotels and resorts based on the underlying hotel performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. Other income

	Group	
	2023 $'000	**2022** $'000
Net fair value gain on investment properties (Note 14)	**4,331**	6,887
Gain on disposal of investment property	**10,545**	–
Gain on remeasurement of previously held equity interest in associates at fair value (Note 17)	**33,515**	–
Compensation from early termination of Hotel Management Agreement	**1,980**	–
Rental income	**671**	647
Gain on expiry of derivatives	**–**	15,384
Others	**40**	864
	51,082	23,782

5. Salaries and related expenses

	Group	
	2023 $'000	**2022** $'000
Salaries, wages and other related costs	**91,894**	70,312
Defined and other long-term employee benefits expense (Note 39)	**487**	620
Share-based payment expenses	**153**	119
Contributions to defined contribution plans	**3,045**	2,381
The above amounts include salaries and related expenses of key management personnel	**95,579**	73,432

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	2023 $'000	**2022** $'000
Utilities and communication	**17,829**	14,757
Repair and maintenance	**12,349**	11,028
Printing and stationery	**1,407**	1,227
Travelling and transportation	**2,702**	1,679
Commission expenses	**3,179**	6,218
Laundry and valet	**2,223**	1,741
Guest expendable supplies	**3,821**	3,024

7. Profit from operations and other gains

Profit from operations is stated after charging/(crediting):

	Group	
	2023 $'000	**2022** $'000
Audit fees:		
- Auditor of the Company	**507**	384
- Other auditors	**478**	527
Audit-related fees:		
- Auditor of the Company	**189**	36
- Other auditors	**77**	65
Non-audit fees:		
- Auditor of the Company	**33**	33
- Other auditors	**27**	37
Allowance for inventory obsolescence (Note 26)	**6**	92
Write-off of property, plant and equipment	**15**	335
(Reversal of impairment loss)/Impairment loss on property, plant and equipment (Note 13)	**(3,870)**	915
Exchange loss	**9,820**	8,280
(Gain)/Loss on disposal of property, plant and equipment, net	**(704)**	126
Write down of property development costs (Note 25)	**3,299**	393

8. Finance income

	Group	
	2023 $'000	**2022** $'000
Interest received and receivable from:		
- Banks	**277**	194
- Interest accretion on amount due from related parties	**709**	–
- Interest accretion on amount due from associates	**2,707**	5,387
- Interest from long-term receivables from property sales	**1,603**	1,478
- Others	**88**	514
	5,384	7,573

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Finance costs

	Group 2023 $'000	Group 2022 $'000
Interest expense on:		
- Bank loans and bank overdrafts carried at amortised cost	**16,004**	15,323
- Lease liabilities (Note 37)	**6,675**	2,335
- Convertible bonds	**–**	3,568
- Modification loss on amounts due from associates	**–**	1,633
	22,679	22,859
Less: interest expense capitalised in:		
- Property development costs (Note 25)	**(367)**	(178)
	22,312	22,681

10. Impairment losses on financial assets

The following items have been included in arriving at impairment losses:

	Group 2023 $'000	Group 2022 $'000
(Reversal of impairment losses)/Impairment losses on financial assets:		
- Long-term receivables (Note 21)	**(2)**	(417)
- Amount due from associates (Note 31)	**1,007**	(35)
- Trade receivables (Note 28)	**(1,152)**	353
- Other receivables (Note 29)	**1,217**	318
- Amount due from related parties (Note 32)	**862**	(52)
	1,932	167

11. Income tax expense

Major components of income tax expense

Major components of income taxes for the financial years ended 31 December 2023 and 2022 are:

	Group 2023 $'000	Group 2022 $'000
Consolidated income statement:		
Current income tax		
Current income taxation	**4,865**	2,053
Under/(Over) provision in respect of prior years	**81**	(277)
	4,946	1,776
Deferred income tax		
Origination and reversal in temporary differences	**6,815**	2,058
Benefits from previously unrecognised tax losses	**(2,459)**	(5,155)
Expiry or write-off of previously recognised deferred tax assets	**1,257**	318
	5,613	(2,779)
Withholding tax expense		
Current year provision	**2,085**	1,650
(Over)/Under provision in respect of prior years	**(2,912)**	65
	(827)	1,715
Income tax expense recognised in profit or loss	**9,732**	712
Statement of comprehensive income:		
Deferred tax expense/(credit) related to other comprehensive income:		
- Adjustment on property revaluation reserve	**47,698**	–
- Actuarial loss on Legal Severance Pay	**(310)**	–
- Actuarial gain on minimum pension benefit	**–**	2

11. Income tax expense (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between 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 respectively are as follows:

	Group	
	2023 $'000	**2022** $'000
Accounting profit before taxation	**42,587**	1,285
Income tax using Singapore tax rate of 17% (2022: 17%)	**7,240**	218
Effect of different tax rates in other countries	**544**	(300)
Expenses not deductible for tax purposes	**5,075**	3,328
Tax exempt income	**(5,782)**	(4,621)
Under/(Over) provision in respect of prior years	**81**	(277)
Benefits from previously unrecognised tax losses	**(2,459)**	(5,155)
Deferred tax assets not recognised	**3,555**	4,580
Withholding tax	**(827)**	1,715
Expiry or write-off of previously recognised deferred tax assets	**1,257**	318
Share of results of associates	**1,050**	906
Share of results of a joint venture	**(2)**	–
Income tax expense recognised in profit or loss	**9,732**	712

Group royalty fees income derived from Indonesia, Thailand and Maldives is subject to withholding tax at 10%, 8% and 10% respectively (2022: 10%, 8% and 10%).

12. Earnings per share

Basic earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares are weighted for the period they are outstanding. Potential ordinary shares that are cancelled or allowed to lapse during the period are included in the calculation of diluted earnings per share only for the portion of the period during which they are outstanding. Potential ordinary shares that are converted into ordinary shares during the period are included in the calculation of diluted earnings per share from the beginning of the period to the date of conversion; from the date of conversion, the resulting ordinary shares are included in both basic and diluted earnings per share.

12. Earnings per share (cont'd)

The following table reflects the profit after taxation and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December 2023 and 2022:

	Group	
	2023 $'000	**2022** $'000
Profit after taxation attributable to owners of the Company used in computation of basic and diluted earnings per share	**31,708**	767
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic earnings per share computation	**867,007,282**	864,168,450
Effect of dilution:		
- Contingently issuable shares under Banyan Tree Share Award Scheme 2016	**1,601,957**	1,481,400
- Conversion shares under Convertible Bonds	**–**	86,469,734
Weighted average number of ordinary shares for diluted earnings per share computation	**868,609,239**	952,119,584

13. Property, plant and equipment

Group	Freehold land $'000	Buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
	At valuation		At cost					
Cost or valuation:								
At 1 January 2022	343,605	259,775	40,094	141,706	16,466	12,157	12,645	826,448
Additions	1,771	4,732	509	5,772	502	171	5,281	18,738
Disposals	–	–	(408)	(3,263)	(496)	(1,591)	(125)	(5,883)
Write-off	–	(39)	–	(1,764)	(149)	(160)	–	(2,112)
Revaluation surplus	4,760	124	–	–	–	–	–	4,884
Elimination of accumulated depreciation on revaluation	–	(124)	–	–	–	–	–	(124)
Transfer (to)/ from property development costs	(1,718)	2,855	–	–	–	–	–	1,137
Transfer to land use rights (Note 16)	–	–	–	–	–	–	(462)	(462)
Transfer in/(out)	–	–	6,624	33	–	–	(6,657)	–
Net exchange differences	(10,250)	(7,160)	(1,320)	(4,389)	(319)	(285)	(910)	(24,633)
At 31 December 2022 and 1 January 2023	**338,168**	**260,163**	**45,499**	**138,095**	**16,004**	**10,292**	**9,772**	**817,993**
Additions	**723**	**1,890**	**2,212**	**10,563**	**1,770**	**570**	**10,030**	**27,758**
Disposals	**(1,404)**	**(847)**	**(1,276)**	**(1,756)**	**(927)**	**(552)**	**–**	**(6,762)**
Acquisition of subsidiaries (Note 17)	**–**	**–**	**–**	**–**	**36**	**–**	**–**	**36**
Write-off	**–**	**(6)**	**–**	**(194)**	**(70)**	**–**	**–**	**(270)**
Revaluation surplus	**213,466**	**35,629**	**–**	**–**	**–**	**–**	**–**	**249,095**
Elimination of accumulated depreciation on revaluation	**–**	**(104,207)**	**–**	**–**	**–**	**–**	**–**	**(104,207)**
Transfer to property development costs	**(1,263)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,263)**
Transfer to investment properties (Note 14)	**(7,112)**	**(1,824)**	**–**	**–**	**–**	**–**	**–**	**(8,936)**
Transfer in/(out)	**–**	**1,662**	**2,850**	**801**	**–**	**–**	**(5,313)**	**–**
Net exchange differences	**(10,251)**	**(3,791)**	**(495)**	**(3,993)**	**(250)**	**(213)**	**(230)**	**(19,223)**
At 31 December 2023	**532,327**	**188,669**	**48,790**	**143,516**	**16,563**	**10,097**	**14,259**	**954,221**

13. Property, plant and equipment (cont'd)

Group (cont'd)	Freehold land $'000	Buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
	At valuation		At cost					
Accumulated depreciation and impairment losses:								
At 1 January 2022	3,957	102,541	20,232	107,388	15,088	9,571	–	258,777
Depreciation charge for the financial year	2	7,341	893	8,261	634	457	–	17,588
Disposals	–	–	(311)	(2,958)	(484)	(1,573)	–	(5,326)
Write-off	–	(33)	–	(1,441)	(149)	(154)	–	(1,777)
Impairment loss (Note 7)	375	376	141	5	18	–	–	915
Elimination of accumulated depreciation on revaluation	–	(124)	–	–	–	–	–	(124)
Net exchange differences	(172)	(3,074)	(405)	(3,517)	(287)	(226)	–	(7,681)
At 31 December 2022 and 1 January 2023	**4,162**	**107,027**	**20,550**	**107,738**	**14,820**	**8,075**	**–**	**262,372**
Depreciation charge for the financial year	**2**	**6,999**	**1,033**	**8,073**	**690**	**431**	**–**	**17,228**
Disposals	**–**	**(192)**	**(1,255)**	**(1,549)**	**(927)**	**(550)**	**–**	**(4,473)**
Write-off	**–**	**–**	**–**	**(186)**	**(69)**	**–**	**–**	**(255)**
Reversal of Impairment loss (Note 7)	**(1,638)**	**(2,232)**	**–**	**–**	**–**	**–**	**–**	**(3,870)**
Elimination of accumulated depreciation on revaluation	**–**	**(104,207)**	**–**	**–**	**–**	**–**	**–**	**(104,207)**
Net exchange differences	**(16)**	**336**	**(289)**	**(3,172)**	**(230)**	**(158)**	**–**	**(3,529)**
At 31 December 2023	**2,510**	**7,731**	**20,039**	**110,904**	**14,284**	**7,798**	**–**	**163,266**
Net carrying amount:								
At 31 December 2022	334,006	153,136	24,949	30,357	1,184	2,217	9,772	555,621
At 31 December 2023	**529,817**	**180,938**	**28,751**	**32,612**	**2,279**	**2,299**	**14,259**	**790,955**

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13. Property, plant and equipment (cont'd)

During the financial year ended 31 December 2022, the Group purchased freehold land and buildings amounting to $3,481,000 from a director of the Company.

The freehold land and buildings of the Group are carried at valuation. The remaining items of property, plant and equipment are carried at cost.

Revaluation of freehold land and buildings

Freehold land and buildings in Singapore and Thailand were revalued as at 31 December 2023 and 28 December 2023 by professional independent property valuers respectively.

The hotel properties in Morocco, which comprise of freehold land and buildings, were appraised by a professional independent property valuer on 30 November 2023.

Revaluation and details of valuation techniques and inputs used are disclosed in Note 48.

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2023 $'000	**2022** $'000
Freehold land		
- Cost and net carrying amount	**77,863**	78,351
Buildings		
- Cost	**150,414**	262,760
- Accumulated depreciation	**(9,783)**	(115,456)
- Net carrying amount	**140,631**	147,304

As at 31 December 2023, certain properties with net carrying amount amounting to $520,271,000 (2022: $384,255,000) were mortgaged to banks to secure credit facilities for the Group (Note 35).

14. Investment properties

	Group	
	2023 $'000	**2022** $'000
Balance sheet:		
At 1 January	**85,262**	79,689
Additions	**–**	78
Disposals	**(30,000)**	–
Transfer from property, plant and equipment (Note 13)	**8,936**	–
Transfer from property development costs	**2,238**	–
Net fair value gains recognised in profit or loss (Note 4)	**4,331**	6,887
Net exchange differences	**(1,537)**	(1,392)
At 31 December	**69,230**	85,262
Income statement:		
Rental income from investment properties		
- Minimum lease payments	**1,916**	1,953
Direct operating expense (including repairs and maintenance) arising from:		
- Rental generating properties	**1,478**	1,377
- Non-rental generating properties	**50**	49

14. Investment properties (cont'd)

Valuation of investment properties

Investment properties in Thailand and Singapore are stated at fair value, which has been determined based on valuation reports dated 28 December 2023 and 31 December 2023 respectively. The revaluations were performed by professional independent property valuers with recognised and relevant professional qualifications and with recent experience in the location and category of the properties being valued.

Freehold land and buildings were revalued using the market value approach.

Details of valuation techniques and inputs used are disclosed in Note 48.

Properties pledged as security

Certain investment properties amounting to $40,480,000 (2022: $62,024,000) are mortgaged to secure bank loans (Note 35).

The investment properties held by the Group as at 31 December 2023 are as follows:

Description and Location	Existing Use	Tenure
Shopping centre with more than 50 leased outlets, Phuket, Thailand	Shops	Freehold
Land located at the shopping centre, Phuket, Thailand	Land for shopping centre	Freehold
63 office units in a 24-storey office tower, Bangkok, Thailand	Offices	Freehold
Land located in northern Thailand	Land awaiting development	Freehold
Level 1 of a 3-storey office building at 211 Upper Bukit Timah Road, Singapore	Offices	Freehold

15. Intangible assets

Group	Goodwill $'000	Customer contracts $'000	Trademarks $'000	Club memberships $'000	Other intangible assets $'000	Total $'000
Cost:						
At 1 January 2022	2,603	–	24,300	4,230	16,878	48,011
Additions	–	–	–	237	5,946	6,183
Net exchange differences	–	–	–	–	(414)	(414)
At 31 December 2022 and 1 January 2023	**2,603**	**–**	**24,300**	**4,467**	**22,410**	**53,780**
Acquisition of subsidiaries (Note 17)	**94,644**	**64,126**	**–**	**–**	**–**	**158,770**
Write-off	**–**	**–**	**–**	**–**	**(2,491)**	**(2,491)**
Net exchange differences	**–**	**–**	**–**	**–**	**(510)**	**(510)**
At 31 December 2023	**97,247**	**64,126**	**24,300**	**4,467**	**19,409**	**209,549**
Accumulated amortisation and impairment losses:						
At 1 January 2022	–	–	–	500	10,788	11,288
Amortisation	–	–	–	86	4,627	4,713
Net exchange differences	–	–	–	–	(252)	(252)
At 31 December 2022 and 1 January 2023	**–**	**–**	**–**	**586**	**15,163**	**15,749**
Amortisation	**–**	**–**	**–**	**92**	**2,419**	**2,511**
Write-off	**–**	**–**	**–**	**–**	**(2,491)**	**(2,491)**
Net exchange differences	**–**	**–**	**–**	**–**	**(354)**	**(354)**
At 31 December 2023	**–**	**–**	**–**	**678**	**14,737**	**15,415**
Net carrying amount:						
At 31 December 2022	2,603	–	24,300	3,881	7,247	38,031
At 31 December 2023	**97,247**	**64,126**	**24,300**	**3,789**	**4,672**	**194,134**

15. Intangible assets (cont'd)

Acquisition during the year

On 29 December 2023, the Group acquired intangible assets of $158,770,000, which comprises of $64,126,000 of hotel management and consultancy agreements (collectively known as customer contracts) and residual goodwill of $94,644,000, through business combinations with Banyan Tree Management (China) Pte. Ltd. ("BTMC") and Banyan Tree Services (China) Pte. Ltd. ("BTSC"). As explained in Note 2.12(a), the useful lives of the customer contracts are finite and are determined based on the remaining term of the hotel management and consultancy agreements. The fair value of the identifiable customer contracts and residual goodwill were determined on a provisional basis, as the valuation had not been completed by the date the Group's financial statements were approved for issue by the Board of Directors. SFRS(I) 3 *Business Combinations* provides the acquirer with a 12-month measurement period to obtain the information necessary to identify and measure all the various components of the acquisition at the acquisition date. Hence, the intangible assets may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to 29 December 2024, one year after the acquisition date.

Other intangible assets

Other intangible assets include sales commission incurred that are directly attributable to securing property sales contracts. The sales commission will be amortised as the Group recognises the related revenue.

