

JURONG TOWN CORPORATION AND ITS SUBSIDIARIES



BUILDING INDUSTRIES

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Right: JTC Food Hub @ Senoko brings together small and medium enterprises from the food industry in a seven-storey, ramped-up development.



Jurong Town Corporation and its subsidiaries**Statement by Jurong Town Corporation**

In our opinion,

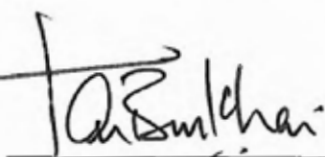
- (a) the accompanying financial statements of Jurong Town Corporation (the "Corporation") and its subsidiaries (the "Group"), set out on pages 6 to 47 are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 ("PSG Act"), the Jurong Town Corporation Act 1968 ("JTC Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and the Corporation as at 31 March 2024, and the financial performance, changes in equity of the Group and the Corporation, and cash flows of the Group for the year then ended;
- (b) the receipt, expenditure, investments of moneys and the acquisition and disposal of assets by the Corporation during the year have been, in all material respects, in accordance with the provisions of the PSG Act, the JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation; and
- (c) proper accounting and other records have been kept, including records of all assets of the Corporation whether purchased, donated or otherwise.

On behalf of Jurong Town Corporation and its subsidiaries



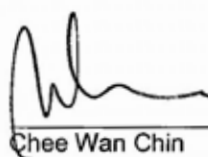
Tan Chong Meng

Chairman



Tan Boon Khai

Chief Executive Officer



Chee Wan Chin

Group Chief Financial Officer

Singapore
11 June 2024

Jurong Town Corporation and its subsidiaries**Independent auditor's report****For the financial year ended 31 March 2024****Independent auditor's report to the members of the Board of Jurong Town Corporation****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Jurong Town Corporation (the "Corporation") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Corporation as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in equity of the Corporation for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Corporation are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 ("PSG Act"), the Jurong Town Corporation Act 1968 ("JTC Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and the Corporation as at 31 March 2024 and the financial performance and changes in equity of the Group and the Corporation and cash flows of the Group for the year then ended.

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.

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Statement by Jurong Town Corporation set out on page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Jurong Town Corporation and its subsidiaries**Independent auditor's report****For the financial year ended 31 March 2024****Independent auditor's report to the members of the board of Jurong Town Corporation****Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the PSG Act, JTC Act and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval.

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 there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Jurong Town Corporation and its subsidiaries**Independent auditor's report****For the financial year ended 31 March 2024****Independent auditor's report to the members of the board of Jurong Town Corporation**

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

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements**Opinion**

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Corporation during the year are, in all material respects, in accordance with the provisions of the PSG Act, JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation.
- (b) proper accounting and other records have been kept, including records of all assets of the Corporation whether purchased, donated or otherwise.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

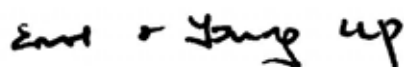
Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation. This responsibility includes monitoring related compliance requirements relevant to the Corporation, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Jurong Town Corporation and its subsidiaries**Independent auditor's report****For the financial year ended 31 March 2024****Independent auditor's report to the members of the board of Jurong Town Corporation****Auditor's Responsibilities for the Compliance Audit**

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

11 June 2024

Jurong Town Corporation and its subsidiaries

Statement of comprehensive income For the financial year ended 31 March 2024

	Note	The Group		The Corporation	
		2024	2023	2024	2023
		\$ Millions	\$ Millions	\$ Millions	\$ Millions
Income					
Revenue	4	2,703	2,600	2,431	2,350
Other income	5	719	612	695	589
		3,422	3,212	3,126	2,939
Expenditure					
Property tax		(156)	(150)	(150)	(142)
Maintenance and conservancy		(235)	(233)	(210)	(212)
Employee benefits expense	6	(253)	(242)	(176)	(170)
Depreciation of property, plant and equipment	14	(73)	(70)	(20)	(21)
Depreciation of investment properties	15	(338)	(334)	(340)	(336)
Change in recoverable value of investment properties	15	303	(237)	303	(237)
(Impairment)/write-back of impairment of associate and joint ventures	17	(4)	11	—	—
Interest expense		(33)	(29)	(10)	(11)
Other expenses	7	(384)	(396)	(324)	(337)
		(1,173)	(1,680)	(927)	(1,466)
Surplus before contribution to Consolidated Fund and taxation		2,249	1,532	2,199	1,473
Contribution to Consolidated Fund	8	(374)	(250)	(374)	(250)
Income tax	9	(9)	(7)	—	—
Surplus for the year		1,866	1,275	1,825	1,223
Other comprehensive income, net of tax					
<i>Items that may be reclassified subsequently to income or expenditure:</i>					
Currency translation reserve:					
- Exchange differences arising on translation of foreign operations		(5)	(13)	—	—
- Hedging reserve from joint venture		(6)	25	—	—
Total comprehensive income		1,855	1,287	1,825	1,223
Surplus for the year attributable to					
Equity holders of the Corporation		1,860	1,270	1,825	1,223
Non-controlling interests		6	5	—	—
		1,866	1,275	1,825	1,223
Total comprehensive income attributable to					
Equity holders of the Corporation		1,849	1,282	1,825	1,223
Non-controlling interests		6	5	—	—
		1,855	1,287	1,825	1,223

