

LETTER TO UNITHOLDERS

M&C Business Trust Management Limited

Company registration number: 200607118H
(Incorporated in the Republic of Singapore)

25 March 2026

To: Holders of Stapled Securities in CDL Hospitality Trusts

Dear Sir / Madam

AUDITED FINANCIAL STATEMENTS OF M&C BUSINESS TRUST MANAGEMENT LIMITED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

We are pleased to enclose for your information a copy of the audited financial statements of M&C Business Trust Management Limited for the financial year ended 31 December 2025, pursuant to Section 78(1)(b) of the Business Trusts Act 2004 of Singapore.

Please note that the enclosed audited financial statements are not in respect of CDL Hospitality Business Trust, but in respect of M&C Business Trust Management Limited, which is the trustee-manager of CDL Hospitality Business Trust. The enclosed set of audited financial statements is independent of the financial statements of CDL Hospitality Trusts and does not have any impact on the distributable income of the holders of stapled securities in CDL Hospitality Trusts.

Please refer to the Annual Report 2025 for the audited financial statements of CDL Hospitality Business Trust for the financial year ended 31 December 2025.

For and on behalf of the Board of Directors
M&C Business Trust Management Limited

Vincent Yeo Wee Eng

Director

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**M&C BUSINESS TRUST
MANAGEMENT LIMITED**

Company registration number: 200607118H

Annual Report
Year ended 31 December 2025

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the member of the Company together with the audited financial statements for the financial year ended 31 December 2025.

In our opinion:

- (a) the financial statements set out on pages 9 to 23 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "**Act**"), Singapore Financial Reporting Standards (International) and IFRS Accounting Standards as issued by the International Accounting Standards Board; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Chan Soon Hee, Eric

Vincent Yeo Wee Eng

Cheah Sui Ling

Kwek Eik Sheng

Eng Chin Chin

Richard Anthony Johnson

(Appointed on 21 February 2025)

(Appointed on 23 January 2026)

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children below 18 years of age) in shares, debentures, warrants or share options in the Company or its related corporations are as follows:

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
Penultimate Holding Company		
City Developments Limited		
Ordinary Shares		
Kwek Eik Sheng	35,461	35,461
Preference Shares		
Kwek Eik Sheng	50,000	50,000
Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd.		
Ordinary Shares		
Kwek Eik Sheng	1,016	1,016
Related Corporations		
Hong Leong Finance Limited		
Ordinary Shares		
Vincent Yeo Wee Eng	100,000	100,000
Kwek Eik Sheng	529,518	529,518
Hong Leong Holdings Limited		
Ordinary Shares		
Kwek Eik Sheng	175,500	175,500
Euroform (S) Pte. Limited		
Ordinary Shares		
Kwek Eik Sheng	25,000	25,000
Hong Realty (Private) Limited		
Ordinary Shares		
Kwek Eik Sheng	130	130

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

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

DIRECTORS' STATEMENT

SHARE OPTIONS

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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

AUDITORS

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Chan Soon Hee, Eric

Director

Vincent Yeo Wee Eng

Director

23 March 2026

INDEPENDENT AUDITORS' REPORT

MEMBER OF THE COMPANY M&C BUSINESS TRUST MANAGEMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of M&C Business Trust Management Limited (the "**Company**"), which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 9 to 23.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**"), Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows 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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also 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.

Other information

Management is responsible for the other information. The other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I) and IFRS Accounting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.

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 controls that we identify during our audit.