Company	Club memberships $'000
Cost:	
At 1 January 2022	4,230
Additions	237
At 31 December 2022, 1 January 2023 and 31 December 2023	**4,467**
Accumulated amortisation and impairment losses:	
At 1 January 2022	500
Amortisation	86
At 31 December 2022 and 1 January 2023	**586**
Amortisation	**92**
At 31 December 2023	**678**
Net carrying amount:	
At 31 December 2022	3,881
At 31 December 2023	**3,789**

15. Intangible assets (cont'd)

Impairment testing of goodwill

Thai Wah Plaza Limited

Goodwill acquired through business combination related to Thai Wah Plaza Limited, has been identified as the single cash-generating unit ("CGU") for impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows for the five-year period are computed using the estimated rates stated below.

Key assumptions used for value in use calculations:

	Thai Wah Plaza Limited	
	2023	**2022**
Growth rate	**6.1%**	3.1%
Discount rate	**6.4%**	7.5%

Acquisition of BTMC and BTSC

The provisional goodwill acquired through the acquisitions of BTMC and BTSC have been provisionally allocated to both entities, which have been collectively identified as a single CGU for impairment testing. Due to the provisional allocation of goodwill, management may update its impairment test retrospectively once the fair value exercise of the identifiable net assets acquired and goodwill allocation is completed within one year after the acquisition date, which may result in a subsequent adjustment to the original goodwill impairment. The recoverable amount of the CGU is determined based on the fair value less costs of disposal which is supported by external valuation specialists.

15. Intangible assets (cont'd)

Impairment testing of trademarks

The trademarks comprise of "Banyan Tree" and "Angsana" brands. Trademarks have been allocated to individual CGUs, which are the Group's reportable operating segments, for impairment testing as follows:

- Property Sales Segment;
- Fee-based Segment

Carrying amounts of trademarks are allocated to each of the Group's CGUs based on a valuation performed by a professional and independent valuer at acquisition date, using the projected discounted cash flows on future royalties from each of the reportable operating segments. The allocated amounts to each CGU are as follows:

	Property Sales Segment		Fee-based segment		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Carrying amount of trademarks	**630**	630	**23,670**	23,670	**24,300**	24,300

The recoverable amount for all the individual reportable operating segment is determined based on value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period.

The discount rate applied to the cash flow projections of each reportable operating segment is 8.76% (2022: 12.51%). The growth rate used to extrapolate the cash flows of each business segment beyond the five-year period is 1% (2022: 1%). Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate, which is the WACC rate used, reflects specific risks relating to relevant companies.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of trademarks:

- Budgeted hotel occupancy rates - the basis used to determine the budgeted annual hotel occupancy rates is the average of expected guest arrivals for each month taking into consideration the seasonality and guest arrivals.

- Budgeted hotel room rates - the basis used to determine the budgeted hotel room rates is the average of the expected monthly revenues to be generated for each room type, considering the seasonality and competitive environment.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, if both the discount rate has been 100 basis points higher and growth rate has been revised downwards by 1%, the estimated recoverable amount would still exceed the carrying value.

16. Land use rights

	Group	
	2023 $'000	2022 $'000
Cost:		
At 1 January	**3,150**	2,991
Transfer from property, plant and equipment (Note 13)	**–**	462
Net exchange differences	**(4)**	(303)
At 31 December	**3,146**	3,150
Accumulated amortisation:		
At 1 January	**419**	344
Amortisation for the financial year	**134**	110
Net exchange differences	**(3)**	(35)
At 31 December	**550**	419
Net carrying amount	**2,596**	2,731

	Group	
	2023 $'000	2022 $'000
Amount to be amortised:		
- Within 1 year	**120**	121
- Between 2 to 5 years	**480**	482
- After 5 years	**1,996**	2,128

The Group has land use rights over the following plots of land:

	Tenure	
Location	2023 $'000	2022 $'000
People's Republic of China		
Gyalthang Dzong Hotel Co., Ltd	**25 years**	26 years
Indonesia		
PT. Heritage Resorts & Spas	**23 years**	24 years
PT. Cassia Resorts Investments	**19 years**	20 years

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For the financial year ended 31 December 2023

17. Subsidiaries

	Company	
	2023 $'000	**2022** $'000
Unquoted shares, at cost	**236,400**	236,400
Capital contribution through issue of ordinary shares to employees of subsidiaries at no consideration under SFRS(I) 2 Share-based Payment	**5,863**	5,863
Impairment losses	**(23,409)**	(23,409)
	218,854	218,854
Loans and receivables		
Loans to subsidiaries	**301,522**	303,284
Less: Expected credit losses	**(2,968)**	(2,968)
Less: Impairment losses	**(19,887)**	(16,911)
	278,667	283,405
	497,521	502,259

In appointing the auditing firms for the Company and subsidiaries, the Group have complied with Listing Rules 712, 715 and 716.

As at 31 December 2023, included in the loans made to subsidiaries is an unsecured loan of $3,995,000 (2022: $4,049,000) bearing interest at a rate of 7.0% (2022: 7.0%) with no fixed terms of repayment.

Except for the above interest-bearing loan, the loans made to subsidiaries are interest-free, unsecured and the settlement of the amounts were neither planned nor likely to occur in the foreseeable future. As agreed with its subsidiaries, the Company will not demand repayment of the loans and its subsidiaries will have the discretion to determine when the loans will be repaid. During the financial year ended 31 December 2023, the Company has re-assessed the carrying amounts of equity loans to subsidiaries and has recognised an impairment loss of $2,976,000 (2022: $5,176,000).

17. Subsidiaries (cont'd)

Receivables that are impaired

The Company's interest-bearing loans to subsidiaries that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2023 $'000	**2022** $'000
Loans to subsidiaries - nominal amounts	**3,995**	4,049
Less: Expected credit losses	**(2,968)**	(2,968)
	1,027	1,081

Expected credit losses

The movement in allowance for expected credit losses of amount due from subsidiaries is as follows:

	Company	
	2023 $'000	**2022** $'000
Movement in allowance accounts:		
At 1 January	**2,968**	2,862
Charge for the financial year	**–**	106
At 31 December	**2,968**	2,968

Acquisition of remaining equity interest in associates in 2023

On 29 December 2023, the Group had executed and completed the definitive agreements with affiliates of China Vanke Co., Ltd. ("Vanke") to acquire the remaining 60% equity interest in BTMC and BTSC, which were previously 40% owned by the Group.

The acquisition reinforces the Group's dedication to the Chinese market to capitalise on the growth opportunities within the region and strengthen the Group's position as a key player in the hospitality industry. It will enable the Group to streamline strategic decision-making in response to market dynamics and enhance operational efficiency in day-to-day operations.

17. Subsidiaries (cont'd)

Acquisition of remaining equity interest in associates in 2023 (cont'd)

The fair value of the identifiable assets and liabilities of BTMC and BTSC as at the date of acquisition were:

	Fair value recognised on acquisition $'000
Property, plant and equipment (Note 13)	**36**
Right-of-use assets (Note 37)	**255**
Intangible assets (provisional) (Note 15)	**64,126**
Deferred tax assets	**2,106**
Trade receivables	**7,514**
Other receivables	**1,179**
Amounts due from related companies	**30,708**
Cash and cash equivalents	**6,010**
	111,934
Trade payables	**(2,736)**
Other payables	**(2,721)**
Contract liabilities	**(5,337)**
Deferred tax liabilities (Note 38)	**(16,032)**
Tax payable	**(537)**
Amounts due to related companies	**(52,664)**
	(80,027)
Total identifiable net assets at fair value	**31,907**
Goodwill arising on acquisition (provisional) (Note 15)	**94,644**
	126,551
Consideration transferred for the acquisition	
Cash paid	**41,709**
Deferred cash settlement (Notes 36 and 40)	**35,402**
Settlement via offset of amounts due from seller	**9,440**
Total consideration transferred	**86,551**
Carrying value of 40% previously held equity interest in BTMC and BTSC	**6,485**
Gain on remeasurement of previously held equity interest at fair value before acquisition (Note 4)	**33,515**
	126,551
Effect of the acquisition on cash flows	
Total consideration for the equity interest acquired	**86,551**
Less: Deferred cash settlement (Note 36 and 40)	**(35,402)**
Less: Settlement via offset of amounts due from seller	**(9,440)**
Consideration settled in cash	**41,709**
Less: Cash and cash equivalents of subsidiaries acquired	**(6,010)**
Net cash outflow on acquisition	**(35,699)**

17. Subsidiaries (cont'd)

Acquisition of remaining equity interest in associates in 2023 (cont'd)

The fair value of intangible assets and the residual goodwill were determined on a provisional basis, based on an independent valuation performed by an external valuation specialist.

The valuation had not been completed by the date the interim financial statements were approved for issue by the Board of Directors. SFRS(I) 3 *Business Combinations* provides the acquirer with a 12-month measurement period to obtain the information necessary to identify and measure all of the various components of the acquisition as at the acquisition date. Hence, intangible assets may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to 29 December 2024, one year after the acquisition date.

The acquisition date fair value of the trade receivables amounts to $7,514,000. The gross amount of trade receivables is $12,429,000.

From the date of acquisition, BTMC and BTSC have contributed $Nil to the revenue and profit before tax from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been $341,583,000 and the profit before tax from continuing operations for the year would have been $41,572,000.

The goodwill recognised is primarily attributed to the future growth potential of the hotel management business, expected synergies and other benefits from combining the assets and activities of BTMC and BTSC with those of the Group. The goodwill is not deductible for income tax purpose.

Transaction costs of $500,000 have been expensed and are included in Administrative expenses in the consolidated income statement for the financial year ended 31 December 2023.

Acquisition of ownership interest in subsidiary in 2022

On 18 July 2022, Laguna Resorts & Hotels Public Company Limited, a subsidiary of the Group acquired an additional 40% equity interest in Vision 9 Farm Limited "V9F" from its non-controlling interests without any cash consideration. The carrying value of the net liabilities of V9F at 18 July 2022 was $723,000 and the carrying value of the additional interest that the Group acquired has resulted in a decrease in equity of $250,000.

The following summarises the effect of the change in the Group's ownership interest in V9F on the equity attributable to owners of the Company:

	Group
	2022 $'000
Increase in equity attributable to non-controlling interest	250
Decrease in equity attributable to owners of the Company	(250)

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17. Subsidiaries (cont'd)

Details of the subsidiaries at the end of the financial year are as follows:

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment 2023 $'000	Cost of investment 2022 $'000	Effective equity held by the Group 2023 %	Effective equity held by the Group 2022 %
(i)	***Held by the Company***						
(1)	Banyan Tree Hotels & Resorts Pte. Ltd.	Provision of hotel management services and management consultancy services	Singapore	**5,466**	5,466	**100**	100
(1)	Banyan Tree Investments Pte. Ltd.	Property holding	Singapore	**15,673**	15,673	**100**	100
(8)	Banyan Tree Capital Pte. Ltd.	Provision of management consultancy services	Singapore	**500**	500	**100**	100
(8)	Prestige Global Services Pte. Ltd.	Investment holding	Singapore	*	*	**100**	100
(1)	Banyan Tree Indochina Holdings Pte. Ltd.	Investment holding	Singapore	*	*	**100**	100
(8)	Banyan Tree Indochina Management (Singapore) Pte. Ltd.	Investment holding	Singapore	*	*	**100**	100
(1)	Banyan Tree Services Pte. Ltd.	Investment holding	Singapore	*	*	**100**	100
(1) (31)	Banyan Tree China Pte. Ltd.	Investment holding	Singapore	**152,678**	152,678	**98.53**	98.53
(25)	Hill View Resorts Holdings Pte. Ltd.	Investment holding	Singapore	**–**	–	**–**	100
(11)	Banyan Tree Assets (Thailand) Company Limited	Investment holding	Thailand	**91**	91	**100**	100
(14)	Banyan Tree Properties (HK) Limited	Investment holding	Hong Kong	*	*	**100**	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment 2023 $'000	Cost of investment 2022 $'000	Effective equity held by the Group 2023 %	Effective equity held by the Group 2022 %
(i)	***Held by the Company*** (cont'd)						
(2)	Maldives Bay Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**49,934**	49,934	**100**	100
(2)	Maldives Cape Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	*	*	**100**	100
(15)	Banyan Tree Resorts & Spas (Morocco) S.A.	Provision of management, operation services and ancillary services related to the hospitality industry	Morocco	**9,883**	9,883	**100**	100
(3)	Beruwela Walk Inn Limited	Operation of hotel resorts	Sri Lanka	**856**	856	**100**	100
(2)	PT. Heritage Resorts & Spas	Hotel operations and property development	Indonesia	**1,319**	1,319	**100**	100
				236,400	236,400		

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For the financial year ended 31 December 2023

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2023 %	2022 %
	(ii) Held through subsidiaries				
(1)	Hotelspa Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Banyan Tree Gallery (Singapore) Pte Ltd	Trading and retailing of consumer goods in resorts	Singapore	**93**	93
(8)	Banyan Tree Dunhuang (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Banyan Group Corporate Pte. Ltd. (formerly known as Architrave Design & Planning Services Pte. Ltd.)	Provision of design services of hotels, resorts and spas and provision of consultancy services	Singapore	**100**	100
(1)	GPS Development Services Pte. Ltd.	Provision of purchasing, project coordination and technical services of hotels, resorts and spas	Singapore	**100**	100
(1)	Banyan Tree Marketing Group Pte. Ltd.	Provision of marketing services	Singapore	**100**	100
(27)	BT Development Singapore Pte. Ltd.	Investment holding	Singapore	**–**	100
(8)	Banyan Tree Management (S) Pte. Ltd.	Provision of management consultancy services for hotels	Singapore	**100**	100
(1)	Banyan Tree Spas Pte. Ltd.	Operation of spas	Singapore	**100**	100
(1)	Banyan Tree Businesses Pte. Ltd.	Investment holding	Singapore	**100**	100
(24)	Lindere Villas Pte. Ltd.	Investment holding	Singapore	**–**	100
(1)	ACAP International Investments Pte. Ltd.	Provision of hotel management services and management consultancy services	Singapore	**100**	100
(16)	Banyan Tree Hotel Management (China) Pte. Ltd.	Investment holding	Singapore	**100**	–***
(16)	Banyan Tree Services (China) Pte. Ltd.	Investment holding	Singapore	**100**	–***
(16)	Sanctuary Management Pte. Ltd.	Investment holding	Singapore	**100**	–***
(14)	Banyan Tree Mkg (HK) Limited	Provision of marketing services	Hong Kong	**100**	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2023 %	2022 %
	(ii) Held through subsidiaries (cont'd)				
(2) **	Laguna Resorts & Hotels Public Company Limited	Hotel and property development business	Thailand	**86.28**	86.28
(2)	Banyan Tree Resorts & Spas (Thailand) Company Limited	Provision of spa services	Thailand	**100**	100
(2)	Banyan Tree Hotels & Resorts (Thailand) Limited	Provision of hotel management services	Thailand	**100**	100
(2)	TWR - Holdings Limited	Investment holding and property development	Thailand	**86.28**	86.28
(2)	Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	**86.28**	86.28
(11)	Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	**86.28**	86.28
(2)	Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	**93**	93
(11)	Pai Samart Development Company Limited	Holds land plots for future development	Thailand	**86.28**	86.28
(11)	Mae Chan Property Company Limited	Holds land plots for future development	Thailand	**86.28**	86.28
(2)	Phuket Grande Resort Limited	Property development and hotel operations	Thailand	**86.28**	86.28
(2)	Laguna Grande Limited	Operation of golf club and property development	Thailand	**86.28**	86.28
(2)	Laguna Banyan Tree Limited	Hotel operations, property development, sales and marketing service for holiday club membership	Thailand	**86.28**	86.28
(11) (19)	Talang Development Company Limited	Property development	Thailand	**43.14**	43.14
(2)	Twin Waters Limited	Property development	Thailand	**86.28**	86.28
(11)	Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(11)	Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(28)	Bangtao (3) Limited	Property development	Thailand	**–**	86.28