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

Jurong Town Corporation and its subsidiaries

Statement of financial position

As at 31 March 2024

	Note	The Group 2024 \$ Millions	The Group 2023 \$ Millions	The Corporation 2024 \$ Millions	The Corporation 2023 \$ Millions
ASSETS					
Current assets					
Cash and bank balances	10	7,540	6,213	7,387	6,104
Trade receivables	11	67	89	43	65
Other receivables	12	449	316	420	280
Lease receivables	13	18	15	18	15
Raw materials		997	1,127	997	1,127
Investment – debt securities	18	1,019	815	1,019	815
Financial assets at fair value through profit or loss (FVTPL)	19	1,445	1,404	1,445	1,404
Total current assets		11,535	9,979	11,329	9,810
Non-current assets					
Property, plant and equipment	14	1,270	1,311	364	362
Investment properties	15	21,792	20,898	21,918	21,028
Investment in subsidiaries	16	–	–	683	683
Investment in associate and joint ventures	17	772	757	–	–
Lease receivables	13	668	673	668	673
Investment – debt securities	18	118	125	118	125
Other non-current assets	20	164	156	163	156
Total non-current assets		24,784	23,920	23,914	23,027
Total assets		36,319	33,899	35,243	32,837
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	652	581	575	500
Borrowings	22	37	36	22	21
Deferred income	23	262	244	262	244
Income tax payable		10	10	–	–
Provision for contribution to consolidated fund	8	374	250	374	250
Total current liabilities		1,335	1,121	1,233	1,015
Non-current liabilities					
Trade and other payables	21	11	15	–	4
Borrowings	22	822	857	289	311
Deferred income	23	5,012	4,615	5,121	4,732
Deferred tax liability	24	14	14	–	–
Total non-current liabilities		5,859	5,501	5,410	5,047
Capital and reserves					
Capital account	25	167	167	167	167
Currency translation reserve		(15)	(10)	–	–
Hedging reserve		19	25	–	–
Accumulated surplus		28,920	27,060	28,433	26,608
Equity attributable to owners of the company		29,091	27,242	28,600	26,775
Non-controlling interests		34	35	–	–
Total equity		29,125	27,277	28,600	26,775
Total liabilities and equity		36,319	33,899	35,243	32,837

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

Jurong Town Corporation and its subsidiaries

Statement of changes in equity For the financial year ended 31 March 2024

	Capital account \$ Millions	Currency translation reserve \$ Millions	Hedging reserve \$ Millions	Accumulated surplus \$ Millions	Equity attributable to equity holders \$ Millions	Non- controlling interests \$ Millions	Total equity \$ Millions
The Group							
As at 1 April 2022	167	3	–	25,790	25,960	30	25,990
Surplus for the year	–	–	–	1,270	1,270	5	1,275
Other comprehensive income	–	(13)	25	–	12	–	12
Total comprehensive income for the year	–	(13)	25	1,270	1,282	5	1,287
As at 31 March 2023	167	(10)	25	27,060	27,242	35	27,277
Surplus for the year	–	–	–	1,860	1,860	6	1,866
Other comprehensive income	–	(5)	(6)	–	(11)	–	(11)
Total comprehensive income for the year	167	(5)	(6)	1,860	1,849	6	1,855
Capital returned to non- controlling interests	–	–	–	–	–	(7)	(7)
As at 31 March 2024	167	(15)	19	28,920	29,091	34	29,125

	Capital account \$ Millions	Accumulated surplus \$ Millions	Total equity \$ Millions
The Corporation			
As at 1 April 2022	167	25,385	25,552
Total surplus for the year, representing total comprehensive income for the year	–	1,223	1,223
As at 31 March 2023	167	26,608	26,775
Total surplus for the year, representing total comprehensive income for the year	–	1,825	1,825
As at 31 March 2024	167	28,433	28,600

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

Jurong Town Corporation and its subsidiaries

Consolidated statement of cash flows For the financial year ended 31 March 2024

	Note	The Group 2024 \$ Millions	2023 \$ Millions
Operating activities			
Surplus before contribution to consolidated fund and taxation		2,249	1,532
Adjustments for:			
Depreciation of property, plant and equipment	14	73	70
Depreciation of investment properties	15	338	334
Raw materials written down	7	—	4
Amortisation of long-term lease premium	23	(245)	(224)
Change in recoverable amount of investment properties	15	(303)	237
Gain on disposal of investment properties	5	(83)	(111)
Loss on disposal of property, plant and equipment	5	4	4
Allowance for receivables, net of reversal	7	8	—
Fair value loss on FVTPL	5	(41)	62
Impairment/(write-back) on investment in associate	17	4	(11)
Share of profits of associate/joint ventures	5	(34)	(17)
Interest income	4, 5	(326)	(170)
Interest expense		33	29
Operating profit before working capital changes		1,677	1,739
Changes in working capital:			
Raw materials		130	91
Trade and other receivables		(72)	61
Trade and other payables		73	10
Cash generated from operations		1,808	1,901
Long-term lease premium received		660	221
Interest received		189	37
Interest paid		(33)	(29)
Contribution to consolidated fund paid		(250)	(205)
Income tax paid (net)		(9)	(9)
Net cash from operating activities		2,365	1,916
Investing activities			
Purchase of property, plant and equipment		(41)	(107)
Purchase of investment properties		(1,099)	(789)
Proceeds from disposal of property, plant and equipment and investment properties		111	138
Dividends received from associate and joint ventures		2	18
Purchase of investment – debt securities		(113)	(501)
Net cash used in investing activities		(1,140)	(1,241)
Financing activities			
Government grants received for property, plant and equipment and investment properties		147	104
Capital redemption by non-controlling interest in a subsidiary		(7)	—
Proceeds from borrowings		—	573
Repayment of borrowings		(34)	(732)
Repayment of lease liabilities		(4)	(5)
Release of restricted deposit		—	3
Net cash from/(used in) financing activities		102	(57)
Net change in cash and cash equivalents		1,327	618
Cash and cash equivalents at beginning of year		6,213	5,595
Cash and cash equivalents at end of year	10	7,540	6,213

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

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

1. Corporate information

Jurong Town Corporation (the "Corporation") is established in the Republic of Singapore under the Jurong Town Corporation Act 1968 with its principal place of business and registered office at The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434.

The principal activities of the Corporation are to develop and manage industrial estates in Singapore and to provide facilities to enhance the operations of industries. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries, associate and joint ventures are set out in Note 16 and Note 17.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 ("PSG Act"), the Jurong Town Corporation Act 1968 ("JTC Act"), and Statutory Board Financial Reporting Standards ("SB-FRS"), including Interpretations of SB-FRS ("INT SB-FRS") and SB-FRS Guidance Notes.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SB-FRS 102 *Share-based Payment*, leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 *Inventories* or value in use in SB-FRS 36 *Impairment of Assets*.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are not based on observable market data (unobservable inputs) for the asset or liability.

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.1 Basis of preparation (cont'd)**

The preparation of financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The consolidated financial statements of the Group and the statement of comprehensive income, financial position and equity of the Corporation are presented in Singapore dollars (\$), which is the functional currency of the Corporation and the presentation currency for the consolidated financial statements. All values in the tables are rounded to the nearest million ("Millions"), except when otherwise indicated.

