TUAN SING HOLDINGS LIMITED

2020 ANNUAL REPORT

OUR VISION

Creating a clear distinction

OUR MISSION

Be a "**Nucleus of Growth**", developing and strengthening core businesses to create value for all stakeholders

INSIDE
OUR REPORT

TUAN SING HOLDINGS LIMITED

is a fast-growing, regional investment holding company with interests mainly in property development, property investment and hotel ownership.

Over the years, the Group has developed a portfolio of strategically located real estate assets in Singapore and across the region and has established a reputation for the delivery of good quality and iconic developments.

The Group also acquired strategic stakes in mixed development opportunities in the region. It holds a 7.8% stake in **Sanya Summer Real Estate Co. Ltd** in Sanya, China, and a 2.26% stake in **Goodwill Property Investment Limited** in Bali, Indonesia.

The Group has 80.2% stake in SGX-ST listed subsidiary, **SP Corporation Limited**, which is primarily engaged in commodities trading and also holds a 44.5% interest in printed circuit board manufacturer, **Gul Technologies Singapore Pte. Ltd.**.

Since marking its Golden Jubilee in 2019, Tuan Sing has embarked on a business transformation to reposition itself from a niche developer to a major regional player with a presence in commercial, residential and hospitality properties in various key Asian cities across Singapore, China, Indonesia and Australia. Leveraging on its strengths and track record in property development and investment across a diverse range of property segments, the Group intends to participate in large-scale integrated developments and townships as it enters the next phase of growth.

OUR VALUE STATEMENT

EXCELLENCE

Nothing but the best of our abilities

TEAMWORK

Effective communication and co-operation

INTEGRITY

Upholding honesty and morality

ATTITUDE

Embracing humility, care and hard work

OUR **BUSINESS STRATEGY**

Building on fundamentals and driving sustainable growth

- Scale up and strengthen the "Tuan Sing" brand
- Create innovative products and develop architecturally inspiring projects
- Focus on developing residential and other properties
- Diversify property portfolio to achieve a balanced revenue profile
- Expand our property business in the region or increase our investments in existing markets
- Acquire land banks in a disciplined manner
- Obtain suitable financing options for projects and investments

OUR **COMPETITIVE EDGE**

Distinguishing ourselves with unique strengths

- Proven track record and reputation associated with award-winning projects
- Cordial relationships with architects, designers and international business partners
- Demonstrated abilities to deliver unique and high quality projects
- Hotel properties offer strategic location and unique strength
- Wide property portfolio range
- Experienced and committed board of directors and management team

"OUR BUSINESS MODEL SEEKS TO CREATE VALUE FOR STAKEHOLDERS IN A SUSTAINABLE WAY"

OUR RESOURCES

- Brand name
- Strong customer relationships
- Financial capital
- Funding sources
- Human capital
- Alliances and associations
- Technology and infrastructure

HOW WE CREATE VALUE

OUR STAKEHOLDERS

INVESTORS

Deliver long-term and sustainable returns to shareholders through

- Maintaining profitability with reduced volatility
- Appropriate use of capital leverage to enhance returns
- Good corporate governance and sound risk management

EMPLOYEES

Offer ample opportunities to develop employees' potential while taking care of their well-being and work-family balance through

- Career growth and rotation where appropriate
- Competitive compensation and rewarding opportunities
- Safe working environment

CUSTOMERS

Create customer value and pleasant experience through

- Quality products at competitive pricing
- Sustainable products including development of green buildings
- Reliable and enlightening customer service

BUSINESS PARTNERS

Treat partners as equal through

- Upholding the principles of ethical and fair trading
- Proactive engagement for mutual benefits
- Strong and long-term relationships

COMMUNITY

Care for and contribute to the economic, environmental and social development of the communities through

- Striking a balance between economic objectives and environmental sustainability
- Continual improvement on environmental, health and safety practices
- Economic and social contributions, including jobs, local procurement, taxes and communities engagement

5-YEAR FINANCIAL HIGHLIGHTS

"THE GROUP WILL CONTINUE TO DEVELOP ITS ASSET PORTFOLIO, EXPLORE POTENTIAL PARTNERSHIPS AND COLLABORATIONS TO GROW ITS WELL-LOCATED ASSETS IN SINGAPORE AND THE REGION"