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17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2023 %	2022 %
	***(ii) Held through subsidiaries** (cont'd)*				
(2)	Bangtao Laguna Limited	Owns land on which a hotel is situated and property development	Thailand	**86.28**	86.28
(2)	Bangtao Grande Limited	Hotel operations and property development	Thailand	**86.28**	86.28
(2)	Laguna Service Company Limited	Provision of utilities and other services to hotels owned by the subsidiaries	Thailand	**62.90**	62.90
(2)	Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	**86.28**	86.28
(2)	Thai Wah Tower Company Limited	Lease of office building space	Thailand	**86.28**	86.28
(11)	Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	**86.28**	86.28
(2) (19)	Laguna Excursions Limited	Travel operations	Thailand	**42.28**	42.28
(2)	Laguna Lakes Limited	Property development	Thailand	**81.97**	81.97
(11)	Laguna Jobs Recruitment Co., Ltd. (formerly known as Laguna Jobs Co., Ltd)	Employment services	Thailand	**86.28**	86.28
(11)	Vision 9 Farm Limited	Farming and restaurant	Thailand	**86.28**	86.28
(11) (30)	Laguna Global Intertrade Limited	Trading company	Thailand	**86.28**	–
(11) (30)	Laguna Hospitality Limited	Laundry services	Thailand	**86.28**	–
(9)	Gyalthang Dzong Hotel Co., Ltd.	Hotel services	China	**80**	80
(12)	Dunhuang Banyan Tree Hotel Co., Ltd.	Develop, own and operate hotels and resorts in China	China	**100**	100
(12)	Tianjin Banyan Tree Capital Investment Management Co., Ltd.	Investment management and related consulting services	China	**100**	100
(12)	Rong Yuan (Shanghai) Business Management Co., Ltd.	Provision of marketing and management consulting services	China	**100**	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2023 %	2022 %
	***(ii) Held through subsidiaries** (cont'd)*				
(17)	Banyan Tree Marketing (Shanghai) Co., Ltd.	Marketing, information consulting services, enterprise management consulting	China	**100**	–***
(17)	Banyan Tree Hotels Management (Tianjin) Co., Ltd.	Hotel management services, spa management services	China	**100**	–***
(17)	YueLiang Architectural Design Consulting (Shanghai) Co., Ltd.	Architectural engineering and design, design services	China	**100**	–***
(17)	Xiangrong Business Consulting (Shanghai) Co., Ltd.	Information consulting services, enterprise management consulting	China	**100**	–***
(17)	Wanyue Leisure Health (Shanghai) Co., Ltd.	Health leisure activities, spa & gallery related businesses	China	**100**	–***
(17)	Lijiang Banyan Tree Gallery Trading Co., Ltd.	Gallery related businesses	China	**100**	–***
(17)	Banyan Tree Hotels Services (Beijing) Co., Ltd.	Accommodation, hotel management, consulting services in hotel design	China	**100**	–***
(23)	BT Development No. 1 Pty Ltd	Development of residential property	Australia	**–**	100
(22)	Keelbay Pty Ltd	Development of residential property	Australia	**–**	100
(14)	Banyan Tree Resorts Limited	Provision of resort management services	Hong Kong	**100**	100
(14)	Banyan Tree Spa (HK) Limited	Provision of spa management services	Hong Kong	**100**	100
(4)	Cheer Golden Limited	Investment holding	Hong Kong	**86.28**	86.28
(2)	Triumph International Holdings Limited	Investment holding	Hong Kong	**80**	80
(29)	Northpoint Investments Limited	Investment holding	Hong Kong	**100**	100
(29)	Banyan Tree Investment Holdings (HK) Limited	Investment holding	Hong Kong	**100**	100
(2)	Vabbinvest Maldives Pvt Ltd	Operation of holiday resorts	Maldives	**100**	100

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17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2023 %	2022 %
	(ii) Held through subsidiaries (cont'd)				
(2)	Maldives Angsana Pvt Ltd	Operation of holiday resorts	Maldives	**100**	100
(20)	Banyan Tree Hotels & Resorts Korea Limited	Provision of hotel management services	Korea	**100**	100
(8)	Banyan Tree Indochina (GP) Company Limited	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	Cayman Islands	**100**	100
(26)	Jayanne International Limited	Investment holding	British Virgin Islands	**–**	100
(20)	Club Management Limited	Provision of resort and hotel management and operation services and ancillary services related to the hospitality industry	British Virgin Islands	**100**	100
(10)	PT. AVC Indonesia	Holiday club membership and golf club operations	Indonesia	**86.28**	86.28
(18)	PT. Management Banyan Tree Resorts & Spas	Provision of consultation and management services of the international hotels marketing	Indonesia	**100**	100
(2)	PT. Banyan Tree Management	Provision of hotel management services	Indonesia	**100**	100
(2)	PT. Cassia Resorts Investments	Hotel operations and property development	Indonesia	**100**	100
(5)	PT. Leisure Development Bintan	Hotel operations and property development	Indonesia	**100**	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group 2023 %	2022 %
	(ii) Held through subsidiaries (cont'd)				
(13)	Banyan Tree MX S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(5)	Banyan Tree Servicios S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(20)	Banyan Tree Japan Yugen Kaisha	Operation of spas	Japan	**100**	100
(2)	Banyan Tree (Private) Limited	Operation of spas	Sri Lanka	**100**	100
(6)	Heritage Spas South Africa (Pty) Ltd	Operation and investment in resorts, spas and retail outlets	South Africa	**100**	100
(7)	Banyan Tree Mkg (UK) Ltd	Provision of marketing services	United Kingdom	**100**	100
(2)	BT Investments Holdings Phils. Inc.	Investment holding	Philippines	**97.85**	97.85
(21)	Green Transportation SARL AU	Provision of tourist transportation activities	Morocco	**100**	100

17. Subsidiaries (cont'd)

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

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

(3) Audited by Tudor V.P. & Co.

(4) Audited by RSM Nelson Wheeler.

(5) Not required to be audited as the company is exempted from audit.

(6) Audited by Mazars.

(7) Audited by MHA MacIntyre Hudson.

(8) Audited by A Garanzia LLP.

(9) Audited by Beijing Zhongtian Huaqing Certified Public Accountants Co., Ltd.

(10) Audited by RSM AAJ Associates.

(11) Audited by SD Audit and Consultancy Limited.

(12) Audited by Shanghai Lixin Jiacheng Dongshen Certified Public Accountants Co., Ltd.

(13) Audited by Galaz, Yamazaki, Ruiz Urquiza, S.C.

(14) Audited by Cosmos CPA Limited.

(15) Audited by Cabinet Zakoun & Associes Sarl.

(16) Audited by KPMG LLP.

(17) Audited by member firms of KPMG International.

(18) Audited by Alex Belvin & Rekan.

(19) These companies are subsidiaries of LRH which in turn are subsidiaries of the Group. Management of the Group is of the view that these companies should be consolidated as subsidiaries in the consolidated financial statements as the Group has control over them through LRH.

(20) Not required to be audited under the laws of country of incorporation.

(21) Not required to be audited as the company has not commenced operation as at 31 December 2023.

(22) Deregistered on 10 February 2023.

(23) Deregistered on 18 February 2023.

(24) Strike-off on 9 March 2023.

(25) Strike-off on 6 April 2023.

(26) Liquidated on 26 October 2023.

(27) Strike-off on 5 February 2024.

(28) Liquidated on 16 February 2024.

(29) In the process of strike-off/voluntary liquidation.

(30) Incorporated during the year.

(31) Effective interest held by the Company is 89.31%. Including all the effective interest held by the subsidiaries, the Group effective interest is 98.53%.

* Cost of investment is less than $1,000.

** As at 31 December 2023, 0.04% (2022: 0.04%) of the issued and paid up capital of Laguna Resorts & Hotels Public Company Limited ("LRH") is held by Thai NVDR Company Limited (a subsidiary wholly-owned by the Stock Exchange of Thailand issuing "Non-Voting Depository Receipt" ("TNVDR")). Pursuant to the provisions of their prospectus, TNVDR will not attend nor vote in any shareholders' meeting of LRH other than delisting.

Taking into account the issued and paid up capital of LRH held by TNVDR, the voting rights held by the Group in the subsidiary amount to 86.32% (2022: 86.32%) and the voting rights held by the non-controlling interest in the subsidiary amount to 13.68% (2022: 13.68%).

Of the effective equity held by the non-controlling interest of 13.72% (2022: 13.72%) in LRH, 0.04% (2022: 0.04%) is held by TNVDR. Taking into account of the issued and paid up capital of LRH held by TNVDR, the voting rights held by the non-controlling interest in the subsidiary amount to 13.68% (2022: 13.68%).

*** Acquired by the Group as a subsidiary during the year. The company was an associate previously.

17. Subsidiaries (cont'd)

Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2023:					
Laguna Resorts & Hotels Public Company Limited	**Thailand**	**13.72%**	**1,173**	**74,303**	**–**
31 December 2022:					
Laguna Resorts & Hotels Public Company Limited	Thailand	13.72%	(152)	49,071	–

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	Laguna Resorts & Hotels Public Company Limited 2023 $'000	2022 $'000
Current		
Assets	**256,294**	233,363
Liabilities	**(215,968)**	(184,018)
Net current assets	**40,326**	49,345
Non-current		
Assets	**913,713**	676,143
Liabilities	**(372,412)**	(338,563)
Net non-current assets	**541,301**	337,580
Net assets	**581,627**	386,925

17. Subsidiaries (cont'd)

Summarised financial information about subsidiary with material NCI (cont'd)

Summarised statement of comprehensive income

	Laguna Resorts & Hotels Public Company Limited 2023 $'000	2022 $'000
Revenue	**236,455**	188,269
Profit/(Loss) before taxation	**21,920**	(174)
Income tax (expense)/credit	**(7,227)**	530
Profit after taxation	**14,693**	356
Other comprehensive income	**193,011**	247
Total comprehensive income	**207,704**	603
Other summarised information		
Net increase in cash and cash equivalents	**10,607**	17,526
Acquisition of significant property, plant and equipment	**(21,907)**	(11,501)

18. Associates

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Quoted and unquoted equity shares, at cost	**94,655**	109,911	**869**	869
Share of post-acquisition reserves, net of dividend received	**(11,244)**	(1,145)	**–**	–
Impairment losses	**(679)**	(679)	**–**	–
Net exchange differences	**(6,751)**	(5,418)	**–**	–
	75,981	102,669	**869**	869
Fair value of investment in an associate for which there is a published price quotation (Note 48(d))	**13,362**	17,917	**–**	–

18. Associates (cont'd)

On 29 December 2023, Redeemable Convertible Preference Share ("RCPS") of $17,831,000 which was included within quoted and unquoted equity shares as at 31 December 2022 were fully redeemed by offsetting against amounts due to associates (non-trade) as disclosed in Note 31.

The Group has pledged 10,000,000 ordinary shares of Thai Wah Public Company Limited with a bank to secure a long-term loan of the Group as at 31 December 2023 and 31 December 2022.

The details of the material associates at the end of the financial year are as follows:

Name of associate	Principal activities	Place of incorporation	Proportion of ownership interest 2023 %	2022 %
Held through subsidiaries				
[1] [2] Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	**10.03**	10.03
[1] [2] Banyan Tree Indochina Hospitality Fund, L.P.	Business of a real estate development fund, focused on the hospitality sector in Vietnam	Cayman Islands	**17.80**	17.80

[1] Audited by member firms of Ernst & Young Global in the respective countries.

[2] The results of these associates were equity accounted for in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities. The Group's effective interest in these associates differ from the corresponding direct interest held by subsidiaries with non-controlling interests.

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18. Associates (cont'd)

The summarised financial information in respect of Thai Wah Public Company Limited and Banyan Tree Indochina Hospitality Fund, L.P. and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Thai Wah Public Company Limited		Banyan Tree Indochina Hospitality Fund, L.P.	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Summarised balance sheet				
Assets and liabilities				
Current assets	**172,734**	157,727	**12**	12
Non-current assets	**184,564**	182,433	**231,316**	252,802
Current liabilities	**(97,723)**	(61,281)	**(1,859)**	(1,754)
Non-current liabilities	**(54,583)**	(58,766)	**–**	–
Non-controlling interests	**(13,180)**	(14,582)	**–**	–
Net assets	**191,812**	205,531	**229,469**	251,060
Proportion of the Group's ownership	**10.03%**	10.03%	**17.80%**	17.80%
Group's share of net assets	**19,239**	20,615	**40,845**	44,689
Goodwill on acquisition	**3,737**	3,835	**–**	–
Difference between fair value and cost of identifiable assets and liabilities	**5,683**	5,728	**–**	–
Carrying amount of the investment	**28,659**	30,178	**40,845**	44,689
Summarised statement of comprehensive income				
Revenue	**394,747**	409,020	**–**	–
Operating expenses	**(393,848)**	(392,322)	**(18,410)**	(7,891)
Net finance costs	**(2,774)**	(2,270)	**–**	–
(Loss)/Profit before tax	**(1,875)**	14,428	**(18,410)**	(7,891)
Income tax expense	**(460)**	(2,582)	**–**	–
(Loss)/Profit after tax	**(2,335)**	11,846	**(18,410)**	(7,891)

18. Associates (cont'd)

Aggregate information about the Group's investments in associates that are not individually material, not adjusted for the proportion of ownership interests held by the Group, are as follows:

	Group	
	2023 $'000	2022 $'000
Results:		
Revenue	**27,176**	18,669
Loss for the financial year	**(17,326)**	(27,258)
Other comprehensive loss	**(2,286)**	(2,755)
Total comprehensive loss*	**(19,612)**	(30,013)

* Included in total comprehensive loss of associates is Tropical Resorts Limited's total comprehensive income of $2,374,000 (2022: total comprehensive loss of $26,308,000).

The Group has not recognised its share of losses and deficit in the currency translation reserve relating to one of its associates, Tropical Resorts Limited where its share of deficit in equity has exceeded the Group's interest in this associate. At the end of the reporting period, the Group's cumulative share of unrecognised losses and currency translation surplus were $14,284,000 (2022: $14,775,000) and $2,919,000 (2022: $2,064,000) respectively. The Group's share of the current year's unrecognised profit was $492,000 (2022 unrecognised loss: $550,000).

The Group has no obligation in respect of these losses.

19. Long-term investments

	Group	
	2023 $'000	2022 $'000
At fair value through other comprehensive income		
Equity securities (quoted)	**2**	2
Equity securities (unquoted)	**851**	24,236
	853	24,238

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For the financial year ended 31 December 2023

19. Long-term investments (cont'd)

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	2023 $'000	2022 $'000
At fair value through other comprehensive income		
- Equity securities (quoted)		
Others	**2**	2
- Equity securities (unquoted)		
Mayakoba Thai S.A. De C.V. ("Mayakoba")	**–**	9,584
La Punta Resorts S.A. De C.V. ("La Punta")	**851**	2,529
Banyan Tree Assets (China) Holdings Pte. Ltd. ("BTAC")	**–**	12,123
	853	24,238

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.

On 6 November 2023, the Group disposed its investment in Mayakoba at a fair value of $13,834,000. On 29 December 2023, the Group disposed its investment in BTAC at a fair value of $5,580,000.

Prior to the disposal of Mayakoba and BTAC, the Group carried out an assessment on the fair value of the investments, and had recognised a fair value gain of $4,250,000 and a fair value loss of $6,543,000 for both investments respectively.

As at 31 December 2023, the Group has carried out an assessment on the fair value of the investment in La Punta using the discount rate and growth rate of 13.8% and 2.9% (2022: 12.7% and 2.4%) respectively, and a fair value loss of $2,860,000 (2022: $204,000) had been recognised in fair value adjustment reserve through other comprehensive income.

20. Prepaid island rental

	Group	
	2023 $'000	2022 $'000
At 1 January	**17,339**	18,352
Net exchange differences	**(326)**	(315)
	17,013	18,037
Less: Amortisation of prepaid island rental during the financial year	**(680)**	(698)
At 31 December	**16,333**	17,339
Amount chargeable within 1 year (Note 27)	**774**	785
Amount chargeable after 1 year	**15,559**	16,554
	16,333	17,339

The above amounts were paid to the owners of the Vabbinfaru Island for the lease payments for the following periods:

Island	Lease period 2023	Lease period 2022
Maldives		
Vabbinfaru Island	**1 May 1993 - 9 Apr 2045**	1 May 1993 - 9 Apr 2045

21. Long-term receivables

	Group	
	2023 $'000	2022 $'000
Loans and receivables		
- trade (property sales) (i)	**29,576**	27,716
- trade (non-property sales)	**622**	1,734
Long-term receivables (current and non-current)	**30,198**	29,450
Long-term receivables are repayable as follows:		
Within 12 months		
- trade (property sales) (i)	**10,602**	11,304
- trade (non-property sales)	**4,721**	5,306
	15,323	16,610
Less: Expected credit losses (non-property sales)	**(4,721)**	(4,212)
Long-term receivables (current) (Note 28)	**10,602**	12,398
Between 2 to 5 years		
- trade (property sales) (i)	**18,974**	16,412
- trade (non-property sales)	**–**	511
	18,974	16,923
Less: Expected credit losses (non-property sales)	**–**	(511)
After 5 years		
- trade (non-property sales)	**622**	640
Long-term receivables (non-current)	**19,596**	17,052

Long-term receivables consist of:

(i) Trade receivables from property sales bear interest at rates ranging from 0% to 7% per annum (2022: from 0% to 7%) and are repayable over an instalment period of 3 to 5 years (2022: 3 to 5 years).

Significant foreign currency denominated balances

	Group	
	2023 $'000	2022 $'000
US Dollars	**604**	621

21. Long-term receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of long-term receivables (current and non-current) is as follows:

	Group	
	2023 $'000	2022 $'000
Movement in allowance accounts:		
At 1 January	**4,723**	5,137
Write-back of allowance for the financial year (Note 10)	**(2)**	(417)
Exchange differences	**–**	3
At 31 December	**4,721**	4,723

22. Other receivables – non-current

	Group	
	2023 $'000	2022 $'000
Loans and receivables		
Deposits	**2,327**	2,490
Loan to third party	**16,684**	–
	19,011	2,490

23. Costs to acquire contracts – non-current

Costs to acquire contracts pertains to advances payable or paid to hotel owners mainly for the Group's access to opportunities and brand representations in strategic locations. Such amounts constitute consideration payable to customers and are amortised on a straight-line basis, in which the amortisation expense is recognised as a reduction of revenue over the term of the hotel management agreements.

During the financial year ended 31 December 2023, $7,448,000 (2022: $Nil) of advance payment was capitalised as costs to acquire contracts and $25,000 (2022: $Nil) of amortisation expense was recognised in the profit or loss as a reduction of revenue. There was no impairment loss recorded in relation to such costs capitalised. Should the hotel management agreement be terminated at any time during the contract period, the hotel owner shall refund the unamortised portion of the advance payment to the Group.

24. Investments

	Group	
	2023 $'000	2022 $'000
At fair value through other comprehensive income		
- Equity securities (unquoted)	–	72,149
	–	72,149

A subsidiary of the Group entered into agreements with the holding company of BTAC where it was contractually agreed that the RCPS issued to the subsidiary will be redeemed on or before 31 December 2023 based on a step-by-step approach as prescribed in the agreements. The RCPS can be settled simultaneously against loans from BTAC (Note 36) subject to certain conditions being met.