2.2 Adoption of new and revised standards

On 1 April 2023, the Group adopted all the new and revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are effective from that date and relevant to its operations. The adoption of these standards do not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.3 Standards issued but not yet effective

Management has considered and is of the view that adoption of the new/revised SB-FRSs that are issued as at the date of these financial statements but effective only in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and entities (including special purpose entities) controlled by the Corporation (its subsidiary). Control is achieved when the Corporation:

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

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

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

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

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

2. Material accounting policy information (cont'd)

2.4 Basis of consolidation (cont'd)

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

Income or expenditure and each component of other comprehensive income are attributed to the owners of the Corporation and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

2.5 Associate and Joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associate and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SB-FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.5 Associate and Joint ventures (cont'd)**

The requirements of SB-FRS 28 *Investments in Associates and Joint Ventures* are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SB-FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SB-FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

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

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.6 Financial instruments

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

Financial assets

All financial assets are recognised and de-recognised on settlement dates based on fair values on trade dates. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments mainly comprise cash and bank balances, trade and other receivables and investment securities that meet the following conditions are subsequently measured at amortised cost:

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.6 Financial instruments (cont'd)****Financial assets (cont'd)****Amortised cost and effective interest method**

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets, consisting of trade and other receivables, lease receivables and investment securities. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applied the simplified approach permitted by SB-FRS 109 and recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.6 Financial instruments (cont'd)****Financial assets (cont'd)****Impairment of financial assets (cont'd)**

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

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments**Classification as debt or equity**

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

Equity instruments

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

Pursuant to the Finance Circular Minute ("FCM") No. 26/2008 on Capital Management Framework ("CMF"), equity injection from the Government is recorded as share capital.

Financial liabilities

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

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.6 Financial instruments (cont'd)****Financial liabilities and equity instruments (cont'd)****Derecognition of financial liabilities**

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

2.7 Derivative financial instruments

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

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.8 Leases**The Group as lessor**

The Group enters into lease agreements as a lessor with respect to its investment property. The unguaranteed residual values do not represent a significant risk for the Group.

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

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.8 Leases (cont'd)**The Group as lessee

The Group assesses whether a contract is or contain a lease, at inception of the leases. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short term leases (defined as leases with lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease.

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The group applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.10 and Note 2.11.

2.9 Raw materials

Raw materials are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the raw materials to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.10 Property, plant and equipmentMeasurement

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the capital projects-in-progress. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset during that period.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

2. Material accounting policy information (cont'd)

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

Depreciation

The Group adopts the component approach to depreciation whereby the amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant parts. Each significant part is depreciated separately if those parts have different useful lives.

Capital projects-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and land development	-	over the lease period up to 99 years
Wharf and base structures	-	over the lease period up to 50 years
Bulk handling facilities	-	3 to 15 years
Tank storage facilities	-	2 to 30 years
Buildings	-	over the lease period up to 60 years
Computers, motor vehicles, furniture, equipment and renovation	-	1 to 20 years

No depreciation is provided for 999 years leasehold land and freehold land.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. The effects of any revision of the residual values and useful lives are included in profit or loss when the changes arise.

Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in income or expenditure when incurred.

Derecognition

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

2.11 *Investment properties*

Investment properties comprise significant portions of leasehold land and freehold office buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties include completed property and property under development.

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

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

2. Material accounting policy information (cont'd)

2.11 *Investment properties (cont'd)*

The Group adopts the component approach to depreciation whereby the amount initially recognised in respect of an item of investment properties is allocated to its significant parts. Each significant part is depreciated separately if those parts have different useful lives.

No depreciation is provided for 999 years leasehold land and freehold land.

Depreciation on other items of investment properties is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and land development	-	over the lease period up to 99 years
Buildings	-	over the lease period up to 60 years

Included in buildings are the following items which are depreciable over their estimated useful lives as follows:

Renovations and improvements	-	3 to 5 years
Plant, machinery and equipment	-	3 to 20 years
Air-cons, lifts and escalators	-	15 to 20 years

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. The effects of any revision of the residual values and useful lives are included in profit or loss when the changes arise.

Transfers are made to or from investment properties only when there is a change in use. Any transfer between investment properties and owner-occupied properties does not result in any change in the cost for disclosure purpose as the Group and Corporation use the cost model.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.12 *Impairment of tangible assets*

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

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

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.12 Impairment of tangible assets (cont'd)**

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

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

2.13 Loss in recoverable amount of investment properties

The loss in recoverable amount represents the amount which the carrying value of the investment properties exceed their recoverable amounts. The recoverable amounts are determined principally using the estimated future cash flows expected to be generated by each investment property by reference to the Corporation's prevailing and estimated future posted rent rates, which are generally lower than the prevailing rent rates in the open market.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

2.15 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.16 Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Rental income

The Group's policy for recognition of revenue from operating leases is described above.

Income from port operations

Revenue from port and marine services rendered is recognised over time when the company satisfies a performance obligation by transferring control of a service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to each satisfied performance obligation.

Transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised services.

Agency fees

Agency fees from the provision of consultancy services are recognised when the services are rendered, using the percentage of completion method based on the actual service provided as a proportion of the total services to be performed.

Interest income

Interest income, including income from finance lease and other financial instruments, is recognised using the effective interest method.

Income from transfer of raw materials

Income is recognised when control of the raw materials has transferred, being when the raw materials have been collected by the customer or delivered to the customer's specific location and all criteria for acceptance have been satisfied.

2.17 Borrowing costs

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

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.18 Retirement benefit obligations**

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Contributions made to Singapore Central Provident Fund, are recognised in the profit or loss in the period when employees rendered their services entitling them to the contributions.

2.19 Employee leave entitlement

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

2.20 Contribution to Consolidated Fund

In lieu of income tax, the Corporation is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. The provision is based on the guidelines specified by the Ministry of Finance and is computed based on the net surplus of the Corporation for each of the financial year at the prevailing corporate tax rate for the Year of Assessment. Contribution to consolidated fund is provided for on an accrual basis.

2.21 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax of the subsidiaries of the Corporation.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

2. Material accounting policy information (cont'd)**2.21 *Income tax (cont'd)***

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.22 *Cash and cash equivalents in the statement of cash flows*

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances and deposits placed with the Accountant-General's Department ("AGD") less restricted cash and are subject to an insignificant risk of changes in value.