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 have been properly kept in accordance with the provisions of the Act.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

23 March 2026

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 \$	2024 \$
Non-current asset			
Deferred tax assets	10	208,859	196,038
Current assets			
Trade and other receivables	4	2,202,472	1,802,869
Other investment	5	4,437,857	3,401,808
Cash at bank		3,272,666	3,116,726
		9,912,995	8,321,403
Total assets		10,121,854	8,517,441
Equity			
Share capital	6	2	2
Fair value reserve		(1,025,899)	(962,845)
Accumulated profits		10,558,629	8,768,759
Total equity		9,532,732	7,805,916
Current liabilities			
Other payables	7	192,947	138,598
Current tax payable		396,175	572,927
		589,122	711,525
Total liabilities		589,122	711,525
Total equity and liabilities		10,121,854	8,517,441

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	2025 \$	2024 \$
Revenue	8	2,033,784	3,337,097
Professional fees		(80,636)	(77,957)
Other expenses		(7,695)	(7,216)
Other income		13,646	–
Finance income	9	186,946	182,935
Profit before tax		2,146,045	3,434,859
Tax expense	10	(356,175)	(584,920)
Profit for the year		1,789,870	2,849,939
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity instruments at FVOCI		(75,875)	(866,397)
Tax on other comprehensive income		12,821	147,768
		(63,054)	(718,629)
Other comprehensive income for the year, net of tax		(63,054)	(718,629)
Total comprehensive income for the year		1,726,816	2,131,310

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital	Fair value reserve	Accumulated profits	Total
	\$	\$	\$	\$
At 1 January 2024	2	(244,216)	5,918,820	5,674,606
Total comprehensive income for the year:				
Profit for the year	–	–	2,849,939	2,849,939
Other comprehensive income:				
Net change in fair value of equity instruments at FVOCI	–	(866,397)	–	(866,397)
Tax on other comprehensive income	–	147,768	–	147,768
Total other comprehensive income	–	(718,629)	–	(718,629)
Total comprehensive income for the year	–	(718,629)	2,849,939	2,131,310
At 31 December 2024	2	(962,845)	8,768,759	7,805,916
At 1 January 2025	2	(962,845)	8,768,759	7,805,916
Total comprehensive income for the year:				
Profit for the year	–	–	1,789,870	1,789,870
Other comprehensive income:				
Net change in fair value of equity instruments at FVOCI	–	(75,875)	–	(75,875)
Tax on other comprehensive income	–	12,821	–	12,821
Total other comprehensive income	–	(63,054)	–	(63,054)
Total comprehensive income for the year	–	(63,054)	1,789,870	1,726,816
At 31 December 2025	2	(1,025,899)	10,558,629	9,532,732

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Profit before tax		2,146,045	3,434,859
Adjustment for:			
Distribution income	9	(180,239)	(152,503)
Management fee received/receivable in stapled securities		(1,287,531)	(1,074,495)
Unrealised foreign exchange gain	9	(7,324)	(1,790)
		670,951	2,206,071
Changes in:			
– Trade and other receivables		(254,979)	(848,771)
– Other payables		54,349	20,316
		470,321	1,377,616
Cash generated from operations		470,321	1,377,616
Tax paid		(532,927)	(210,433)
		(62,606)	1,167,183
Net cash (used in)/from operating activities		(62,606)	1,167,183
Cash flows from investing activities			
Capital distribution received		38,307	39,901
Distribution income received		180,239	152,503
		218,546	192,404
Net cash from investing activities		218,546	192,404
Net increase in cash at bank		155,940	1,359,587
Cash at bank at beginning of the year		3,116,726	1,757,139
Cash at bank at end of the year		3,272,666	3,116,726

Significant non-cash transaction

During the year, the Company received 1,391,225 (2024: 1,033,978) stapled securities in CDL Hospitality Trusts amounting to \$1,150,231 (2024: \$1,065,115) as settlement for the management fee earned.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 March 2026.

1 DOMICILE AND ACTIVITIES

M&C Business Trust Management Limited (the “**Company**”) is incorporated in the Republic of Singapore and has its registered office at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619.

The principal activities of the Company are those relating to the provision of property fund management services. The Company is the trustee-manager for CDL Hospitality Business Trust (“**HBT**”), a business trust which is part of CDL Hospitality Trusts (“**CDLHT**”), a stapled group comprising CDL Hospitality Real Estate Investment Trust, a real estate investment trust, and HBT. CDLHT is listed on Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The immediate holding company is M&C REIT Management Limited. The directors consider the ultimate holding company to be Hong Leong Investment Holdings Pte. Ltd.. Both companies are incorporated in the Republic of Singapore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”). All references to SFRS(I) and IFRS Accounting Standards are subsequently referred to as SFRS(I) in these financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in the valuations should be classified.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable data).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Company consistently to all periods presented in these financial statements.