The RCPS was fully redeemed on 29 December 2023.

25. Property development costs

	Group	
	2023 $'000	2022 $'000
Balance sheet:		
Properties under development	**114,373**	136,827
Properties held for sale	**71,449**	49,428
	185,822	186,255
Income statement inclusive of the following charge:		
- Write down of property development costs (Note 7)	**3,299**	393

During the financial year ended 31 December 2023, borrowing costs of $367,000 (2022: $178,000) (Note 9) arising from borrowings obtained specifically for the development property were capitalised under properties under development. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.29% to 5.42% (2022: 1.4% to 4.25%), which is the effective interest rate of the specific borrowing.

During the financial year ended 31 December 2022, the Group purchased development properties amounting to $2,277,000 from a director of the Company.

Certain property development costs amounting to $38,762,000 (2022: $39,847,000) are mortgaged to secure bank loans (Note 35).

25. Property development costs (cont'd)

Details of the properties as at 31 December 2023 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	1,157	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	1,944	Completed	86.28
Laguna Village Residences	Phuket, Thailand	100	Held for sale	671	Completed	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	100	Held for sale	3,045	Completed	86.28
Angsana Beach Front	Phuket, Thailand	100	Held for sale	1,175	Completed	86.28
Skypark	Phuket, Thailand	100	Held for sale	317	Completed	86.28
Laguna Village Residences	Phuket, Thailand	98	Under construction	671	March 2024	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	40	Under construction	10,244	December 2026	86.28
Laguna Beachside	Phuket, Thailand	23	Under construction	17,607	June 2025	86.28
Laguna Lakeside	Phuket, Thailand	70	Under construction	5,278	April 2024	86.28
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	415	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

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25. Property development costs (cont'd)

Details of the properties as at 31 December 2022 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	1,339	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	2,068	Completed	86.28
Cassia Phuket Phase 3	Phuket, Thailand	100	Held for sale	49	Completed	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	100	Held for sale	240	Completed	86.28
Angsana Beach Front	Phuket, Thailand	100	Held for sale	1,175	Completed	86.28
Laguna Village Residences	Phuket, Thailand	75	Under construction	4,697	December 2023	86.28
Laguna Park 2 Town House and Villas	Phuket, Thailand	74	Under construction	4,662	December 2023	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	34	Under construction	11,546	December 2028	86.28
Angsana Oceanview Residences	Phuket, Thailand	43	Under construction	7,367	December 2023	86.28
Laguna Lakeside	Phuket, Thailand	43	Under construction	5,217	December 2023	86.28
Skypark	Phuket, Thailand	87	Under construction	6,433	September 2023	86.28
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	415	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

26. Inventories

	Group	
	2023 $'000	2022 $'000
Balance sheet:		
Food and beverage, at cost	**1,538**	1,397
Trading goods and supplies, at cost	**4,018**	1,738
Materials, at cost	**2,540**	1,328
	8,096	4,463
Income statement inclusive of the following charge:		
- Inventories recognised as an expense in cost of sales	**21,316**	17,147
- Inventories written down (Note 7)	**6**	92

27. Prepayments and other non-financial assets – current

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Prepayments	**8,032**	5,510	**1,804**	400
Prepaid island rental – current portion (Note 20)	**774**	785	**–**	–
Advances to suppliers	**4,369**	3,388	**–**	–
Goods and services tax/value-added tax receivable	**5,741**	3,741	**–**	–
Deposit for purchase of land	**5,596**	–	**–**	–
Others	**1,356**	1,122	**–**	3
	25,868	14,546	**1,804**	403

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. Trade receivables

	Group 2023 $'000	Group 2022 $'000
Loans and receivables		
Trade receivables	**49,053**	38,747
Less: Expected credit losses	**(1,172)**	(3,291)
	47,881	35,456
Current portion of long-term trade receivables (Note 21)	**15,323**	16,610
Less: Expected credit losses (Note 21)	**(4,721)**	(4,212)
	10,602	12,398
	58,483	47,854

Other than the current portion of long-term trade receivables (Note 21), trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Significant foreign currency denominated balances

	Group 2023 $'000	Group 2022 $'000
US Dollars	**7,430**	9,880

Expected credit losses

The movement in allowance for expected credit losses of trade receivables is as follows:

	Group 2023 $'000	Group 2022 $'000
Movement in allowance accounts:		
At 1 January	**3,291**	4,275
(Write-back of allowance)/Charge for the financial year (Note 10)	**(1,152)**	353
Write-off for the financial year	**(984)**	(1,119)
Exchange differences	**17**	(218)
At 31 December	**1,172**	3,291

28. Trade receivables (cont'd)

Receivables subject to offsetting arrangements

The Group regularly provides spa treatment services to in-house guests of Vineyard Hotel & Spa. The Group will be regularly charged by Vineyard Hotel & Spa for rental, utilities and other miscellaneous expenses incurred on behalf of the Group. Both parties have an arrangement to settle the net amount due to or from each other on a 30 days' term basis.

The Group's trade receivables and trade payables that are offset are as follows:

Description	2023 $'000 Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Trade receivables	**97**	**(97)**	**–**
Trade payables	**101**	**(97)**	**4**

Description	2022 $'000 Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Trade receivables	61	(61)	–
Trade payables	75	(61)	14

29. Other receivables – current

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Loans and receivables				
Deposits[1]	**1,363**	1,096	**6**	–
Interest receivable	**10**	21	**10**	–
Staff advances	**55**	73	**–**	–
Insurance recoverable	**5**	5	**–**	–
Other recoverable expenses	**3,855**	5,501	**1,093**	1,045
Other receivables[2]	**1,762**	7,710	**–**	–
	7,050	14,406	**1,109**	1,045

1 Included in deposits are fixed deposit amounts of $637,000 (2022: $651,000) placed with financial institutions as at 31 December 2023 that have maturity periods varying between 4 and 10 months.

2 On 29 December 2023, an amount receivable from BTAC of RMB34,000,000 was settled simultaneously against loans from BTAC based on a step-by-step approach agreed between a subsidiary of the Group and the holding company of BTAC (Note 36).

29. Other receivables – current (cont'd)

During the financial year ended 31 December 2023, the Group has provided for an impairment loss of $1,217,000 (2022: $318,000) (Note 10) for other recoverable expenses and other receivables.

Significant foreign currency denominated balances

	Group		Company	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
RMB	**–**	6,562	**–**	–

30. Amounts due from/(to) subsidiaries

	Company	
	2023 $'000	**2022** $'000
Loans and receivables		
Amounts due from subsidiaries - non-trade	**216,724**	175,820
Less: Expected credit losses	**(6,011)**	(4,238)
	210,713	171,582
Financial liabilities at amortised cost		
Amounts due to subsidiaries (current) - non-trade	**(70,746)**	(54,200)

	Company	
	2023 $'000	**2022** $'000
Movement in allowance accounts:		
At 1 January	**4,238**	4,538
Charge/(Write-back of allowance) for the financial year	**1,773**	(300)
At 31 December	**6,011**	4,238

Included in the amounts due from subsidiaries are unsecured loans of $30,000,000 (2022: $30,000,000), bearing interest at a rate of 6.92% (2022: 6.68%) and repayable on demand. Except for this loan, the amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

31. Amounts due from/(to) associates

	Group		Company	
	2023 $'000	**2022** $'000	**2023** $'000	**2022** $'000
Loans and receivables				
Amounts due from associates				
- trade	**1,728**	11,788	**–**	10,129
- trade advances	**22,397**	14,383	**–**	–
- non-trade	**314**	4,100	**250**	205
	24,439	30,271	**250**	10,334
Less: Expected credit losses	**(1,292)**	(199)	**–**	–
	23,147	30,072	**250**	10,334
Financial liabilities at amortised cost				
Amounts due to associates				
- trade	**(92)**	(81)	**–**	–
- non-trade	**–**	(17,831)	**–**	–
	(92)	(17,912)	**–**	–

On 29 December 2023, the amounts due to associates (non-trade) of $17,831,000 which were unsecured non-interest bearing loans as at 31 December 2022 were offset against RCPS as disclosed in Note 18.

The amounts due from/(to) associates are unsecured, non-interest bearing and repayable on demand.

Expected credit losses

The movement in allowance for expected credit losses of amounts due from associates is as follows:

	Group	
	2023 $'000	**2022** $'000
Movement in allowance accounts:		
At 1 January	**199**	246
Charge/(Write-back of allowance) for the financial year (Note 10)	**1,007**	(35)
Exchange differences	**86**	(12)
At 31 December	**1,292**	199

31. Amounts due from/(to) associates (cont'd)

Significant foreign currency denominated balances

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
US Dollars	**20,936**	14,905	**–**	–

32. Amounts due from/(to) related parties

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans and receivables - Current				
Amounts due from related parties				
- trade	**44**	119	**–**	–
- non-trade	**1**	3	**21**	18
	45	122	**21**	18
Less: Expected credit losses	**–**	(26)	**–**	–
	45	96	**21**	18
Financial liabilities at amortised cost				
Amounts due to related parties				
- trade	**(786)**	(276)	**–**	–
- non-trade	**(972)**	(714)	**(14)**	(13)
	(1,758)	(990)	**(14)**	(13)

The amounts due from/(to) related parties (current) are unsecured, non-interest bearing and repayable on demand.

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans and receivables – Non-current				
Amounts due from related parties				
- trade	**2,179**	2,160	**–**	–
- non-trade	**135**	27	**–**	–
	2,314	2,187	**–**	–
Less: Expected credit losses	**(2,314)**	(1,918)	**–**	–
	–	269	**–**	–

32. Amounts due from/(to) related parties (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of amounts due from related parties (current and non-current) is as follows:

	Group	
	2023 $'000	2022 $'000
Movement in allowance accounts:		
At 1 January	**1,944**	2,002
Charge/(Write-back of allowance) for the financial year (Note 10)	**862**	(52)
Write-off for the financial year	**(486)**	(6)
Exchange differences	**(6)**	–
At 31 December	**2,314**	1,944

Significant foreign currency denominated balances

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
US Dollars	**(196)**	(58)	**(14)**	(13)

33. Cash and short-term deposits

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans and receivables				
Cash on hand and at banks	**119,792**	91,865	**39,698**	29,673
Short-term deposits	**10,911**	930	**10,000**	–
	130,703	92,795	**49,698**	29,673
Significant foreign currency denominated balances				
US Dollars	**13,585**	7,523	**8,690**	1,711

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for three months and earn interest at the respective short-term deposit rates.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2023 $'000	2022 $'000
Cash and short-term deposits	**130,703**	92,795

34. Other non-financial liabilities - current

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Goods and services tax/value-added tax payable	**9,669**	5,384	**346**	521
Others	**9,290**	7,750	**1,003**	1,205
	18,959	13,134	**1,349**	1,726

35. Interest-bearing loans and borrowings

		Group		Company	
	Maturity	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial liabilities at amortised cost					
Current liabilities					
Secured bank loans	2024	**51,074**	65,702	**9,600**	10,560
Unsecured bank loans	2024	**41,660**	38,535	**36,660**	31,535
		92,734	104,237	**46,260**	42,095
Non-current liabilities					
Secured bank loans	2025-2038	**164,827**	217,656	**7,367**	27,327
Unsecured bank loans	2025-2028	**78,616**	15,451	**63,616**	15,451
		243,443	233,107	**70,983**	42,778
Total		**336,177**	337,344	**117,243**	84,873

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

			Non-cash changes				
	2022 $'000	Cash flows $'000	Accretion of interest/ Amortisation of transaction costs $'000	Foreign exchange movement $'000	New leases $'000	Other * $'000	2023 $'000
Interest bearing loans and borrowings - secured							
- Current	65,702	**(32,183)**	**–**	**(1,216)**	**–**	**18,771**	**51,074**
- Non-current	217,656	**(29,700)**	**–**	**(4,358)**	**–**	**(18,771)**	**164,827**
Interest bearing loans and borrowings - unsecured							
- Current	38,535	**(1,874)**	**–**	**–**	**–**	**4,999**	**41,660**
- Non-current	15,451	**68,164**	**–**	**–**	**–**	**(4,999)**	**78,616**
Leases (Note 37)							
- Current	2,705	**(11,874)**	**6,675**	**(88)**	**4,608**	**3,509**	**5,535**
- Non-current	31,495	**–**	**–**	**(842)**	**47,340**	**(3,509)**	**74,484**
Total	371,544	**(7,467)**	**6,675**	**(6,504)**	**51,948**	**–**	**416,196**

* Other relates to reclassification of non-current portion of loans and borrowings and capitalisation of transaction costs.

35. Interest-bearing loans and borrowings (cont'd)

			Non-cash changes				
	2021 $'000	Cash flows $'000	Accretion of interest/ Amortisation of transaction costs $'000	Foreign exchange movement $'000	New leases $'000	Other * $'000	2022 $'000
Interest bearing loans and borrowings - secured							
- Current	96,192	(13,878)	–	(1,513)	–	(15,099)	65,702
- Non-current	223,511	(15,906)	–	(5,048)	–	15,099	217,656
Interest bearing loans and borrowings - unsecured							
- Current	57,384	(5,049)	–	–	–	(13,800)	38,535
- Non-current	9,662	(8,011)	–	–	–	13,800	15,451
Convertible bonds – Current							
- Loan liability	42,473	(43,760)	3,568	–	–	(2,281)	–
- Derivative liability	16,193	–	–	–	–	(16,193)	–
Leases (Note 37)							
- Current	2,291	(4,128)	2,335	(59)	–	2,266	2,705
- Non-current	32,103	–	–	(409)	2,067	(2,266)	31,495
Total	479,809	(90,732)	5,903	(7,029)	2,067	(18,474)	371,544

* Other relates to reclassification of non-current portion of loans and borrowings, capitalisation of transaction costs and conversion of Convertible Bonds to new shares.

The secured bank loans of the Group are secured by assets with the following net book values:

	Group	
	2023 $'000	2022 $'000
Freehold land and buildings (Note 13)	**520,271**	371,211
Investment properties (Note 14)	**40,480**	62,024
Leasehold buildings (Note 13)	**–**	13,044
Property development costs (Note 25)	**38,762**	39,847
Unquoted shares	**–**	4,044
Prepaid island rental	**–**	15,194
Investment in associates	**3,244**	3,416
Other assets	**–**	2,786
	602,757	511,566

The secured bank loans of the Company amounting to $16,967,000 (2022: $37,887,000) are secured by freehold land and buildings and investment properties of the Group's subsidiaries.

36. Other payables – current

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial liabilities at amortised cost				
Accrued operating expenses	**57,744**	45,451	**6,111**	6,598
Accrued service charges	**2,151**	2,084	**–**	–
Deposits	**56**	139	**–**	–
Deferred cash settlement for acquisition of subsidiaries (Note 17)	**11,580**	–	**–**	–
Loans from BTAC	**–**	79,005	**–**	–
Sundry creditors	**3,142**	2,098	**247**	98
	74,673	128,777	**6,358**	6,696

As disclosed in Notes 24 and 29, the loans from BTAC were settled on 29 December 2023 against RCPS and an amount receivable from BTAC based on a step-by-step approach agreed between a subsidiary of the Group and the holding company of BTAC.

37. Leases

Group as a lessee

The Group has lease contracts for land and buildings used in its operations. Leases of land generally have lease terms between 10 and 44 years and buildings generally have lease terms of 2 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

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.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group	
	Land and buildings	
	2023 $'000	2022 $'000
As at 1 January	**17,187**	17,718
Additions	**51,864**	1,221
Acquisition of subsidiaries (Note 17)	**255**	–
Depreciation charge for the financial year	**(6,241)**	(1,498)
Exchange difference	**(665)**	(254)
As at 31 December	**62,400**	17,187

37. Leases (cont'd)

Group as a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	
	2023 $'000	2022 $'000
As at 1 January	**34,200**	34,394
Additions	**51,948**	2,067
Accretion of interest (Note 9)	**6,675**	2,335
Payments	**(11,874)**	(4,128)
Exchange difference	**(930)**	(468)
As at 31 December	**80,019**	34,200
Current	**5,535**	2,705
Non-current	**74,484**	31,495

The maturity analysis of lease liabilities are disclosed in Note 46.

The following are the amounts recognised in profit or loss:

	Group	
	2023 $'000	2022 $'000
Depreciation expense of right-of-use assets	**6,241**	1,498
Interest expense on lease liabilities (Note 9)	**6,675**	2,335
Expense relating to short-term leases (included in Administrative expenses)	**38**	134
Variable lease payments (included in Other operating expenses and Administrative expenses)	**9,806**	5,980
Total amount recognised in profit or loss	**22,760**	9,947

The Group had total cash outflows for leases of $11,874,000 for the financial year ended 31 December 2023 (2022: $4,128,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $51,864,000 and $51,948,000 (2022: $1,221,000 and $2,067,000) respectively during the year.