Under the Accountant-General's Circular No.4/2009 dated 2 November 2009, the Corporation is required to participate in the Centralised Liquidity Management Framework ("CLM"). Under the CLM, all bank accounts maintained with selected banks will be linked up with AGD's bank accounts such that excess available cash can be automatically aggregated for central management on a daily basis. These balances are included in cash and cash equivalents as "Centralised Liquidity Management ("CLM") deposits held with Accountant-General's Department ("AGD").

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)***Critical judgements in applying the entity's accounting policies***

Apart from those involving estimations (see below), the management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment review of investment properties

At the end of each reporting period, management assesses whether there is any indication that the investment properties have suffered an impairment loss or require a reversal of previous impairment losses.

In the assessment of impairment loss, fair values are determined using the income capitalisation method or direct comparison method. The income capitalisation method involves the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The direct comparison method involves the comparison of recent sales transactions of similar properties.

Management is of the view that the valuation methods and estimates are reflective of the current market conditions and adequate impairment losses, as disclosed in Note 15 to the financial statements, have been made.

The carrying amounts of the Group's investment properties is disclosed in Note 15 to the financial statements.

Impairment review of investment in associate and joint ventures

In the estimation of impairment loss for investment in associate and joint ventures, the Group estimates the recoverable amount using value-in-use computations and key assumptions such as discount rates, revenue growth, capital expenditures and working capital cycles as at the assessment date.

Management has considered the financial position and long-term business outlook of the associate and joint ventures, including factors such as changes in overall economic and industry performance and related market risks as well as prospective financial information. This assessment is highly subjective in nature. Accordingly, actual outcome may be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material.

Management is of the view that adequate impairment losses have been made and the carrying amount of the investments in associate and joint ventures, as disclosed in Note 17, do not exceed their respective recoverable amounts.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

4. Revenue

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Land rental income	1,420	1,394	1,404	1,378
Building rental income	932	867	918	856
Income from port operations	231	220	—	—
Interest income on finance leases	31	31	31	31
Sundry income	89	88	78	85
	2,703	2,600	2,431	2,350

5. Other income / (losses) - net

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Interest income	295	139	290	136
Dividend from subsidiary	—	—	15	14
Loss on disposal of property, plant and equipment	(4)	(4)	—	(2)
Gain on disposal of investment properties (net)	83	111	83	111
Share of profits of associate/joint ventures	34	17	—	—
Income from sales of raw materials	265	390	265	390
Fair value gain / (loss) on financial assets (FVTPL)	41	(62)	41	(62)
Others	5	21	1	2
	719	612	695	589

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

6. Employee benefits expense

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Salaries and other benefits	227	217	159	153
Employer's contribution to defined contribution plans including Central Provident Fund	26	25	17	17
	253	242	176	170

The above include the remuneration of key management of the Group and Corporation as follows:

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Salaries and other benefits including employer's contribution to Central Provident Fund	12	13	9	8

The structure of Board members' fees is based on the guidelines provided by the Public Service Group. Total Directors' fees paid to the Board members of the Corporation amounted to \$0.3 million (2023 : \$0.3 million).

7. Other expenses

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Security service expenses	32	39	26	33
Information technology expense	56	45	56	45
Professional fees	23	18	20	13
Cargo and container handling expenses	43	40	—	—
Impairment of receivables/(Write-back of impairment) (net)	8	—	5	(2)
Write-back of provision for loan	(20)	—	(20)	—
Raw materials written down	—	4	—	4
Cost of raw materials sold	134	171	134	171
Refurbishment	69	52	69	52
Other expenses	39	27	34	21
	384	396	324	337

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

8. Contribution to consolidated fund

In lieu of income tax, the Corporation is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance and is computed based on the net surplus of the Corporation for each of the financial year at the prevailing corporate tax rate for the Year of Assessment. Contribution to Consolidated Fund is provided for on an accrual basis.

	The Corporation	
	2024	2023
	\$ Millions	\$ Millions
Surplus of the Corporation before contribution to Consolidated Fund	2,199	1,473
Contribution at 17%	374	250

9. Income tax

	The Group	
	2024	2023
	\$ Millions	\$ Millions
Current tax	9	9
Deferred tax	-	(2)
	9	7

Domestic income tax of the Group is calculated at 17% (2023: 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The charge for the year can be reconciled to the accounting surplus as follows:

	The Group	
	2024	2023
	\$ Millions	\$ Millions
Surplus before contribution to Consolidated Fund and taxation	2,249	1,532
Less: Surplus of the Corporation before contribution to Consolidated Fund	(2,199)	(1,473)
	50	59
Income tax expense at statutory tax rate of 17% (2023: 17%)	9	10
Expenses not deductible for tax purposes	7	4
Share of profit of joint ventures	(6)	(3)
Others	(1)	(4)
Total income tax expense	9	7

Jurong Town Corporation and its subsidiaries

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For the financial year ended 31 March 2024

10. Cash and bank balances

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Cash at bank	44	45	—	—
Cash with AGD	3,072	1,873	3,072	1,869
Short-term government bills	4,315	4,235	4,315	4,235
Fixed deposits	109	60	—	—
Cash and cash equivalents in the statement of cash flows	7,540	6,213	7,387	6,104

Cash at bank earns interest at floating rates based on daily bank deposit rates. Fixed deposits earn interest at the respective short-term deposit rates. The effective interest rates as at 31 March 2024 for the Group was 3.43% (2023: 3.25%) per annum.

Cash with the Accountant-General's Department ("AGD") refers to cash that are managed by AGD under the Centralised Liquidity Management Scheme as set out in the Accountant-General's Circular No.4/2009.