3.1 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through other comprehensive income ("FVOCI") – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Non-derivative financial assets (cont'd)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Distribution income is recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities

Non-derivative financial liabilities are classified into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

Derecognition (cont'd)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.2 Impairment

Non-derivative financial assets

Simplified approach

The Company applies the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

3.3 Revenue recognition

Management fee

Management fee is derived from the management of a business trust and is determined based on total gross assets under management and net property income of the business trust being managed. The fee is recognised when the service is rendered.

Trustee fee

Trustee fee is determined based on total deposited property of the business trust and is recognised when the service is rendered.

Acquisition fee

Acquisition fee relates to fees earned in relation to the acquisition or investment by the business trust managed by the Company. The fee is determined based on the value of the asset or investment acquired and is recognised when the service has been rendered.

3.4 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Tax (cont'd)

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

3.5 New standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Company has not early adopted the new or amended accounting standards in preparing these financial statements.

(i) **SFRS(I) 18 Presentation and Disclosure in Financial Statements**

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

(ii) **Other accounting standards**

The following amendments to SFRS(I)s are not expected to have a significant impact on the Company's statement of financial position.

- *Classification and Measurement of Financial Instruments (Amendments to SFRS(I) 9 and SFRS(I) 7)*
- *Annual Improvements to SFRS(I)s - Volume 11; and*
- *Contract Referencing Nature-dependent Electricity (Amendments to SFRS(I) 9 and SFRS(I) 7)*

NOTES TO THE FINANCIAL STATEMENTS

4 TRADE AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Amounts due from related entity (trade)	962,822	1,413,650
Amounts due from related entities (non-trade)	–	385,565
Amounts due from immediate holding company (non-trade)	1,235,770	–
	2,198,592	1,799,215
Prepayment	3,880	3,654
	<u>2,202,472</u>	<u>1,802,869</u>

The non-trade amounts due from immediate holding company and related entities are unsecured, interest free and repayable on demand.

There is no allowance for doubtful debts on the amounts due from immediate holding company and related entities as the ECL is negligible.

5 OTHER INVESTMENT

	2025	2024
	\$	\$
Equity securities at FVOCI	4,437,857	3,401,808

The equity securities at FVOCI relate to stapled securities held in CDLHT which are received as settlement for management fee earned.

As at 31 December 2025, the Company has 5,346,817 (2024: 3,955,592) stapled securities with a fair value of \$0.83 (2024: \$0.86) per stapled security, which is determined by reference to quoted bid price at the reporting date.

6 SHARE CAPITAL

	Number of shares	
	2025	2024
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	<u>2</u>	<u>2</u>

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management policy

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. As the Company is a wholly-owned subsidiary of M&C REIT Management Limited, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the capital management objectives of M&C REIT Management Limited.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

7 OTHER PAYABLES

	2025	2024
	\$	\$
Amount owing to immediate holding company (non-trade)	54,274	54,274
Accrued operating expenses	105,159	84,324
Other payables	33,514	–
	<u>192,947</u>	<u>138,598</u>

The amount owing to immediate holding company is unsecured, interest-free and repayable on demand.

8 REVENUE

	2025	2024
	\$	\$
Management fee	1,609,416	1,343,117
Trustee fee	424,368	380,963
Acquisition fee	–	1,613,017
	<u>2,033,784</u>	<u>3,337,097</u>

Revenue is derived from a related entity.

The Company generates fee income from providing property fund management services and it is recognised when services are provided. Payment is due on delivery of the services.