37. Leases (cont'd)

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain office and buildings. These leases have terms of between 1 to 3 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2023 and 2022 as follows:

	Group	
	2023 $'000	2022 $'000
Within 1 year	**1,176**	1,236
Between 2 and 5 years	**922**	1,339
	2,098	2,575

38. Deferred tax

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax liabilities:				
Differences in depreciation for tax purposes	**(90)**	(90)	**–**	5
Revaluation to fair value:				
- Freehold land and buildings	**(112,292)**	(67,224)	**(347)**	(415)
- Investment properties	**(8,863)**	(8,141)	**945**	339
Intangible assets (Note 17)	**(16,032)**	–	**–**	–
Temporary differences arising from revenue recognition	**(56,127)**	(53,606)	**3,956**	6,103
Provisions	**–**	–	**–**	(96)
Other items	**(3,603)**	(2,691)	**995**	175
	(197,007)	(131,752)		
Deferred tax assets:				
Differences in depreciation for tax purposes	**225**	553	**319**	78
Temporary differences arising from revenue recognition	**–**	20	**19**	(6)
Provisions	**5,073**	2,375	**(352)**	(147)
Unutilised tax losses	**4,715**	6,533	**1,699**	(5,027)
Property development costs	**18,207**	17,381	**(1,291)**	(3,185)
Other items	**2,793**	2,506	**(330)**	(603)
	31,013	29,368		
Deferred tax expense/(credit)			**5,613**	(2,779)

38. Deferred tax (cont'd)

Unrecognised tax losses

The Group has tax losses of $85,459,000 as at 31 December 2023 (2022: $84,290,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are subject to the agreement of the taxation authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

	2023 $'000	2022 $'000
Year of expiry:		
Within 1 year	**2,602**	4,950
Between 2 to 5 years	**82,857**	79,340
	85,459	84,290

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2022: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as the Group has determined that the majority of the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. The tax impact arising from any potential distribution will not be significant to the Group.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $67,008,000 (2022: $68,164,000). The unrecognised deferred tax liability is estimated to be $6,632,000 (2022: $6,747,000).

39. Defined and other long-term employee benefits

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation.

The following tables summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the balance sheets for the plans.

Group	LSP		LSA		MPB		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Net benefit expense								
Current service cost	**256**	402	**87**	156	**5**	3	**348**	561
Interest cost on benefit obligation	**52**	43	**15**	16	**–**	–	**67**	59
Net actuarial loss recognised in the year	**–**	–	**72**	–	**–**	–	**72**	–
Net benefit expense	**308**	445	**174**	172	**5**	3	**487**	620
Actuarial loss/(gain) recognised in other comprehensive income	**1,554**	–	**–**	–	**–**	(12)	**1,554**	(12)

39. Defined and other long-term employee benefits (cont'd)

Changes in present value of the LSP, LSA and MPB obligations are as follows:

Group	LSP		LSA		MPB		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 January	**3,735**	3,665	**1,268**	1,451	**13**	94	**5,016**	5,210
Interest cost	**52**	43	**15**	16	**–**	–	**67**	59
Current service cost	**256**	402	**87**	156	**5**	3	**348**	561
Benefits paid	**(89)**	(281)	**(170)**	(320)	**–**	(64)	**(259)**	(665)
Actuarial loss/(gain) on obligation	**1,554**	–	**72**	–	**–**	(12)	**1,626**	(12)
Exchange differences	**(122)**	(94)	**(33)**	(35)	**–**	(8)	**(155)**	(137)
At 31 December	**5,386**	3,735	**1,239**	1,268	**18**	13	**6,643**	5,016

The principal assumptions used in determining the Group's employee benefits pertaining to LSP and LSA are as follows:

	2023	2022
Discount rates	**3.21%, 3.12%**	1.40%
Future salary increases	**2.00%**	2.00%
Gold price (per Baht weight of gold)	**BHT 31,475**	BHT 26,000
Gold inflation	**3.00%**	3.00%
Attrition rate	Based on LRH Group's withdrawal experiences in prior years	

Amounts for the LSP and LSA obligations for the current and previous two periods are as follows:

	2023	2022	2021
Group			
LSP and LSA obligations	**6,625**	5,003	5,116
<u>Experience adjustments on the plan liabilities</u>			
Effect of changes in demographic assumptions	**(25)**	–	–
Effect of changes in financial assumptions	**(462)**	–	–
Effect of experience adjustments	**2,286**	–	–

40. Other payables – non-current

	Group 2023 $'000	Group 2022 $'000
Deferred cash settlement for acquisition of subsidiaries (Note 17)	**23,822**	–
Loan from third party	**16,684**	–
Others	**3,557**	3,574
	44,063	3,574

41. Share capital

	Group and Company			
	2023		2022	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid up				
At 1 January	**867,933,508**	**250,668**	858,810,492	247,578
New issue during the year	**–**	**–**	9,123,016	3,090
31 December	**867,933,508**	**250,668**	867,933,508	250,668

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

During the financial year ended 31 December 2022, there were 9,123,016 new shares being issued from conversion of $3,090,000 of Convertible Bonds.

42. Treasury shares and reserves

(a) Treasury shares

	Group and Company			
	2023		2022	
	No. of shares	$'000	No. of shares	$'000
At 1 January	**(1,085,700)**	**(623)**	(1,230,200)	(706)
Reissued pursuant to Share-based Incentive Plan	**214,000**	**123**	144,500	83
At 31 December	**(871,700)**	**(500)**	(1,085,700)	(623)

Treasury shares relate to ordinary shares of the Company that is held by the Company. In 2007 and 2018, the Company acquired 3,000,000 and 2,000,000 shares in the Company respectively through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $5,191,475 and $1,147,000 respectively, and this was presented as a component within shareholders' equity.

As of 31 December 2023, there are 871,700 (2022: 1,085,700) treasury shares held by the Company.

The Company reissued 214,000 (2022: 144,500) treasury shares pursuant to Share-based Incentive Plan.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share grants granted to employees (Note 43). The reserve is made up of (i) the issue of free shares to employees in 2006 and (ii) the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share grants, less value of share grants issued to employees and value of share grants that are expired.

(c) Legal reserve

The legal reserve is set up in accordance with the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand.

The Group is required to set aside a statutory reserve of at least 5% of its net profit until the reserve reaches 10% of its registered share capital for its listed subsidiary in Thailand.

At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the Statutory Reserve Fund ("SRF") until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(d) Property revaluation reserve

The property revaluation reserve is used to record increases in the fair value of revalued properties, net of deferred tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

42. Treasury shares and reserves (cont'd)

(e) Currency translation reserve

The currency translation reserve is used to record 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 and exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries.

(f) Other reserves

Other reserves include the following:

(i) Merger deficit

The merger deficit comprises the difference between the consideration paid, in the form of the acquiring Company's shares and nominal value of the issued share capital of subsidiaries acquired.

(ii) Capital reserve

The capital reserve comprises a waiver of debt by the joint venture on amounts due by the Company and accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

(iii) Fair value adjustment reserve

The fair value adjustment reserve records the cumulative fair value changes, net of tax, of equity instruments until they are derecognised.

(iv) Premium paid on acquisition of non-controlling interests

Premium paid on acquisition of non-controlling interests represents the effects of changes in interest in subsidiaries when there is no change in control.

(v) Loss on reissuance of treasury shares

This represents the loss arising from the purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

42. Treasury shares and reserves (cont'd)

(f) Other reserves (cont'd)

A breakdown of the Group's and Company's other reserves is as follows:

Group	Merger deficit $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2023	**(18,038)**	**7,852**	**(14,226)**	**44,202**	**(3,329)**	**16,461**
Other comprehensive income						
Net fair value loss on equity instruments at fair value through other comprehensive income	–	–	(5,057)	–	–	(5,057)
Total comprehensive loss for the financial year	–	–	(5,057)	–	–	(5,057)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(55)	(55)
Total contributions by and distributions to owners	–	–	–	–	(55)	(55)
Total transactions with owners in their capacity as owners	–	–	(5,057)	–	(55)	(5,112)
Other changes in equity						
Transfer to accumulated profits upon disposal of asset	–	–	10,022	–	–	10,022
Total other changes in equity	–	–	10,022	–	–	10,022
At 31 December 2023	**(18,038)**	**7,852**	**(9,261)**	**44,202**	**(3,384)**	**21,371**

42. Treasury shares and reserves (cont'd)

(f) Other reserves (cont'd)

Group	Merger deficit $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2022	(18,038)	7,852	(9,506)	44,452	(3,290)	21,470
Other comprehensive income						
Net fair value loss on equity instruments at fair value through other comprehensive income	–	–	(4,720)	–	–	(4,720)
Total comprehensive loss for the financial year	–	–	(4,720)	–	–	(4,720)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(39)	(39)
Total contributions by and distributions to owners	–	–	–	–	(39)	(39)
Changes in ownership interests in subsidiary						
Acquisition of non-controlling interests	–	–	–	(250)	–	(250)
Total changes in ownership interests in subsidiary	–	–	–	(250)	–	(250)
Total transactions with owners in their capacity as owners	–	–	–	(250)	(39)	(289)
At 31 December 2022	(18,038)	7,852	(14,226)	44,202	(3,329)	16,461

42. Treasury shares and reserves (cont'd)

(f) Other reserves (cont'd)

Company	Capital reserve $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2023	**7,852**	**(3,329)**	**4,523**
Contributions by and distributions to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	**–**	**(55)**	**(55)**
Total transactions with owners in their capacity as owners	**–**	**(55)**	**(55)**
At 31 December 2023	**7,852**	**(3,384)**	**4,468**
At 1 January 2022	7,852	(3,290)	4,562
Contributions by and distribution to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	(39)	(39)
Total transactions with owners in their capacity as owners	–	(39)	(39)
At 31 December 2022	7,582	(3,329)	4,523

43. Equity compensation benefits

Banyan Tree Share Award Scheme 2016

The Company adopted the Banyan Tree Share Award Scheme 2016 (the "Share Award Scheme") at the annual general meeting of the Company on 28 April 2016. The Share Award Scheme provide eligible participants with an opportunity to participate in the equity of the Company and motivate them towards better performance. The Share Award Scheme form an integral and important component of the compensation plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, is not entitled to participate in the Share Award Scheme.

At the date of this report, the Share Award Scheme is the only share incentive scheme in force in the Company. This is administered by the Remuneration Committee ("RC") which comprises three Independent Directors, Karen Tay Koh, as Chairman and Paul Beh Jit Han and Arnoud De Meyer as members.

The total number of shares which may be issued and/or transferred pursuant to awards granted under the Share Award Scheme, when added to the total number of shares issued and issuable and/or existing shares transferred and transferable in respect of all awards granted under the Share Award Scheme and all shares, options or awards granted under any share scheme of the Company then in force, shall not exceed 5% of the total number of issued shares (excluding treasury shares) on the day preceding the relevant date of the award.

The Share Award Scheme comprises the Performance Share Plan ("PSP") and the Restricted Share Plan ("RSP"). Participants who have attained from grade of Vice President and above are eligible to participate. PSP is targeted at a participant who is a key member of Senior Management with the ability to drive the growth of the Company through innovation, creativity and superior performance whereas RSP is intended to enhance the Group's overall compensation packages and strengthen the Group's ability to attract and retain high performing talent. The selection of a participant and the number of shares which are subject of each award to be granted to a participant in accordance with Share Award Scheme shall be determined at the absolute discretion of the RC, which shall take into account criteria such as rank, job performance, level of responsibility and potential for future development and his contribution to the success and development of the Group. A participant may be granted an award under the PSP and RSP although differing performance targets are likely to be set for each award.

* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Rules.

43. Equity compensation benefits (cont'd)

Banyan Tree Share Award Scheme 2016 (cont'd)

Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof free of charge, upon the participant achieving prescribed performance target(s) and/or time-based service conditions. Awards are released once the RC is satisfied that the prescribed performance target(s) and/or time-based service conditions have been achieved.

The Company has not issued any award under the Share Award Scheme to any of its controlling shareholders. Since the commencement of the Share Award Scheme, no participant has been awarded 5% or more of the total shares available.

The details of the Share Award Scheme existed as at 31 December 2023 are set out as follows:

	PSP	RSP
Share Award Scheme Description	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on performance targets set at the start of a three-year performance period.	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on the Group's performance over a one-year performance period.
Date of Grant:		
FY 2023 Grant	1 April 2023	1 April 2023
FY 2022 Grant	1 April 2022	1 April 2022
FY 2021 Grant	1 April 2021	1 April 2021
Performance Period:		
FY 2023 Grant	1 January 2023 to 31 December 2025	1 January 2023 to 31 December 2023
FY 2022 Grant	1 January 2022 to 31 December 2024	1 January 2022 to 31 December 2022
FY 2021 Grant	1 January 2021 to 31 December 2023	1 January 2021 to 31 December 2021
Performance Conditions:		
FY 2023 Grant, FY 2022 Grant and FY 2021 Grant	• Absolute Total Shareholder Return ("TSR") as multiple of Cost of Equity ("COE") • Relative TSR against selected hospitality listed peers	• Return on Invested Capital ("ROIC") • EBITDA[#]
Vesting Period:		
FY 2023 Grant, FY 2022 Grant and FY 2021 Grant	Vesting based on achieving stated performance conditions over a three-year performance period.	Based on achieving stated performance conditions over a one-year performance period, 33 1/3% of award will vest. Balance will vest over the subsequent two years with fulfilment of service requirements.
Payout:	0% to 200% depending on the achievement of pre-set performance targets over the performance period.	0% to 150% depending on the achievement of pre-set performance targets over the performance period.

[#] EBITDA denotes Earnings before Interest, Taxes, Depreciation and Amortisation.

43. Equity compensation benefits (cont'd)

Banyan Tree Share Award Scheme 2016 (cont'd)

A prospective Monte Carlo simulation model involving projection of future outcomes using statistical distributions of random variables including share price and volatility of returns was used to value the conditional share awards. The simulation model was based on the following key assumptions for FY 2023 Grant:

	PSP	RSP
Historical Volatility		
Banyan Tree Holdings Limited ("BTH")	34.4%	Not applicable
Benchmark Index [1]	34.5%	Not applicable
Risk-free interest rates		
Singapore Sovereign	2.9%	Not applicable
Term	36 months	Not applicable
BTH expected dividend yield	0%	0%
Share price at grant date	$0.365	$0.365

For non-market conditions, achievement factors have been estimated based on feedback from the RC for the purpose of accrual for the RSP until the achievement of the targets can be reasonably ascertained.

[1] Comprises of selected hospitality peer companies.

The details of shares awarded, cancelled and released during the financial year pursuant to the Share Award Scheme are as follows:

PSP

Grant date	Balance as at 1 January 2023[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Balance as at 31 December 2023[1]	Estimated fair value at grant date
1 April 2020					
Other Participants	330,000	–	(330,000)	–	$0.129
1 April 2021					
Other Participants	330,000	–	–	330,000	$0.287
1 April 2022					
Other Participants	450,000	–	(60,000)	390,000	$0.247
1 April 2023					
Other Participants	–	450,000	–	450,000	$0.297
Total	1,110,000	450,000	(390,000)	1,170,000	

[1] The number of shares comprised in awards granted by the Company under the Banyan Tree Share Award Scheme, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 200% depending on the level of achievement of pre-set performance conditions over the performance period.

[2] The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

43. Equity compensation benefits (cont'd)

Banyan Tree Share Award Scheme 2016 (cont'd)

The details of shares awarded, cancelled and released during the financial year pursuant to Share Award Scheme are as follows: (cont'd)

RSP

Grant date	Balance as at 1 January 2023[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Shares released during financial year	Balance as at 31 December 2023[1]	Estimated fair value at grant date
Grant date						
1 April 2021						
Other Participants	339,000	–	–	(169,500)	169,500	$0.330
1 April 2022						
Other Participants	603,750	–	(187,150)	(139,100)	277,500	$0.300
1 April 2023						
Other Participants	–	693,750	–	–	693,750	$0.365
Total	942,750	693,750	(187,150)	(308,600)	1,140,750	

1 The number of shares comprised in awards granted by the Company under the Banyan Tree Share Award Scheme, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 150% depending on the level of achievement of pre-set performance conditions over the performance period.

2 The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

The number of contingent shares granted but not released as at 31 December 2023 were 1,170,000 and 1,140,750 (2022: 1,110,000 and 942,750) for PSP and RSP respectively. Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 2,340,000 and 1,487,625 (2022: 2,220,000 and 1,244,625) for PSP and RSP respectively.

44. Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2023 $'000	**2022** $'000
Capital commitments in respect of property, plant and equipment	**3,179**	3,386
Capital commitments in respect of property development costs	**68,879**	51,055
	72,058	54,441

(b) Contingent liabilities

Guarantees

As at the end of the reporting period, the Company had issued the following outstanding guarantees:

	Company	
	2023 $'000	**2022** $'000
Guarantees issued for banking facilities to subsidiaries	**20,000**	22,425

At the end of the reporting period, the Company has provided financial support amounting to $189,084,000 (31 December 2022: $159,539,000) to its subsidiaries in net current liabilities or net liabilities position to enable these companies to continue their operations and meet their liabilities as and when they fall due.

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For the financial year ended 31 December 2023

45. Related party transactions

In addition to the related party transaction disclosed elsewhere in the financial statements, the Group had the following significant related party transactions that took place at terms agreed during the financial year:

	Group	
	2023 **$'000**	**2022** **$'000**
(a) Associates		
- Management and service fee income	**49**	11
- Reservation fee income	**–**	39
- China Licensing fee	**3,663**	3,163
- Others	**592**	490
(b) Related parties		
- Management and service fee income	**496**	285
- Rental income	**239**	199
- Reservation fee income	**–**	35
- Royalty income	**–**	122
- Others	**11**	17
(c) Key management personnel of the Group		
- Sales of development properties	**1,813**	5,966
(d) Compensation of key management personnel		
- Salaries and employee benefits	**5,611**	5,239
- Central Provident Fund contributions	**130**	110
- Share-based payment expenses	**46**	7
- Other short-term benefits	**945**	836
Total compensation paid to key management personnel	**6,732**	6,192
Comprise amounts paid to:		
• Directors of the Company	**2,601**	2,543
• Other key management personnel	**4,131**	3,649
	6,732	6,192

46. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. 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.