11. Trade receivables

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Outside parties	106	130	82	103
Loss allowance:				
Balance at beginning of year	(41)	(49)	(38)	(46)
Allowance for the year	(13)	(14)	(13)	(12)
Reversal of allowance	8	14	8	14
Bad debts written off	7	8	4	6
Balance at end of year	(39)	(41)	(39)	(38)
	67	89	43	65

Loss allowance has been measured at an amount equal to expected credit losses. Apart from the above, no loss allowance is necessary in respect of the remaining trade receivables after taking into account the historical default experience, together with the value of deposits and bank guarantees.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

11. Trade receivables (cont'd)

The following is an aging analysis of trade receivables:

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Not past due	58	68	34	46
Less than 3 months	6	13	6	12
3 to 6 months	2	7	2	7
More than 6 months	1	1	1	–
	67	89	43	65

12. Other receivables

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Outside parties	277	259	246	233
Less: Impairment loss	(113)	(110)	(110)	(110)
	164	149	136	123
Prepaid property tax	109	104	109	104
Amounts due from:				
- Government agencies	169	46	168	45
- Others	7	17	7	8
	449	316	420	280

Amounts owing by government agencies are unsecured, interest free and repayable on demand in cash. An impairment allowance of \$110 million (2023: \$110 million) was made in relation to a Redeemable Preference Shares in TJ Holdings (IV) Pte. Ltd. ("TJ4") held by the Corporation amounting to \$65 million and a loan extended to TJ4 of \$45 million (2023: \$45 million).

13. Lease receivables

	The Group and Corporation	
	2024	2023
	\$ Millions	\$ Millions
Represented by:		
Current portion	18	15
Non-current portion	668	673
Total	686	688

These relate principally to rental receivable in respect of finance leases. Outstanding payments from lease receivables range from 12 to 356 months (2023: 12 to 368 months). The discount rates implicit in the finance leases range from 2.56% to 5.50% (2023: 2.56% to 5.40%) per annum.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

13. Lease receivables (cont'd)

	The Group and Corporation	
	2024	2023
	\$ Millions	\$ Millions
Amounts receivable under finance leases:		
Year 1	48	46
Year 2	50	47
Year 3	52	48
Year 4	56	51
Year 5	57	54
Year 6 onwards	820	866
Undiscounted lease payments, representing gross investment in the leases	1,083	1,112
Less: Unearned finance income	(397)	(424)
Present value of lease payments, representing net investment in the leases	686	688
Undiscounted lease payments analysed as:		
Recoverable within 12 months	48	46
Recoverable after 12 months	1,035	1,066
	1,083	1,112
Net investment in the lease analysed as:		
Recoverable within 12 months	18	15
Recoverable after 12 months	668	673
	686	688

The Group's finance lease arrangements do not include variable payments. Finance income on net investment in finance leases is disclosed in Note 4.

The loss allowance on finance lease receivables at the end of the reporting period is estimated at an amount equal to lifetime expected credit losses. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience, together with the value of deposits and bank guarantees held in respect to the finance lease receivables, the Group considers that none of the finance lease receivables is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

14. Property, plant and equipment

<u>The Group</u>	<u>Freehold land</u> \$ Millions	<u>Leasehold land*</u> \$ Millions	<u>Land development</u> \$ Millions	<u>Wharf and base structures</u> \$ Millions	<u>Bulk handling facilities</u> \$ Millions	<u>Tank storage facilities</u> \$ Millions	<u>Buildings</u> \$ Millions	<u>Other assets #</u> \$ Millions	<u>Capital projects-in-progress</u> \$ Millions	<u>Total</u> \$ Millions
Cost:										
At 1 April 2022	122	165	167	524	161	145	305	182	260	2,031
Additions	-	2	-	-	-	-	-	7	98	107
Disposals/Write-offs	-	-	-	(2)	-	-	-	(7)	(1)	(10)
Transfers/Reclassifications	-	-	-	34	44	137	2	13	(230)	-
At 31 March 2023	122	167	167	556	205	282	307	195	127	2,128
Additions	-	-	-	-	-	-	-	3	38	41
Disposals/Write-offs	(2)	(2)	(2)	(9)	(33)	-	(11)	(6)	-	(65)
Transfers/Reclassifications	-	-	-	1	-	-	77	21	(99)	-
At 31 March 2024	120	165	165	548	172	282	373	213	66	2,104
Accumulated depreciation:										
At 1 April 2022	-	27	52	294	117	15	111	137	-	753
Depreciation charge	-	1	2	20	8	8	8	23	-	70
Disposals/Write-offs	-	-	-	-	-	-	-	(6)	-	(6)
At 31 March 2023	-	28	54	314	125	23	119	154	-	817
Depreciation charge	-	2	1	20	9	11	9	21	-	73
Disposals/Write-offs	-	(1)	(1)	(4)	(33)	-	(11)	(6)	-	(56)
At 31 March 2024	-	29	54	330	101	34	117	169	-	834
Net carrying value - 31 March 2024	120	136	111	218	71	248	256	44	66	1,270
Net carrying value - 31 March 2023	122	139	113	242	80	259	188	41	127	1,311

* Other assets include computers, motor vehicles, furniture, equipment and renovation. These are right-of-use assets with upfront payments.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2024

14. Property, plant and equipment

<u>The Corporation</u>	Freehold land \$ Millions	Leasehold land* \$ Millions	Land development \$ Millions	Buildings \$ Millions	Other assets* \$ Millions	Capital projects-in-progress \$ Millions	Total \$ Millions
Cost:							
At 1 April 2022	114	85	6	260	139	7	611
Additions	-	-	-	-	4	11	15
Disposals/Write-off	-	-	-	-	(7)	-	(7)
Transfers/Reclassifications	-	-	-	-	9	(9)	-
At 31 March 2023	114	85	6	260	145	9	619
Additions	-	-	-	-	2	20	22
Disposals/Write-off	-	-	-	-	(6)	-	(6)
Transfers/Reclassifications	-	-	-	-	9	(9)	-
At 31 March 2024	114	85	6	260	150	20	635
Accumulated depreciation:							
At 1 April 2022	-	24	3	110	104	-	241
Depreciation charge	-	1	-	4	16	-	21
Disposals/Write-off	-	-	-	-	(5)	-	(5)
At 31 March 2023	-	25	3	114	115	-	257
Depreciation charge	-	1	-	4	15	-	20
Disposals/Write-off	-	-	-	-	(6)	-	(6)
At 31 March 2024	-	26	3	118	124	-	271
Net carrying value - 31 March 2024	114	59	3	142	26	20	364
Net carrying value - 31 March 2023	114	60	3	146	30	9	362

* Other assets include computers, motor vehicles, furniture, equipment and renovation.
These are right-of-use assets with upfront payments.