NOTES TO THE FINANCIAL STATEMENTS

9 FINANCE INCOME

	2025	2024
	\$	\$
Finance income		
Distribution income from equity investments at FVOCI	180,239	152,503
Net foreign exchange (loss)/gain		
- realised	(617)	28,642
- unrealised	7,324	1,790
	186,946	182,935

10 TAX EXPENSE

	2025	2024
	\$	\$
Current tax expense		
Current year	356,175	572,927
Underprovision in prior year	–	11,993
	356,175	584,920
Reconciliation of effective tax rate		
Profit before tax	2,146,045	3,434,859
Tax calculated using Singapore tax rate of 17% (2024: 17%)	364,828	583,926
Tax exempt income	(17,425)	(17,425)
Income not subject to tax	(17,336)	(12,698)
Underprovision in prior year	–	11,993
Non-deductible expenses	26,108	19,124
	356,175	584,920

Deferred tax assets

Movements in deferred tax during the year are as follows:

	At 1 January 2024	Recognised in other comprehensive income	At 31 December 2024	Recognised in other comprehensive income	At 31 December 2025
	\$	\$	\$	\$	\$
Other investment	48,270	147,768	196,038	12,821	208,859

NOTES TO THE FINANCIAL STATEMENTS

11 FINANCIAL RISK MANAGEMENT

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Exposure to credit, liquidity and market risks arises in the normal course of the Company's business. These risks are limited by the Company's financial management policies and practices described below.

Credit risk

At the reporting date, the amounts due from immediate holding company and related entities and equity securities at FVOCI represent a significant portion of the Company's financial assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer terms.

The total contractual undiscounted cash flows of the Company's non-derivative financial liabilities are the same as their carrying amounts and are due within one year.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, will affect the Company's comprehensive income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Equity price risk

The Company is exposed to equity price changes arising from its investment in quoted equity securities. These securities are quoted on the SGX-ST and are classified as equity instruments at FVOCI. The Company does not hedge against this risk exposure.

Sensitivity analysis

Changes in the underlying equity prices of the equity securities at the reporting date would increase/(decrease) equity (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Equity	
	2025	2024
	\$	\$
10% increase	443,786	340,181
10% decrease	(443,786)	(340,181)

NOTES TO THE FINANCIAL STATEMENTS

11 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values

The carrying values and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount			Total	Fair value
		Amortised cost	FVOCI – equity instruments	Other financial liabilities		Level 1
		\$	\$	\$		\$
31 December 2025						
Financial assets measured at fair value						
Other investment	5	–	4,437,857	–	4,437,857	4,437,857
Financial assets not measured at fair value						
Trade and other receivables [^]	4	2,198,592	–	–	2,198,592	
Cash at bank		3,272,666	–	–	3,272,666	
		5,471,258	–	–	5,471,258	
Financial liabilities not measured at fair value						
Other payables	7	–	–	(192,947)	(192,947)	
31 December 2024						
Financial assets measured at fair value						
Other investment	5	–	3,401,808	–	3,401,808	3,401,808
Financial assets not measured at fair value						
Trade and other receivables [^]	4	1,799,215	–	–	1,799,215	
Cash at bank		3,116,726	–	–	3,116,726	
		4,915,941	–	–	4,915,941	
Financial liabilities not measured at fair value						
Other payables	7	–	–	(138,598)	(138,598)	

[^] excluding prepayment

NOTES TO THE FINANCIAL STATEMENTS

12 RELATED PARTIES

In addition to the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions during the financial year:

Transactions with key management personnel

The Company's directors are employees of either the immediate holding company or a related corporation and no consideration is paid to these companies for the services rendered by the directors.

Other related party transactions

	2025	2024
	\$	\$
Secretarial fee paid/payable to a related corporation	41,175	47,446

13 SUBSEQUENT EVENTS

Subsequent to the reporting date, the Company declared a final tax-exempt (one-tier) dividend of \$617,885 per ordinary share, amounting to \$1,235,770 in respect of the financial year ended 31 December 2025. The dividend payable to the immediate holding company of \$1,235,770 was set-off against the equivalent amount due from immediate holding company.