46. Financial risk management objectives and policies (cont'd)

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.

(a) 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 arises primarily from long-term receivables, trade receivables, contract assets, other receivables (current), amounts due from subsidiaries, amounts due from associates and amounts due from related parties. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing with high credit rating 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. 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 generally determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be financial asset with an investment grade credit rating. 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 forward 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 borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- 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 borrower, including changes in the payment status of borrower in the group and changes in the operating results of the borrower.

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

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

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.

46. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(i) Debt securities at amortised cost, debt securities at fair value through other comprehensive income and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customer has a low risk of default and capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Customer debts for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if debts repayments are 30 days past due and/or there is an indication that the customers are in financial difficulty.	Lifetime expected credit losses	Gross carrying amount
Grade III	Existence of objective evidences that the customers are in financial difficulty and/or debts amount are in dispute and/or past 360 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

46. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(ii) Financial assets at amortised cost

The loss allowance provision for financial assets at amortised cost is as follows:

	Group	
	Financial assets at amortised cost	
	2023 $'000	2022 $'000
As at 1 January	**11,523**	13,073
Loss allowance measured at:		
12-month ECL	**1,869**	(35)
Lifetime ECL		
- Trade amounts	**(1,154)**	(116)
Write-offs	**(1,470)**	(1,125)
Exchange difference	**(40)**	(274)
As at 31 December	**10,728**	11,523

The gross carrying amount of financial assets at amortised cost is as follows:

Group		2023 $'000	2022 $'000
12-month ECL	Financial assets at amortised cost	**27,469**	22,392
Lifetime ECL	Financial assets at amortised cost	**112,355**	102,927
Total		**139,824**	125,319

The gross carrying amount of contract assets, long-term receivables, other receivables, trade receivables, amount due from associates and amount due from related parties of the Group are disclosed in Notes 3, 21, 22, 28, 29, 31 and 32.

The gross carrying amount of loans of the Company as at 31 December 2023, without taking into account any collaterals held or other credit enhancements which represents the maximum exposure to loss, is $301,522,000 (2022: $303,284,000).

46. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(iii) Long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties

The Group provides for lifetime expected credit losses for all trade-related balances including long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on similar loss pattern and geographical region. The loss allowance provision as at 31 December 2023 and 31 December 2022 is determined as follows, the expected credit losses below also incorporate forward looking information based on specific economic data.

Summarised below is the information about the credit risk exposure on the Group's trade-related balances using provision matrix, grouped by geographical region:

South East Asia:

31 December 2023	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**1,765**	**43,501**	**1,505**	**2,410**	**3,942**	**18,718**	**71,841**
Loss allowance provision	**–**	**3,553**	**77**	**19**	**268**	**2,179**	**6,096**

31 December 2022	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	1,557	45,814	580	883	1,722	14,129	64,685
Loss allowance provision	–	4,423	63	105	289	3,344	8,224

North East Asia:

31 December 2023	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**–**	**11,088**	**396**	**565**	**274**	**403**	**12,726**
Loss allowance provision	**–**	**29**	**251**	**260**	**274**	**403**	**1,217**

31 December 2022	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	14,694	409	1,992	1,168	1,005	19,268
Loss allowance provision	–	10	79	329	273	233	924

46. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(iii) Long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties (cont'd)

Other geographical areas:

31 December 2023	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**–**	**26,095**	**63**	**157**	**1,120**	**353**	**27,788**
Loss allowance provision	**–**	**1,031**	**92**	**143**	**436**	**350**	**2,052**

31 December 2022	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	16,664	189	568	813	740	18,974
Loss allowance provision	–	35	25	90	437	409	996

Grand Total:

31 December 2023	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**1,765**	**80,684**	**1,964**	**3,132**	**5,336**	**19,474**	**112,355**
Loss allowance provision	**–**	**4,613**	**420**	**422**	**978**	**2,932**	**9,365**

31 December 2022	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	1,557	77,172	1,178	3,443	3,703	15,874	102,927
Loss allowance provision	–	4,468	167	524	999	3,986	10,144

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets; and
- a nominal amount of $20,000,000 (2022: $22,425,000) relating to corporate guarantees provided by the Company for the bank loans taken by its subsidiaries.

46. Financial risk management objectives and policies (cont'd)

(a) 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. The Group does not apply hedge accounting.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment and geographical profile of its trade receivables, amounts due from associates and related parties on an ongoing basis excluding other receivables of $26,061,000 (2022: $16,896,000) and contract assets of $1,765,000 (2022: $1,557,000). The credit risk concentration profile of the Group's trade receivables, amounts due from associates, and related parties at the end of the reporting period is as follows:

		2023		2022	
	Note	$'000	% of total	$'000	% of total
Group					
By geographical regions:					
South East Asia		**47,978**	**47**	31,818	33
Indian Oceania		**899**	**1**	330	–
Middle East		**4,269**	**4**	700	1
North East Asia		**24,237**	**24**	35,812	38
Rest of the world		**23,888**	**24**	26,683	28
		101,271	**100**	95,343	100
By industry sectors:					
Hotel Investments		**12,372**	**12**	11,766	12
Property Sales		**38,022**	**38**	32,769	34
Fee-based Segment		**26,988**	**27**	25,136	27
Head Office		**23,889**	**23**	25,672	27
		101,271	**100**	95,343	100
Trade receivables:					
Non-current	21	**19,596**		17,052	
Current	28	**58,483**		47,854	
		78,079		64,906	

46. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

	Note	2023 $'000	2022 $'000
Amounts due from associates			
Current	31	**23,147**	30,072
		23,147	30,072
Amounts due from related parties			
Current	32	**45**	96
Non-current	32	**–**	269
		45	365

Financial assets that are neither past due nor impaired

Trade and other receivables and amounts due from associates and related parties that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits, and investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(b) 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 maintains sufficient cash and short-term deposits, and internally generated cash flows to finance their activities. Management finances the Group's liquidity through internally generated cash flows and refinancing and minimises liquidity risk by keeping committed stand-by credit facilities available.

At the end of the reporting period, approximately 27.6% (2022: 30.9%) of the Group's interest-bearing loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. 39.5% (2022: 49.6%) of the Company's interest-bearing loans and borrowings will mature in less than one year at the end of the reporting period.

The following table summarises the maturity profiles of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments except for financial liabilities where the timing of repayment cannot be reliably estimated as disclosed in the respective notes above.

46. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group	Note	2023 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2023						
Financial assets						
Trade receivables	21/28	–	58,483	18,974	622	78,079
Other receivables	22/29	–	7,050	–	19,011	26,061
Amounts due from associates	31	–	23,147	–	–	23,147
Amounts due from related parties	32	–	45	–	–	45
Amounts due from related parties	32	14.00	–	7,156	15,511	22,667
Cash and short-term deposits	33	–	130,703	–	–	130,703
Total undiscounted financial assets			219,428	26,130	35,144	280,702
Financial liabilities						
Trade payables		–	(33,552)	–	–	(33,552)
Other payables	36	–	(74,673)	–	–	(74,673)
Other payables - non-current	40	–	–	(23,829)	(20,161)	(43,990)
Lease liabilities	37	–	(11,656)	(43,002)	(77,255)	(131,913)
Amounts due to associates	31	–	(92)	–	–	(92)
Amounts due to related parties	32	–	(1,758)	–	–	(1,758)
Loans and borrowings						
- S$ floating rate loan	35	COF + 1.75	(10,595)	–	–	(10,595)
- S$ floating rate loan	35	COF + 2.00	(10,643)	(8,650)	–	(19,293)
- S$ floating rate loan	35	COF + 2.25	(663)	–	–	(663)
- S$ floating rate loan	35	COF + 1.65	(3,180)	–	–	(3,180)
- S$ floating rate loan	35	6.35	(3,191)	–	–	(3,191)
- S$ floating rate loan	35	6.70	(2,134)	–	–	(2,134)
- S$ floating rate loan	35	SORA + 2.50	(10,631)	–	–	(10,631)
- S$ floating rate loan	35	SORA + 3.25	(19,164)	(93,183)	–	(112,347)
- S$ fixed rate loan	35	2.50	(1,094)	(621)	–	(1,715)
- BHT floating rate loan	35	4.75 to 5.65	(25,886)	(1,095)	–	(26,981)
- BHT floating rate loan	35	MLR to MLR - 2.00	(27,766)	(78,652)	(213,675)	(320,093)
Total undiscounted financial liabilities			(236,678)	(249,032)	(311,091)	(796,801)
Total net undiscounted financial liabilities			(17,250)	(222,902)	(275,947)	(516,099)

46. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group	Note	2022 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2022						
Financial assets						
Trade receivables	21/28	–	47,791	16,412	640	64,843
Trade receivables	21/28	6.00	345	–	–	345
Other receivables	22/29	–	14,406	–	2,490	16,896
Amounts due from associates	31	–	30,072	–	–	30,072
Amounts due from related parties	32	–	96	–	–	96
Amounts due from related parties	32	14.00	–	7,156	16,094	23,250
Cash and short-term deposits	33	–	92,795	–	–	92,795
Total undiscounted financial assets			185,505	23,568	19,224	228,297
Financial liabilities						
Trade payables		–	(24,468)	–	–	(24,468)
Other payables	36	–	(128,777)	–	–	(128,777)
Other payables – non current	40	–	–	–	(3,574)	(3,574)
Lease liabilities	37	–	(4,016)	(11,665)	(47,912)	(63,593)
Amounts due to associates	31	–	(17,912)	–	–	(17,912)
Amounts due to related parties	32	–	(990)	–	–	(990)
Loans and borrowings						
- S$ floating rate loan	35	COF + 1.75	(10,519)	–	–	(10,519)
- S$ floating rate loan	35	COF + 2.00	(10,847)	(12,355)	–	(23,202)
- S$ floating rate loan	35	COF + 2.25	(3,316)	–	–	(3,316)
- S$ floating rate loan	35	COF + 2.50	(5,555)	(32,585)	–	(38,140)
- S$ floating rate loan	35	SIBOR + 3.25	(7,330)	–	–	(7,330)
- S$ floating rate loan	35	SORA + 2.50	(10,572)	–	–	(10,572)
- S$ floating rate loan	35	6.55	(3,197)	–	–	(3,197)
- S$ floating rate loan	35	6.61	(2,132)	–	–	(2,132)
- S$ fixed rate loan	35	2.50	(1,120)	(1,686)	–	(2,806)
- US$ floating rate loan	35	9.00	(3,235)	(17,779)	–	(21,014)
- BHT floating rate loan	35	2.95 to 4.13	(45,633)	(2,824)	–	(48,457)
- BHT floating rate loan	35	MLR to MLR - 1.50	(7,320)	(25,605)	(4,610)	(37,535)
- BHT fixed rate loan	35	2.00 *	(8,533)	(57,830)	(235,783)	(302,146)
Total undiscounted financial liabilities			(295,472)	(162,329)	(291,879)	(749,680)
Total net undiscounted financial liabilities			(109,967)	(138,761)	(272,655)	(521,383)

* Interest rate from 1 January 2022 to 31 December 2023 is fixed at 2.00%, thereafter at effective rate of MLR to MLR – 2.00%.

46. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	Note	2023 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2023						
Financial assets						
Trade receivables		–	32	–	–	32
Other receivables	29	–	1,109	–	–	1,109
Amounts due from subsidiaries	17/30	3.74 to 7.00	32,356	5,113	–	37,469
Amounts due from subsidiaries	17/30	–	180,713	–	297,528	478,241
Amounts due from associates	31	–	250	–	–	250
Amounts due from related parties	32	–	21	–	–	21
Cash and short-term deposits	33	–	49,698	–	–	49,698
Total undiscounted financial assets			264,179	5,113	297,528	566,820
Financial liabilities						
Other payables	36	–	(6,358)	–	–	(6,358)
Amounts due to subsidiaries		–	(70,746)	–	(201,328)	(272,074)
Amounts due to related parties	32	–	(14)	–	–	(14)
Loans and borrowings						
- S$ floating rate loan	35	COF + 1.65	(3,180)	–	–	(3,180)
- S$ floating rate loan	35	COF + 1.75	(10,595)	–	–	(10,595)
- S$ floating rate loan	35	COF + 2.00	(10,643)	(8,650)	–	(19,293)
- S$ floating rate loan	35	COF + 2.25	(663)	–	–	(663)
- S$ floating rate loan	35	SORA + 2.50	(10,631)	–	–	(10,631)
- S$ floating rate loan	35	SORA + 3.25	(12,541)	(76,825)	–	(89,366)
- S$ floating rate loan	35	6.35	(3,191)	–	–	(3,191)
- S$ floating rate loan	35	6.70	(2,134)	–	–	(2,134)
- S$ fixed rate loan	35	2.50	(1,094)	(621)	–	(1,715)
Total undiscounted financial liabilities			(131,790)	(86,096)	(201,328)	(419,214)
Total net undiscounted financial assets/(liabilities)			132,389	(80,983)	96,200	147,606

46. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	Note	2022 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2022						
Financial assets						
Trade receivables		–	112	–	–	112
Other receivables	29	–	1,045	–	–	1,045
Amounts due from subsidiaries	17/30	3.74 to 7.00	32,286	5,182	–	37,468
Amounts due from subsidiaries	17/30	–	141,582	–	299,235	440,817
Amounts due from associates	31	–	10,334	–	–	10,334
Amounts due from related parties	32	–	18	–	–	18
Cash and short-term deposits	33	–	29,673	–	–	29,673
Total undiscounted financial assets			215,050	5,182	299,235	519,467
Financial liabilities						
Other payables	36	–	(6,696)	–	–	(6,696)
Amounts due to subsidiaries		–	(54,200)	–	(194,952)	(249,152)
Amounts due to related parties	32	–	(13)	–	–	(13)
Loans and borrowings						
- S$ floating rate loan	35	COF + 1.75	(10,519)	–	–	(10,519)
- S$ floating rate loan	35	COF + 2.00	(10,847)	(12,355)	–	(23,202)
- S$ floating rate loan	35	COF + 2.25	(3,316)	–	–	(3,316)
- S$ floating rate loan	35	COF + 2.50	(5,555)	(17,526)	–	(23,081)
- S$ floating rate loan	35	SORA + 2.50	(10,572)	–	–	(10,572)
- S$ floating rate loan	35	6.55	(3,197)	–	–	(3,197)
- S$ floating rate loan	35	6.61	(2,132)	–	–	(2,132)
- S$ fixed rate loan	35	2.50	(1,120)	(1,686)	–	(2,806)
Total undiscounted financial liabilities			(108,167)	(31,567)	(194,952)	(334,686)
Total net undiscounted financial assets/(liabilities)			106,883	(26,385)	104,283	184,781

BHT : Thai Baht
SIBOR : Singapore inter-bank offered rate
MLR : Minimum lending rate
COF : Cost of fund of lending bank
SORA : Singapore overnight rate average

46. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below shows the maximum amount of financial guarantee contracts, allocated to the earliest period in which the guarantee could be called.

Company	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
31 December 2023				
Financial guarantees	**20,000**	**–**	**–**	**20,000**
31 December 2022				
Financial guarantees	22,425	–	–	22,425

(c) 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 interest-bearing financial liabilities.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the end of the reporting period, approximately 1% (2022: 48%) of the Group's interest-bearing financial liabilities are at fixed rates of interest. The table in Note 46(b) summarises the interest-bearing financial liabilities of the Group and the Company.

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 before taxation would have been $3,345,000 (2022: $1,741,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing financial liabilities.

46. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, United States Dollars ("USD") and Thai Baht ("Baht"). The foreign currencies in which these transactions are denominated are mainly USD. As at 31 December 2023, approximately 25% (2022: 16%) of the Group's receivables whilst almost 39% (2022: 4%) of the payables are denominated in foreign currencies.

In addition, the Group has a Currency Management Plan which aims to mitigate impact on the Group's revenue from unfavourable exchange rates movements. The plan requires all operating entities in the Group to list its major debtors and creditors and their respective currencies. All contracts should endeavour to be in the currency of the market source. Market source refers to the country of origin or domicile of the business. The contracts are then reviewed and managed on a quarterly basis to mitigate the exposure of the Group's operations to foreign currency fluctuation.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Thailand and Maldives. The Group's net investments in Thailand and Maldives are not hedged as currency positions in Thai Baht and United States Dollar are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		Profit before taxation	
		2023 $'000	2022 $'000
USD/Baht	- strengthened 5% (2022: 5%)	**21**	27
	- weakened 5% (2022: 5%)	**(21)**	(27)
USD/SGD	- strengthened 5% (2022: 5%)	**1,852**	1,343
	- weakened 5% (2022: 5%)	**(1,852)**	(1,343)

47. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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

As disclosed in Note 42(c), subsidiaries of the Group are required to set aside Legal Reserves in accordance to the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand and the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China (PRC). The imposed capital requirement has been complied with by the subsidiaries for the financial years ended 31 December 2023 and 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio below 100%. The Group includes within net debt, interest-bearing loans and borrowings, convertible bonds less cash and short-term deposits. Total capital refers to the total equity of the Group.