Jurong Town Corporation and its subsidiaries

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For the financial year ended 31 March 2024

15. Investment properties

	The Group		The Corporation	
	2024 \$ Millions	2023 \$ Millions	2024 \$ Millions	2023 \$ Millions
Cost:				
Balance at beginning of year	32,539	31,911	32,710	32,082
Additions	952	685	952	685
Disposals/Write-offs	(41)	(57)	(43)	(57)
Balance at end of year	33,450	32,539	33,619	32,710
Accumulated depreciation and change in recoverable amount of investment properties:				
Balance at beginning of year	11,641	11,100	11,682	11,139
Depreciation charge	338	334	340	336
Change in recoverable amount	(303)	237	(303)	237
Disposals/Write-offs	(18)	(30)	(18)	(30)
Balance at end of year	11,658	11,641	11,701	11,682
Carrying amount	21,792	20,898	21,918	21,028

The fair values of the investment properties are as follows:

	The Group and Corporation	
	2024 \$ Millions	2023 \$ Millions
Fair value (Level 3)	50,541	47,539

The fair values of the investment properties are determined annually by in-house professional valuers based on the properties' highest and best use, using the income method or direct comparison method as is appropriate to the nature of each property.

The following amounts are recognised in the statements of comprehensive income:

	The Group and Corporation	
	2024 \$ Millions	2023 \$ Millions
Rental income	2,314	2,227
Property tax and direct operating expenses arising from investment properties that generated rental income	(380)	(371)
Property tax and direct operating expenses arising from investment properties that did not generate rental income	(48)	(45)

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

16. Investment in subsidiaries

The Corporation
2024 2023
\$ Millions \$ Millions

Unquoted shares, at cost	683	683
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Details of the Corporation's significant subsidiaries as at the end of the reporting period are as follows:

Direct subsidiaries	Principal activities	Country of incorporation/ place of business	Proportion of ownership interest and voting power held		Cost of investments	
			2024 %	2023 %	2024 \$ Millions	2023 \$ Millions
	Provision of port, marine and logistics services and facilities and investment holding	Singapore	100	100	683	683
Jurong Port Pte Ltd						
	Investment holding	Singapore	100	100	*	*
SLI Holdings Pte. Ltd.					683	683

* less than \$1m

Indirect subsidiaries	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2024	2023
				%	%
Subsidiaries of Jurong Port Pte Ltd ("JP")					
Jurong Port Rizhao Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100
Jurong Port Hainan Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100
Jurong Port Jakarta Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100
Jurong Port Singapore Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100
Subsidiary of Jurong Port Jakarta Holding Pte. Ltd.					
Jurong Port Marunda Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

16. Investment in subsidiaries (cont'd)

Indirect subsidiaries	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2024 %	2023 %
Subsidiary of Jurong Port Singapore Holding Pte. Ltd.					
Jurong Port Tank Terminals Pte. Ltd.	Owners and operator of storage facilities for petroleum products/gas/chemicals	Singapore	Ordinary	60	60
Jurong Port Meranti Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100

17. Investment in associate and joint ventures

	The Group	
	2024 \$ Millions	2023 \$ Millions
Investment in associate		
Quoted equity investment, at cost	68	68
Add/(less):		
Share of post-acquisition accumulated profits, net of dividend	51	44
Translation differences	(5)	(2)
	114	110
Accumulated impairment	(78)	(74)
Net carrying value	36	36
Investment in joint ventures		
Unquoted equity investments, at cost	761	761
Add/(less):		
Share of post-acquisition accumulated profits, net of dividend	34	9
Share of hedging reserve	21	29
Translation differences	(10)	(8)
	806	791
Accumulated impairment	(70)	(70)
Net carrying value	736	721
Total net carrying value of investments in associate and joint ventures	772	757

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

17. Investment in associate and joint ventures (cont'd)

Details of the Group's associate and joint ventures as at the end of the reporting period are as follows:

Associate and joint ventures	Principal activities	Country of incorporation	Percentage of equity held by the Group		Cost of investments	
			2024	2023	2024	2023
			%	%	\$ Millions	\$ Millions
Associate of Jurong Port Rizhao Holding Pte. Ltd.						
Rizhao Port Jurong Co. Ltd. ("RZJP")	Provision of port, marine and logistics services	People's Republic of China	22	22	68	68
Joint venture of Jurong Hainan Holding Pte. Ltd.						
SDIC Jurong Yangpu Port Co. Ltd. ("SDIC")	Provision of port, marine and logistics services	People's Republic of China	49	49	73	73
Joint venture of Jurong Port Marunda Holding Pte. Ltd.						
PT Pelabuhan Tegar Indonesia ("PTI")	Provision of port services	Indonesia	49	49	37	37
Joint venture of Jurong Port Meranti Holdings Pte. Ltd.						
Jurong Port Universal Terminal Pte. Ltd. ("JPUT")	Provision of port, marine and logistics services	Singapore	41	41	651	651
					829	829

Summarised financial information for significant associate is set out below:

	RZJP	
	2024	2023
	\$ Millions	\$ Millions
The Group		
Associate		
Current assets	121	172
Non-current assets	516	423
	637	595
Current liabilities	41	23
Non-current liabilities	73	65
	114	88
Revenue	153	168
Net profit	42	40
Group's share of net profit	9	9

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17. Investment in associate and joint ventures (cont'd)

Reconciliation of the summarized financial information presented to the carrying value of the Group's interest in associate, is as follows:

	RZJP	
	2024	2023
	\$ Millions	\$ Millions
Net assets	523	507
Group's equity stake	21.7%	21.7%
Group's share of net assets	114	110
Less: impairment	(78)	(74)
Net carrying value of associate	36	36

RZJP was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 19 June 2019. The fair value of the equity interest in RZJP amounts to \$36 million (2023: \$36 million) based on the last transacted market price for the year.