	Group	
	2023 $'000	**2022** $'000
Interest-bearing loans and borrowings (Note 35)	**336,177**	337,344
Less: Cash and short-term deposits (Note 33)	**(130,703)**	(92,795)
Net debt	**205,474**	244,549
Total capital	**764,944**	533,145
Gearing ratio	**27%**	46%

48. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises 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 market 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 2023			
		Fair value measurements at the end of the reporting period using			
	Note	**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	**Total** $'000
Assets measured at fair value					
Financial assets:					
<u>Equity securities at FVOCI</u>					
- Equity shares (quoted)	19	**2**	**–**	**–**	**2**
- Equity shares (unquoted)	19	**–**	**–**	**851**	**851**
Total equity securities at FVOCI		**2**	**–**	**851**	**853**
Financial assets as at 31 December 2023		**2**	**–**	**851**	**853**

48. Fair value of assets and liabilities (cont'd)

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

		Group 2023			
		Fair value measurements at the end of the reporting period using			
	Note	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	Total $'000
Assets measured at fair value (cont'd)					
Non-financial assets:					
Investment properties					
Freehold land					
- Singapore		–	–	**7,112**	**7,112**
- Thailand, Phuket		–	–	**12,842**	**12,842**
- Northern Thailand		–	–	**7,958**	**7,958**
Buildings					
- Singapore		–	–	**398**	**398**
- Thailand, Phuket		–	–	**4,330**	**4,330**
- Thailand, Bangkok		–	–	**36,590**	**36,590**
Total investment properties	14	–	–	**69,230**	**69,230**
Property, plant and equipment					
Freehold land					
- Singapore		–	–	**35,028**	**35,028**
- Thailand, Phuket		–	–	**411,349**	**411,349**
- Thailand, Bangkok		–	–	**75,392**	**75,392**
- Northern Thailand		–	–	**1,649**	**1,649**
- Morocco		–	–	**3,847**	**3,847**
- Sri Lanka		–	–	**2,552**	**2,552**
Buildings					
- Singapore		–	–	**1,962**	**1,962**
- Thailand, Phuket		–	–	**126,710**	**126,710**
- Thailand, Bangkok		–	–	**46,940**	**46,940**
- Morocco		–	–	**5,326**	**5,326**
Total property, plant and equipment	13	–	–	**710,755**	**710,755**
Non-financial assets as at 31 December 2023		–	–	**779,985**	**779,985**

48. Fair value of assets and liabilities (cont'd)

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

		Group 2022			
		Fair value measurements at the end of the reporting period using			
	Note	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	Total $'000
Assets measured at fair value					
Financial assets:					
Equity securities at FVOCI					
- Equity shares (quoted)	19	2	–	–	2
- Equity shares (unquoted)	19/24	–	72,149	24,236	96,385
Total equity securities at FVOCI		2	72,149	24,236	96,387
Financial assets as at 31 December 2022		2	72,149	24,236	96,387

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For the financial year ended 31 December 2023

48. Fair value of assets and liabilities (cont'd)

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

		Group 2022			
		Fair value measurements at the end of the reporting period using			
	Note	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	Total $'000
Assets measured at fair value (cont'd)					
Non-financial assets:					
Investment properties					
Freehold land					
- Singapore		–	–	27,220	27,220
- Thailand, Phuket		–	–	11,897	11,897
- Northern Thailand		–	–	7,134	7,134
Buildings					
- Singapore		–	–	2,780	2,780
- Thailand, Phuket		–	–	663	663
- Thailand, Bangkok		–	–	35,568	35,568
Total investment properties	14	–	–	85,262	85,262
Property, plant and equipment					
Freehold land					
- Singapore		–	–	31,666	31,666
- Thailand, Phuket		–	–	256,201	256,201
- Thailand, Bangkok		–	–	38,688	38,688
- Northern Thailand		–	–	1,106	1,106
- Morocco		–	–	4,042	4,042
- Sri Lanka		–	–	2,303	2,303
Buildings					
- Singapore		–	–	2,360	2,360
- Thailand, Phuket		–	–	104,918	104,918
- Thailand, Bangkok		–	–	41,034	41,034
- Morocco		–	–	4,824	4,824
Total property, plant and equipment	13	–	–	487,142	487,142
Non-financial assets as at 31 December 2022		–	–	572,404	572,404

48. Fair value of assets and liabilities (cont'd)

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

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	Unobservable inputs	Range
Recurring fair value measurements				
At FVOCI:				
La Punta Resorts S.A. De C.V.	**851**	Discounted cash flow	Growth rate Discount rate	2.9% 13.8%
Investment properties:				
Freehold land				
Singapore	**7,112**	Market value approach	Yield adjustments*	1.0% to 30.0%
Thailand, Phuket	**12,842**	Market value approach	Yield adjustments*	17.9% to 40.2%
Northern Thailand	**7,958**	Market value approach	Yield adjustments*	47.0% to 63.3%
Buildings				
Singapore	**398**	Market value approach	Yield adjustments*	1.0% to 30.0%
Thailand, Phuket	**4,330**	Market value approach	Yield adjustments*	7.7% to 19.4%
Thailand, Bangkok	**36,590**	Market value approach	Yield adjustments*	7.6%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

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For the financial year ended 31 December 2023

48. Fair value of assets and liabilities (cont'd)

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

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

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

Description	Fair value at 31 December 2023 $'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements (cont'd)				
Property, plant and equipment:				
Freehold land				
Singapore	**35,028**	Market value approach	Yield adjustments*	1.0% to 30.0%
Thailand, Phuket	**411,349**	Market value approach	Yield adjustments*	2.8% to 67.0%
Thailand, Bangkok	**75,392**	Market value approach	Yield adjustments*	5.9%
Northern Thailand	**1,649**	Market value approach	Yield adjustments*	47.0%
Morocco	**3,847**	Market value approach	Yield adjustments*	1.2% to 2.9%
Sri Lanka	**2,552**	Market value approach	Yield adjustments*	SLR 179.0 mn per acre to SLR 184.0 mn per acre
Buildings				
Singapore	**1,962**	Market value approach	Yield adjustments*	1.0% to 30.0%
Thailand, Phuket	**124,611**	Replacement cost approach	Standard construction cost per Sq meter	Baht 800 to Baht 80,000 per Sq meter
	2,099	Market value approach	Yield adjustments*	8.9%
Thailand, Bangkok	**46,940**	Replacement cost approach	Standard construction cost per Sq meter	Baht 1,200 to Baht 49,500 per Sq meter
Morocco	**5,326**	Market value approach	Yield adjustments*	1.2% to 2.9%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

48. Fair value of assets and liabilities (cont'd)

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

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

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

Description	Fair value at 31 December 2022 $'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements (cont'd)				
At FVOCI:				
La Punta Resorts S.A. De C.V.	2,529	Discounted cash flow	Growth rate Discount rate	2.4% 12.7%
Mayakoba Thai S.A. De C.V.	9,584	Discounted cash flow	Growth rate Discount rate	2.4% 12.7%
BTAC	12,123	Market value approach	Yield adjustments*	22.5%
Investment properties:				
Freehold land				
Singapore	27,220	Market value approach	Yield adjustments*	3.0% to 21.0%
Thailand, Phuket	11,897	Market value approach	Yield adjustments*	21.0% to 22.9%
Northern Thailand	7,134	Market value approach	Yield adjustments*	51.2% to 60.3%
Buildings				
Singapore	2,780	Market value approach	Yield adjustments*	3.0% to 21.0%
Thailand, Phuket	663	Market value approach	Yield adjustments*	9.3%
Thailand, Bangkok	35,568	Market value approach	Yield adjustments*	1.3%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property. For the Group's investment in BTAC, the yield adjustments are made to the expected transaction price due to the operations of the investment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

48. Fair value of assets and liabilities (cont'd)

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

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

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

Description	Fair value at 31 December 2022 $'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements (cont'd)				
Property, plant and equipment:				
Freehold land				
Singapore	31,666	Market value approach	Yield adjustments*	5.0% to 25.0%
Thailand, Phuket	256,201	Market value approach	Yield adjustments*	8.5% to 82.3%
Thailand, Bangkok	38,688	Market value approach	Yield adjustments*	11.1%
Northern Thailand	1,106	Market value approach	Yield adjustments*	0.5% to 34.5%
Morocco	4,042	Market value approach	Yield adjustments*	1.9% to 9.1%
Sri Lanka	2,303	Market value approach	Yield adjustments*	SLR 179.0 mn per acre to SLR 184.0 mn per acre
Buildings				
Singapore	2,360	Market value approach	Yield adjustments*	5.0% to 25.0%
Thailand, Phuket	103,398	Replacement cost approach	Standard construction cost per Sq meter	Baht 600 to Baht 78,000 per Sq meter
	1,520	Market value approach	Yield adjustments*	5.9%
Thailand, Bangkok	41,034	Replacement cost approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 47,000 per Sq meter
Morocco	4,824	Market value approach	Yield adjustments*	1.9% to 9.1%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

48. Fair value of assets and liabilities (cont'd)

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

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Significant increases/(decreases) in net cash flow, standard construction cost and yield adjustments in isolation would result in a significantly higher/(lower) fair value measurement.

Significant increases/(decreases) in discount rate in isolation would result in a significantly (lower)/higher fair value measurement.

Unquoted equity instrument – Long-term investment in BTAC

The fair value of the unquoted equity shares in BTAC is determined by reference to the recent transaction price among unrelated willing buyer and seller. The key unobservable inputs include adjustments made to the expected transaction price due to the operations of the investment.

48. Fair value of assets and liabilities (cont'd)

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

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)						Fair value measurements using significant unobservable inputs (Level 3)											
	Property, plant and equipment						Property, plant and equipment				Investment Properties						Financial assets at FVOCI	
	Freehold land						Buildings				Freehold land			Buildings				
Group 2023	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Northern Thailand** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Singapore** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Singapore** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Equity shares (unquoted)**	**Total** $'000
Opening balance	**31,666**	**4,042**	**256,201**	**38,688**	**1,106**	**2,303**	**2,360**	**4,824**	**104,918**	**41,034**	**27,220**	**11,897**	**7,134**	**2,780**	**663**	**35,568**	**24,236**	**596,640**
Total gains or losses for the year:																		
- Included in profit or loss	**–**	**124**	**1,514**	**–**	**–**	**–**	**–**	**359**	**1,873**	**–**	**–**	**1,267**	**1,023**	**–**	**77**	**1,964**	**–**	**8,201**
- Included in other comprehensive income	**10,474**	**–**	**164,136**	**38,275**	**581**	**–**	**131**	**–**	**28,868**	**6,630**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,153)**	**243,942**
Purchases, issues, sales and settlements:																		
- Purchases	**–**	**–**	**723**	**–**	**–**	**–**	**–**	**7**	**1,700**	**183**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,613**
- Sales	**–**	**(493)**	**(911)**	**–**	**–**	**–**	**–**	**–**	**(655)**	**–**	**(27,220)**	**–**	**–**	**(2,780)**	**–**	**–**	**(19,414)**	**(51,473)**
- Write-off	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6)**
- Transfer (to)/from property development costs	**–**	**–**	**(1,263)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,238**	**–**	**–**	**975**
- Transfer in/(out)	**(7,112)**	**–**	**–**	**–**	**–**	**–**	**(398)**	**28**	**(1,679)**	**1,887**	**7,112**	**–**	**–**	**398**	**1,426**	**–**	**–**	**1,662**
Capitalisation of debts	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,182**	**1,182**
Depreciation	**–**	**–**	**(2)**	**–**	**–**	**–**	**(131)**	**(142)**	**(5,092)**	**(1,634)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(7,001)**
Exchange differences	**–**	**174**	**(9,049)**	**(1,571)**	**(38)**	**249**	**–**	**250**	**(3,217)**	**(1,160)**	**–**	**(322)**	**(199)**	**–**	**(74)**	**(942)**	**–**	**(15,899)**
Closing balance	**35,028**	**3,847**	**411,349**	**75,392**	**1,649**	**2,552**	**1,962**	**5,326**	**126,710**	**46,940**	**7,112**	**12,842**	**7,958**	**398**	**4,330**	**36,590**	**851**	**780,836**

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For the financial year ended 31 December 2023

48. Fair value of assets and liabilities (cont'd)

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

(ii) Movements in Level 3 assets and liabilities measured at fair value (cont'd)

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3): (cont'd)

	Fair value measurements using significant unobservable inputs (Level 3)						Fair value measurements using significant unobservable inputs (Level 3)												
	Property, plant and equipment						Property, plant and equipment				Investment Properties						Financial assets at FVOCI	Financial liabilities at fair value through profit or loss	
	Freehold land						Buildings				Freehold land			Buildings				Derivative liability conversion option in convertible bonds	
Group 2022	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Northern Thailand** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Singapore** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Singapore** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Equity shares (unquoted)**		**Total** $'000
Opening balance	26,666	4,616	262,720	39,680	1,134	4,832	2,360	5,679	105,690	43,505	21,750	12,202	6,975	2,650	680	35,432	29,008	(16,193)	589,386
Total gains or losses for the year:																			
- Included in profit or loss	–	(375)	–	–	–	–	–	(376)	–	–	5,470	–	337	52	–	1,028	–	15,384	21,520
- Included in other comprehensive income	5,000	–	–	–	–	(240)	124	–	–	–	–	–	–	–	–	–	(4,772)	–	112
Purchases, issues, sales and settlements:																			
- Purchases	–	–	1,771	–	–	–	–	–	4,088	644	–	–	–	78	–	–	–	–	6,581
- Write-off	–	–	–	–	–	–	–	–	(6)	–	–	–	–	–	–	–	–	–	(6)
- Transfer in/(out)	–	–	(1,718)	–	–	–	–	–	2,849	–	–	–	–	–	–	–	–	–	1,131
Conversion of convertible bonds into ordinary shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	809	809
Depreciation	–	–	(2)	–	–	–	(124)	(145)	(5,036)	(2,036)	–	–	–	–	–	–	–	–	(7,343)
Exchange differences	–	(199)	(6,570)	(992)	(28)	(2,289)	–	(334)	(2,667)	(1,079)	–	(305)	(178)	–	(17)	(892)	–	–	(15,550)
Closing balance	31,666	4,042	256,201	38,688	1,106	2,303	2,360	4,824	104,918	41,034	27,220	11,897	7,134	2,780	663	35,568	24,236	–	596,640

48. Fair value of assets and liabilities (cont'd)

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

(ii) Movements in Level 3 assets and liabilities measured at fair value (cont'd)

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3): (cont'd)

	Fair value measurements using significant unobservable inputs (Level 3)					Fair value measurements using significant unobservable inputs (Level 3)									
	Property, plant and equipment					Property, plant and equipment				Investment Properties				Financial assets at FVOCI	
	Freehold land					Buildings				Freehold land		Buildings			
Group 31 December 2023	Singapore $'000	Morocco $'000	Thailand, Phuket $'000	Thailand, Bangkok $'000	Northern Thailand $'000	Singapore $'000	Morocco $'000	Thailand, Phuket $'000	Thailand, Bangkok $'000	Thailand, Phuket $'000	Northern Thailand $'000	Thailand, Phuket $'000	Thailand, Bangkok $'000	Equity shares (unquoted)	Total
Total gains or losses for the year included in profit or loss:															
- Net gain from fair value adjustment of investment properties	–	–	–	–	–	–	–	–	–	1,267	1,023	77	1,964	–	4,331
- Reversal of Impairment loss	–	124	1,514	–	–	–	359	1,873	–	–	–	–	–	–	3,870
	–	124	1,514	–	–	–	359	1,873	–	1,267	1,023	77	1,964	–	8,201
Other comprehensive income/(loss)															
- Net surplus/(deficit) on revaluation of land and buildings	10,474	–	164,136	38,275	581	131	–	28,868	6,630	–	–	–	–	–	249,095
- Net loss from fair value adjustment of equity shares	–	–	–	–	–	–	–	–	–	–	–	–	–	(5,153)	(5,153)
	10,474	–	164,136	38,275	581	131	–	28,868	6,630	–	–	–	–	(5,153)	243,942

	Fair value measurements using significant unobservable inputs (Level 3)			Fair value measurements using significant unobservable inputs (Level 3)								
	Property, plant and equipment			Property, plant and equipment		Investment Properties				Financial assets at FVOCI	Financial liabilities at fair value through profit or loss	
	Freehold land			Buildings		Freehold land		Buildings				
Group 31 December 2022	Singapore $'000	Morocco $'000	Sri Lanka $'000	Singapore $'000	Morocco $'000	Singapore $'000	Northern Thailand $'000	Singapore $'000	Thailand, Bangkok $'000	Equity shares (unquoted)	Derivative liability conversion option in convertible bonds	Total
Total gains or losses for the year included in profit or loss:												
- Net gain from fair value adjustment of investment properties	–	–	–	–	–	5,470	337	52	1,028	–	–	6,887
- Gain on expiry of derivative liability conversion option in convertible bonds	–	–	–	–	–	–	–	–	–	–	15,384	15,384
- Impairment loss	–	(375)	–	–	(376)	–	–	–	–	–	–	(751)
	–	(375)	–	–	(376)	5,470	337	52	1,028	–	15,384	21,520
Other comprehensive income/(loss)												
- Net surplus/(deficit) on revaluation of land and buildings	5,000	–	(240)	124	–	–	–	–	–	–	–	4,884
- Net loss from fair value adjustment of equity shares	–	–	–	–	–	–	–	–	–	(4,772)	–	(4,772)
	5,000	–	(240)	124	–	–	–	–	–	(4,772)	–	112

48. Fair value of assets and liabilities (cont'd)

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

(iii) Valuation policies and procedures

The Chief Executive Officer ("CEO"), who is assisted by Head of Group Finance and Corporate Affairs (collectively referred to as the "CEO office"), oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the CEO office reports to the Group's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage professional independent property valuers who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by professional independent property valuers, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, professional independent property valuers are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available. For valuations that are sensitive to the unobservable inputs used, professional independent property valuers are required to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

48. Fair value of assets and liabilities (cont'd)

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed

		Fair value measurements at the end of the reporting period using			
		Group		Company	
	Note	Quoted prices in active markets for identical assets (Level 1) $'000	Carrying amount $'000	Quoted prices in active markets for identical assets (Level 1) $'000	Carrying amount $'000
2023					
Assets					
Associates	18	**13,362**	**28,659**	–	–
2022					
Assets					
Associates	18	17,917	30,178	–	–

(e) Assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair values

Management has determined that the carrying amounts of cash and short-term deposits, current trade and other receivables, current amounts due to and from subsidiaries, associates and related parties, and current trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or are repriced frequently.