Summarised financial information for significant joint ventures is set out below:

	JPUT		PTI		SDIC	
	2024	2023	2024	2023	2024	2023
<u>The Group</u>	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions
<u>Joint ventures</u>						
Current assets	150	101	9	10	57	48
Non-current assets	3,272	3,357	87	71	130	138
	3,422	3,458	96	81	187	186
Current liabilities	112	111	17	4	45	44
Non-current liabilities	1,706	1,776	–	–	–	–
	1,818	1,887	17	4	45	44
Revenue	215	185	20	21	35	28
Net profit/(loss)	55	12	6	7	1	(3)
Group's share of net profit/(loss)	22	5	3	3	**	**

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Notes to the financial statements

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17. Investment in associate and joint ventures (cont'd)

Reconciliation of the summarised financial information presented to the carrying value of the Group's interest in joint ventures, is as follows:

	<u>JPUT</u>		<u>PTI</u>		<u>SDIC</u>	
	2024	2023	2024	2023	2024	2023
<u>The Group</u>	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Net assets	1,604	1,571	79	77	142	142
Group's equity stake	41%	41%	49%	49%	49%	49%
Group's share of net assets	658	644	39	38	70	70
Capitalised acquisition costs	39	39	—	—	—	—
Less: impairment	—	—	—	—	(70)	(70)
Net carrying value of joint ventures	697	683	39	38	—	—

** capped to cost of investment

18. Investment – debt securities

	<u>The Group and Corporation</u>	
	2024	2023
	\$ Millions	\$ Millions
Debt securities at amortised cost:		
Current portion	1,019	815
Non-current portion	118	125
	1,137	940

The debt securities have coupon rates ranging from 0% to 4.49% (2023: 0% to 3.50%) per annum and maturity dates ranging April 2024 to May 2031 (2023: April 2023 to February 2029).

The debt securities are considered to have low credit risk as the counterparties to these instruments have a minimum BBB credit rating. Accordingly, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL) and no credit losses were recognised for the year.

19. Financial assets at fair value through profit or loss (FVTPL)

The financial assets at FVTPL are managed by external fund managers in accordance with a documented and approved investment mandate. The fair values of the financial assets are based on valuation provided by the external fund managers. The fair value measurement of the financial assets are categorised as Level 2. There are no significant unobservable inputs.

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

20. Other non-current assets

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Loans to investee companies and third parties	3	3	3	3
Less: Allowance for impairment	(3)	(3)	(3)	(3)
Loans, net	—	—	—	—
Rent-free incentive	155	148	155	148
Others	9	8	8	8
	164	156	163	156

The carrying amounts of non-current assets approximate their fair values at the end of the reporting period.

21. Trade and other payables

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Trade payables and accrued operating expenses	227	162	193	140
Other payables:				
- Capital expenditure	161	102	157	86
- Miscellaneous	4	33	—	22
Deposits and advance rentals collected	165	156	152	142
Accrued property tax	3	3	1	1
Accrued interest on borrowings	12	13	12	13
Accrued staff related costs	71	68	55	55
Lease liability	15	18	3	7
Amounts due to government agencies	5	41	2	38
	663	596	575	504
Represented by:				
Current portion	652	581	575	500
Non-current portion	11	15	—	4
	663	596	575	504

Jurong Town Corporation and its subsidiaries

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For the financial year ended 31 March 2024

22. Borrowings

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Unsecured term loans:				
- Current portion	37	36	22	21
- Non-current portion	822	857	289	311
	859	893	311	332

Unsecured term loans comprise:

- Loans of \$311 million (2023: \$332 million), with fixed interest rates of 2.76% to 3.13% (2023: 2.76% to 3.13%) per annum. The loans are repayable in semi-annual instalments between 1 year and 29 years (2023: 1 year and 30 years).
- Loans of \$548 million (2023: \$561 million), with floating interest rates of 3.82% to 4.06% (2023: 3.17% to 4.06%) per annum. The loan is repayable in semi-annual instalments within the next 24 months (2023: 36 months).

23. Deferred income

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Balance at beginning of year	4,859	4,862	4,976	4,988
Additions	660	221	660	221
Amortisation	(245)	(224)	(253)	(233)
Balance at end of year	5,274	4,859	5,383	4,976
Represented by:				
Current	262	244	262	244
Non-current	5,012	4,615	5,121	4,732
	5,274	4,859	5,383	4,976

Deferred income relates principally to premium received in advance and receivable in respect of operating leases and the amount is amortised to the statement of comprehensive income in accordance with the policy of the Group.

24. Deferred tax liability

This arose mainly from the excess of net book value over tax written down value of plant and equipment at the end of the year.

Jurong Town Corporation and its subsidiaries

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25. Capital account

	The Group and Corporation			
	2024	2023	2024	2023
	Number of ordinary shares		Amount	
	Millions	Millions	\$ Millions	\$ Millions
At beginning and end of year:	110	110	167	167

The shares are held by the Ministry of Finance, a body incorporated by the Minister for Finance (Incorporation) Act.

All issued ordinary shares are fully paid. The shares carry neither voting rights nor par value.

26. Commitments

As at the end of the financial year, the Group and the Corporation have the following commitments:

(a) Development and capital expenditure

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Amounts approved and contracted for	1,389	1,800	1,313	1,779

(b) Lease receivable as lessor

Future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as assets, are analysed as follows:

	The Group	
	2024	2023
	\$ Millions	\$ Millions
Lease receivables due:		
- Year 1	19	31
- Year 2	15	23
- Year 3	14	17
- Year 4	14	15
- Year 5	14	15
- Year 6 onwards	135	138
	211	239

These are operating leases on leasehold land and buildings. The lease rentals are subject to yearly revision. The payments due are computed without the yearly revision as the quantum has not been determined.

Jurong Town Corporation and its subsidiaries

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27. Related party transactions

For the purposes of these financial statements, related parties refer to subsidiaries, joint ventures, Ministries, Organs of State, other Statutory Boards and key management personnel. The transactions with Government-related entities (other than Ministries, Organs of State, and other Statutory Boards), are not disclosed unless there are circumstances to indicate that these transactions are of interest to the readers of the financial statements.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. These balances are unsecured and non-interest bearing.