Long-term receivables and interest-bearing loans and borrowings carry interest which approximates market interest rate. Accordingly, their notional amounts approximate their fair values.

(f) Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

Fair value information has not been disclosed for the Group's financial instruments not carried at fair value and whose carrying amounts are not reasonable approximation of fair values, because the fair values cannot be measured reliably.

The loans due from subsidiaries and a third party (classified within non-current other receivables), non-current amounts due from related parties and a loan due to a third party (classified within non-current other payables) have no repayment terms and are repayable only when the cash flows of the borrowers permit. Accordingly, management is of the view that the fair values of these loans and deposits cannot be determined reliably as the timing of the future cash flows arising from the loans and deposits cannot be estimated reliably.

48. Fair value of assets and liabilities (cont'd)

(g) Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

Group	Note	Financial assets at amortised cost $'000	Financial assets at FVOCI $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2023					
Non-current assets					
Property, plant and equipment	13	–	–	790,955	790,955
Right-of-use assets	37	–	–	62,400	62,400
Investment properties	14	–	–	69,230	69,230
Intangible assets	15	–	–	194,134	194,134
Land use rights	16	–	–	2,596	2,596
Joint venture		–	–	59	59
Associates	18	–	–	75,981	75,981
Long-term investments	19	–	853	–	853
Deferred tax assets	38	–	–	31,013	31,013
Prepaid island rental	20	–	–	15,559	15,559
Prepayments		–	–	1,950	1,950
Long-term receivables	21	19,596	–	–	19,596
Other receivables	22	19,011	–	–	19,011
Costs to acquire contracts	23	–	–	7,423	7,423
		38,607	853	1,251,300	1,290,760
Current assets					
Property development costs	25	–	–	185,822	185,822
Inventories	26	–	–	8,096	8,096
Prepayments and other non-financial assets	27	–	–	25,868	25,868
Trade receivables	28	58,483	–	–	58,483
Other receivables	29	7,050	–	–	7,050
Contract assets	3	–	–	1,765	1,765
Amounts due from associates	31	23,147	–	–	23,147
Amounts due from related parties	32	45	–	–	45
Cash and short-term deposits	33	130,703	–	–	130,703
		219,428	–	221,551	440,979
Total assets		258,035	853	1,472,851	1,731,739

48. Fair value of assets and liabilities (cont'd)

(g) Classification of financial instruments (cont'd)

Group	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2023				
Current liabilities				
Tax payable		–	18,329	18,329
Other non-financial liabilities	34	–	18,959	18,959
Interest-bearing loans and borrowings	35	92,734	–	92,734
Trade payables		33,552	–	33,552
Other payables	36	74,673	–	74,673
Contract liabilities	3	–	129,847	129,847
Lease liabilities	37	5,535	–	5,535
Amounts due to associates	31	92	–	92
Amounts due to related parties	32	1,758	–	1,758
		208,344	167,135	375,479
Non-current liabilities				
Deferred tax liabilities	38	–	197,007	197,007
Defined and other long-term employee benefits	39	–	6,643	6,643
Deposits received		–	1,950	1,950
Other non-financial liabilities		–	23,726	23,726
Interest-bearing loans and borrowings	35	243,443	–	243,443
Other payables - non-current	40	44,063	–	44,063
Lease liabilities	37	74,484	–	74,484
		361,990	229,326	591,316
Total liabilities		570,334	396,461	966,795

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

48. Fair value of assets and liabilities (cont'd)

(g) Classification of financial instruments (cont'd)

Group	Note	Financial assets at amortised cost $'000	Financial assets at FVOCI $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2022					
Non-current assets					
Property, plant and equipment	13	–	–	555,621	555,621
Right-of-use assets	37	–	–	17,187	17,187
Investment properties	14	–	–	85,262	85,262
Intangible assets	15	–	–	38,031	38,031
Land use rights	16	–	–	2,731	2,731
Joint venture		–	–	51	51
Associates	18	–	–	102,669	102,669
Long-term investments	19	–	24,238	–	24,238
Deferred tax assets	38	–	–	29,368	29,368
Prepaid island rental	20	–	–	16,554	16,554
Prepayments		–	–	1,600	1,600
Long-term receivables	21	17,052	–	–	17,052
Other receivables	22	2,490	–	–	2,490
Amounts due from related parties	32	269	–	–	269
		19,811	24,238	849,074	893,123
Current assets					
Property development costs	25	–	–	186,255	186,255
Inventories	26	–	–	4,463	4,463
Prepayments and other non-financial assets	27	–	–	14,546	14,546
Trade receivables	28	47,854	–	–	47,854
Other receivables	29	14,406	–	–	14,406
Contract assets	3	–	–	1,557	1,557
Amounts due from associates	31	30,072	–	–	30,072
Amounts due from related parties	32	96	–	–	96
Investments	24	–	72,149	–	72,149
Cash and short-term deposits	33	92,795	–	–	92,795
		185,223	72,149	206,821	464,193
Total assets		205,034	96,387	1,055,895	1,357,316

48. Fair value of assets and liabilities (cont'd)

(g) Classification of financial instruments (cont'd)

Group	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2022				
Current liabilities				
Tax payable		–	9,134	9,134
Other non-financial liabilities	34	–	13,134	13,134
Interest-bearing loans and borrowings	35	104,237	–	104,237
Trade payables		24,468	–	24,468
Other payables	36	128,777	–	128,777
Contract liabilities	3	–	95,038	95,038
Lease liabilities	37	2,705	–	2,705
Amounts due to associates	31	17,912	–	17,912
Amounts due to related parties	32	990	–	990
		279,089	117,306	396,395
Non-current liabilities				
Deferred tax liabilities	38	–	131,752	131,752
Defined and other long-term employee benefits	39	–	5,016	5,016
Deposits received		–	1,874	1,874
Other non-financial liabilities		–	20,958	20,958
Interest-bearing loans and borrowings	35	233,107	–	233,107
Other payables - non-current	40	3,574	–	3,574
Lease liabilities	37	31,495	–	31,495
		268,176	159,600	427,776
Total liabilities		547,265	276,906	824,171

48. Fair value of assets and liabilities (cont'd)

(g) **Classification of financial instruments** (cont'd)

Company	Note	Financial assets at amortised cost $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2023				
Non-current assets				
Intangible assets	15	**–**	**3,789**	**3,789**
Subsidiaries	17	**1,027**	**496,494**	**497,521**
Associates	18	**–**	**869**	**869**
		1,027	**501,152**	**502,179**
Current assets				
Prepayments and other non-financial assets	27	**–**	**1,804**	**1,804**
Trade receivables		**32**	**–**	**32**
Other receivables	29	**1,109**	**–**	**1,109**
Amounts due from subsidiaries	30	**210,713**	**–**	**210,713**
Amounts due from associates	31	**250**	**–**	**250**
Amounts due from related parties	32	**21**	**–**	**21**
Cash and short-term deposits	33	**49,698**	**–**	**49,698**
		261,823	**1,804**	**263,627**
Total assets		**262,850**	**502,956**	**765,806**

Company	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Current liabilities				
Other non-financial liabilities	34	**–**	**1,349**	**1,349**
Interest-bearing loans and borrowings	35	**46,260**	**–**	**46,260**
Other payables	36	**6,358**	**–**	**6,358**
Amounts due to subsidiaries	30	**70,746**	**–**	**70,746**
Amounts due to related parties	32	**14**	**–**	**14**
		123,378	**1,349**	**124,727**
Non-current liabilities				
Interest-bearing loans and borrowings	35	**70,983**	**–**	**70,983**
Amounts due to subsidiaries		**201,328**	**–**	**201,328**
		272,311	**–**	**272,311**
Total liabilities		**395,689**	**1,349**	**397,038**

48. Fair value of assets and liabilities (cont'd)

(g) **Classification of financial instruments** (cont'd)

Company	Note	Financial assets at amortised cost $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2022				
Non-current assets				
Intangible assets	15	–	3,881	3,881
Subsidiaries	17	1,081	501,178	502,259
Associates	18	–	869	869
		1,081	505,928	507,009
Current assets				
Prepayments and other non-financial assets	27	–	403	403
Trade receivables		112	–	112
Other receivables	29	1,045	–	1,045
Amounts due from subsidiaries	30	171,582	–	171,582
Amounts due from associates	31	10,334	–	10,334
Amounts due from related parties	32	18	–	18
Cash and short-term deposits	33	29,673	–	29,673
		212,764	403	213,167
Total assets		213,845	506,331	720,176

Company	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Current liabilities				
Other non-financial liabilities	34	–	1,726	1,726
Interest-bearing loans and borrowings	35	42,095	–	42,095
Other payables	36	6,696	–	6,696
Amounts due to subsidiaries	30	54,200	–	54,200
Amounts due to related parties	32	13	–	13
		103,004	1,726	104,730
Non-current liabilities				
Interest-bearing loans and borrowings	35	42,778	–	42,778
Amounts due to subsidiaries		194,952	–	194,952
		237,730	–	237,730
Total liabilities		340,734	1,726	342,460

49. Segment information

For management purposes, the Group is organised into business units based on the nature of products and services provided, with each reportable operating segment representing strategic business units that offers different products and serves different markets. The reportable operating segments are as follows:

The Hotel investments segment relates to hotel and restaurant operations.

The Property sales segment comprises hotel residences, Laguna property sales and development project/site sales. Hotel residences business relates to the sale of hotel villas or suites to investors, and continues to be managed by the Group as part of hotel operations. Laguna property sales business relates to the development and sale of properties which are standalone vacation homes in Laguna Phuket. Development project/site sales relates to pure development land sales or development land sales which are fully or partially developed with infrastructure.

The Fee-based segment mainly comprises the management of hotels and resorts, the management and operation of spas, the provision of architectural and design services, the management and ownership of golf courses, and rental of retail outlets and offices.

The Head Office segment relates to expenses incurred by corporate office.

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 below, is measured differently from operating profit or loss in the consolidated financial statements.

Geographical information

Revenue derived from management of hotels and resorts, and provision of architectural and design services are reported based on the geographical location of the Group's customers while all other revenue streams are based on the geographical location of the Group's assets. Non-current assets are based on the geographical location of the Group's assets.

The South East Asia segment comprises countries such as Thailand, Indonesia, Malaysia and Vietnam.

The Indian Oceania segment comprises countries such as Maldives, Sri Lanka and India.

The Middle East segment comprises countries such as Dubai, Saudi Arabia and Qatar.

The North East Asia segment comprises countries such as China, Korea, Japan, Hong Kong and Macau.

The rest of the world segment comprises countries such as Morocco, Americas and Europe.

Allocation basis and transfer pricing

Segments' results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

49. Segment information (cont'd)

Information about major customers

There is no concentration of revenue derived from any one single customer for both years ended 31 December 2023 and 2022.

(a) Operating segments

The following tables present revenue and results information regarding the Group's reportable operating segments for the financial years ended 31 December 2023 and 2022:

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2023					
Revenue:					
Segment revenue					
Sales	**180,887**	**87,316**	**84,947**	**–**	**353,150**
Inter-segment sales	**(179)**	**–**	**(25,060)**	**–**	**(25,239)**
Sales to external customers	**180,708**	**87,316**	**59,887**	**–**	**327,911**
Results:					
Segment results	**8,857**	**20,519**	**9,684**	**(24,457)**	**14,603**
Other income	**–**	**–**	**15,909**	**35,173**	**51,082**
Profit from operations and other gains	**8,857**	**20,519**	**25,593**	**10,716**	**65,685**
Finance income	**82**	**1,687**	**2,825**	**790**	**5,384**
Finance costs	**(15,557)**	**(494)**	**(836)**	**(5,425)**	**(22,312)**
Share of results of associates	**–**	**–**	**–**	**(6,179)**	**(6,179)**
Share of results of a joint venture	**–**	**–**	**–**	**9**	**9**
(Loss)/Profit before taxation	**(6,618)**	**21,712**	**27,582**	**(89)**	**42,587**
Income tax expense					**(9,732)**
Profit for the financial year					**32,855**

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For the financial year ended 31 December 2023

49. Segment information (cont'd)

(a) Operating segments (cont'd)

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2022					
Revenue:					
Segment revenue					
Sales	134,666	90,839	63,339	–	288,844
Inter-segment sales	(170)	–	(17,346)	–	(17,516)
Sales to external customers	134,496	90,839	45,993	–	271,328
Results:					
Segment results	(13,206)	19,440	11,060	(19,355)	(2,061)
Other income	–	–	6,887	16,895	23,782
Profit from operations and other gains	(13,206)	19,440	17,947	(2,460)	21,721
Finance income	24	1,592	5,567	390	7,573
Finance costs	(10,244)	(1,022)	(683)	(10,732)	(22,681)
Share of results of associates	–	–	–	(5,328)	(5,328)
(Loss)/Profit before taxation	(23,426)	20,010	22,831	(18,130)	1,285
Income tax expense					(712)
Profit for the financial year					573

49. Segment information (cont'd)

(a) Operating segments (cont'd)

The following tables present certain assets, liabilities and other information regarding the Group's reportable operating segments for the financial years ended 31 December 2023 and 2022:

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2023					
Assets and liabilities:					
Segment assets	**691,438**	**321,916**	**528,809**	**82,523**	**1,624,686**
Associates	**–**	**–**	**–**	**75,981**	**75,981**
Joint venture	**–**	**–**	**–**	**59**	**59**
Deferred tax assets	**27,704**	**638**	**2,432**	**239**	**31,013**
Total assets					**1,731,739**
Segment liabilities	**159,181**	**119,242**	**74,892**	**61,967**	**415,282**
Interest-bearing loans and borrowings	**187,203**	**24,640**	**7,090**	**117,244**	**336,177**
Current and deferred tax liabilities	**66,230**	**77,350**	**61,911**	**9,845**	**215,336**
Total liabilities					**966,795**
Other segment information:					
Capital expenditure	**26,980**	**135**	**373**	**270**	**27,758**
Depreciation of property, plant and equipment and right-of-use assets	**21,021**	**1,111**	**1,170**	**167**	**23,469**
Amortisation expense	**814**	**–**	**–**	**92**	**906**
Impairment losses/ (Reversal of impairment losses) on financial assets	**1,363**	**907**	**98**	**(436)**	**1,932**

49. Segment information (cont'd)

(a) Operating segments (cont'd)

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2022					
Assets and liabilities:					
Segment assets	476,885	337,560	264,228	146,555	1,225,228
Associates	–	–	–	102,669	102,669
Joint venture	–	–	–	51	51
Deferred tax assets	8,149	19,763	793	663	29,368
Total assets					1,357,316
Segment liabilities	104,257	85,523	57,973	98,188	345,941
Interest-bearing loans and borrowings	228,974	21,235	2,262	84,873	337,344
Current and deferred tax liabilities	31,437	83,426	21,527	4,496	140,886
Total liabilities					824,171
Other segment information:					
Capital expenditure	18,118	277	280	63	18,738
Depreciation of property, plant and equipment and right-of-use assets	16,756	1,115	1,091	124	19,086
Amortisation expense	808	–	–	86	894
Impairment losses/ (Reversal of impairment losses) on financial assets	108	(30)	(117)	206	167

49. Segment information (cont'd)

(b) Geographical information

The following tables present revenue information based on the geographical location of customers or resorts and non-current assets information based on the geographical location of assets:

	Revenue		Non-current assets	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Singapore	**333**	282	**82,773**	95,015
South East Asia	**254,668**	201,200	**868,367**	641,301
Indian Oceania	**43,796**	45,546	**100,670**	53,340
Middle East	**1,306**	1,416	**–**	–
North East Asia	**12,906**	10,189	**159,458**	21,335
Rest of the world	**14,902**	12,695	**9,019**	8,715
	327,911	271,328	**1,220,287**	819,706

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, land use rights, joint venture, associates, prepaid island rental, prepayments and costs to acquire contracts as presented in the consolidated balance sheet.

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For the financial year ended 31 December 2023

50. Dividends

	Company	
	2023 $'000	**2022** $'000
Proposed but not recognised as a liability as at 31 December		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final exempt (one-tier) dividend for 2023: 1.2 cents (2022: Nil cent) per share	**10,405**	–

51. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 18 March 2024.