Other than as disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year:

	The Group and Corporation	
	2024	2023
	\$ Millions	\$ Millions
The Corporation's transactions with:		
Singapore Land Authority:	(314)	(337)
- Purchase of land/lease extension		
Agency for Science, Technology and Research:		
- Rental income and others	146	150
Key Management Personnel:		
- Income received from firms in which Board members are directors	2	14

28. Financial instruments, financial risks and capital management

(a) Categories of financial instruments

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

	The Group		The Corporation	
	2024	2023	2024	2023
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Financial assets				
At amortised cost	9,778	8,150	9,572	7,981
Fair value through profit or loss	1,445	1,404	1,445	1,404
	11,223	9,554	11,017	9,385
Financial liabilities				
At amortised cost	1,522	1,489	886	836

Jurong Town Corporation and its subsidiaries

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For the financial year ended 31 March 2024

28. Financial instruments, financial risks and capital management (cont'd)

(b) *Financial risk management policies and objectives*

The Group is exposed to financial risk arising from its operations which include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The risk management objective of the Group is to focus on minimising foreign exchange risk, interest rate risk, credit risk and liquidity risk. The companies within the Group set policies, strategies and mechanisms, which aim at effective management of these risks within their unique operating environment. The policies for managing each of these risks are discussed below.

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

(i) Foreign exchange risk management

The Group's operations are not exposed to significant foreign currency risk as its transactions, monetary assets and liabilities are predominantly denominated in Singapore dollars.

Foreign currency sensitivity analysis has not been presented as management do not expect any reasonable possible changes in foreign currency exchange rates to have a significant impact on the Group and the Corporation.

(ii) Interest rate risk management

The Group is exposed to interest rate risk on its cash balances placed with reputable financial institutions, and deposits held with AGD and borrowings.

The cash balances are mainly denominated in SGD. At 31 March 2024, if the SGD interest rate had increased/decreased by 0.5% (2023: 0.5%) with all other variables including tax rate being held constant, the surplus for the year would have been higher/lower by \$16 million (2023: \$10 million).

(iii) Price risk

Surplus funds from the Group's operations are mainly invested in investments managed by professional fund managers. To manage the price risk arising from investments, the Group diversifies its portfolio.

The price of the investments are based on observable inputs in an active market. The Group is exposed to market risk associated with these investments arising from the potential loss in fair value resulting from the decrease in the net asset value of the funds.

The Group's investment strategies and policies are determined by the Finance and Investment Committee and approved by the Board.

At 31 March 2024, if the underlying prices of the investments (Note 19) had been 5% higher or lower while all other variables were held constant, the surplus for the year would have been higher/lower by \$72 million (2023: \$70 million).

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In managing credit risk exposure, credit review and approval processes as well as monitoring mechanisms are applied.

The Group's major classes of financial assets are cash and deposits with AGD, trade and other receivables, lease receivables, investment securities and investments managed by professional fund managers, all of which have low risk of default. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments as presented on the statement of financial position.

(v) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

Liquidity risk is managed by matching the payment and receipt cycle. The Group has sufficient cash from operations and credit lines to fund its capital investments and working capital requirements.

Liquidity risk analyses

The inclusion of information on non-derivative financial assets and liabilities is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period and financial liabilities based on the earliest date on which the Group can be required to pay. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset/liability on the statement of financial position.

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Notes to the financial statements

For the financial year ended 31 March 2024

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

Liquidity risk analyses (cont'd)

Group	Average effective interest rate	Within 1 year	Within 2 to 5 years	More than 5 years	Adjustments	Total
	%	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions
<u>Financial assets</u>						
<u>2024</u>						
Non-interest bearing	—	407	—	8	—	415
Variable interest rate instruments	—	7,540	—	—	—	7,540
Financial assets at FVTPL	—	1,445	—	—	—	1,445
Fixed interest rate instruments	2.5	1,019	118	—	—	1,137
Fixed rate lease receivables (Note 13)	4.0	48	215	820	(397)	686
		10,459	333	828	(397)	11,223
<u>2023</u>						
Non-interest bearing	—	301	—	8	—	309
Variable interest rate instruments	—	6,213	—	—	—	6,213
Financial assets at FVTPL	—	1,404	—	—	—	1,404
Fixed interest rate instruments	2.5	815	125	—	—	940
Fixed rate lease receivables (Note 13)	4.0	46	200	866	(424)	688
		8,779	325	874	(424)	9,554
<u>Financial liabilities</u>						
<u>2024</u>						
Non-interest bearing	—	652	11	—	—	663
Variable interest rate instrument	3.6	15	533	—	—	548
Fixed interest rate instruments	3.0	32	129	258	(108)	311
		699	673	258	(108)	1,522
<u>2023</u>						
Non-interest bearing	—	581	15	—	—	596
Variable interest rate instrument	1.2	4	557	—	—	561
Fixed interest rate instruments	3.0	32	133	286	(119)	332
		617	705	286	(119)	1,489

Jurong Town Corporation and its subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2024

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

	Average effective interest rate	Within 1 year	Within 2 to 5 years	More than 5 years	Adjust- ments	Total
<u>Corporation</u>	%	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions
<u>Financial assets</u>						
<u>2024</u>						
Non-interest bearing	—	354	—	8	—	362
Variable interest rate instruments	—	7,387	—	—	—	7,387
Financial assets at FVTPL	—	1,445	—	—	—	1,445
Fixed interest rate instruments	2.5	1,019	118	—	—	1,137
Fixed rate lease receivables (Note 13)	4.0	48	215	820	(397)	686
		10,253	333	828	(397)	11,017
<u>2023</u>						
Non-interest bearing	—	241	—	8	—	249
Variable interest rate instruments	—	6,104	—	—	—	6,104
Financial assets at FVTPL	—	1,404	—	—	—	1,404
Fixed interest rate instruments	2.5	815	125	—	—	940
Fixed rate lease receivables (Note 13)	4.0	46	200	866	(424)	688
		8,610	325	874	(424)	9,385
<u>Financial liabilities</u>						
<u>2024</u>						
Non-interest bearing	—	575	—	—	—	575
Fixed interest rate instruments	3.0	32	129	258	(108)	311
		607	129	258	(108)	886
<u>2023</u>						
Non-interest bearing	—	500	4	—	—	504
Fixed interest rate instruments	3.0	32	133	286	(119)	332
		532	137	286	(119)	836

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities as reported on the statement of financial position approximate their respective fair values.

Jurong Town Corporation and its subsidiaries**Notes to the financial statements****For the financial year ended 31 March 2024**

28. Financial instruments, financial risks and capital management (cont'd)**(c) Capital management policies and objectives**

The Group manages its capital to ensure that it will be able to continue as a going concern while fulfilling its objective as a statutory board. The capital structure of the Group consists of accumulated surplus and capital account. The overall strategy of the Group remains unchanged from the previous financial year.

29. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 11 June 2024.

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