	2020	2019	2018	2017	2016
FOR THE YEAR ($'000)					
Revenue (excluding equity accounted investees)	**196,817**	310,689	336,108	355,964	404,018
Profit before tax	**59,887**	42,038	135,608	68,137	40,078
Income tax	**(1,356)**	(9,359)	(4,178)	(5,269)	(6,272)
Profit after tax	**58,531**	32,679	131,430	62,868	33,806
Profit attributable to:					
Shareholders of the Company	**59,009**	33,213	131,537	62,756	33,585
Non-controlling interests	**(478)**	(534)	(107)	112	221
Profit after tax	**58,531**	32,679	131,430	62,868	33,806
AT YEAR-END ($'000)					
Property, plant and equipment	**407,590**	412,712	425,944	446,749	422,921
Right-of-use assets	**266**	250	-	-	-
Investment properties	**1,452,351**	1,778,168	1,742,662	1,592,687	1,108,652
Development properties	**303,815**	344,611	353,091	186,433	183,232
Investments in equity accounted investees	**152,547**	137,863	117,914	93,185	83,579
Cash and bank balances	**274,392**	172,274	133,007	216,843	163,688
Other assets	**552,710**	151,464	139,329	104,323	164,991
Total assets	**3,143,671**	2,997,342	2,911,947	2,640,220	2,127,063
Shareholders' funds	**1,160,067**	1,104,963	1,088,357	987,335	923,402
Non-controlling interests	**13,431**	14,110	14,672	10,628	11,034
Total borrowings	**1,464,953**	1,711,332	1,630,441	1,458,120	1,020,793
Other liabilities	**505,220**	166,937	178,477	184,137	171,834
Total liabilities and equity	**3,143,671**	2,997,342	2,911,947	2,640,220	2,127,063
FINANCIAL RATIOS					
Return on assets[1]	**1.9%**	1.1%	4.7%	2.6%	1.6%
Return on shareholders' funds[2]	**5.2%**	3.0%	12.7%	6.6%	3.7%
Interest coverage ratio[3]	**2.5X**	2.0X	3.8X	2.8X	2.2X
Gross gearing[4]	**1.25X**	1.53X	1.48X	1.46X	1.09X
Net gearing[5]	**1.01X**	1.38X	1.36X	1.24X	0.92X
SHAREHOLDERS' RETURN					
Earnings per share (cents)	**5.0**	2.8	11.1	5.3	2.8
Net asset value per share (cents)	**97.7**	93.1	91.7	83.2	78.1
Dividend per share[6] (cent)	**0.6**	0.6	0.9	0.6	0.6
Total dividend payout ($'000)	**7,125**	7,117	10,678	7,122	7,097

Definitions:
1. Return on assets = profit after tax / average total assets
2. Return on shareholders' funds = profit attributable to shareholders / average shareholders' funds
3. Interest coverage ratio = profit before interest and tax / interest on borrowings
4. Gross gearing = total borrowings / total equity
5. Net gearing = net borrowings / total equity
6. Dividend per share for 2018 includes an additional Special Dividend of 0.3 cent per share

5-YEAR FINANCIAL HIGHLIGHTS


18 Robinson, Singapore

BUSINESS SEGMENT

	2020 $'000	%	2019 $'000	%	2018 $'000	%	2017 $'000	%	2016 $'000	%
REVENUE BY BUSINESS SEGMENT										
Property	**129,949**	**66%**	109,023	35%	83,019	25%	101,345	28%	148,899	37%
Hotels Investment	**32,828**	**17%**	101,760	32%	109,714	32%	119,750	34%	121,749	30%
Industrial Services[2]	**37,365**	**19%**	101,390	33%	144,828	43%	136,119	38%	134,148	33%
Corporate and Others[3]	**(3,325)**	**-2%**	(1,484)	*	(1,453)	*	(1,250)	*	(778)	*
Total	**196,817**	**100%**	310,689	100%	336,108	100%	355,964	100%	404,018	100%
PROFIT ATTRIBUTABLE TO SHAREHOLDERS BY BUSINESS SEGMENT										
Property	**66,743**	**113%**	27,724	84%	124,665	95%	55,464	88%	13,124	39%
Hotels Investment	**(18,824)**	**-32%**	3,434	10%	4,954	4%	4,730	8%	6,675	20%
Industrial Services[2]	**1,113**	**2%**	2,052	6%	853	1%	307	*	1,331	4%
Other Investments[1]	**24,843**	**42%**	21,732	65%	19,301	15%	15,966	25%	12,256	36%
Corporate and Others[3]	**(14,866)**	**-25%**	(21,729)	-65%	(18,236)	-15%	(13,711)	-21%	199	1%
Total	**59,009**	**100%**	33,213	100%	131,537	100%	62,756	100%	33,585	100%

* Less than 1%

Notes:
1. No revenue is reported under "Other Investments" as the Group equity accounts for its investment in Gul Technologies Singapore Pte. Ltd. and Pan-West (Private) Limited.
2. The Tyre Distribution Unit included in the "Industrial Services" Segment discontinued its operations as at 31 December 2017. The discontinued operation contributed revenue of $6.7 million (2016: $16.3 million), gross profit of $1.0 million (2016: $2.6 million), loss before tax of $1.5 million (2016: $0.9 million) and loss after tax of $1.2 million (2016: $0.7 million) for the financial year ended 31 December 2017.
3. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group level upon consolidation.

MESSAGE TO SHAREHOLDERS

Richard Eu Yee Ming
Chairman

William Nursalim alias William Liem
Chief Executive Officer

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present Tuan Sing's Annual Report and Financial Statements for the year ended 31 December 2020.

HEALTHY PERFORMANCE IN A PANDEMIC YEAR

We ended the year with healthy net profit attributable to shareholders of $59.0 million, an increase of 78% compared with a year ago. This included a fair value gain of $45.2 million in 2020, which was mainly derived from the revaluation of investment properties, as well as higher share of results of equity accounted investees. Correspondingly, earnings per share rose to 5.0 cents from 2.8 cents a year earlier, while net asset value increased to 97.7 cents from 93.1 cents a year ago. We also bolstered our balance sheet cash and cash equivalents of $198.4 million, an increase from $89.0 million a year ago.

2020 was, by all accounts, a tumultuous year as economies and businesses around the world grappled with the debilitating impact of the COVID-19 pandemic. Despite the challenges, we buckled down and took steps to safeguard the long-term sustainability of our business. Our well-diversified assets and business portfolio, coupled with our disciplined approach and cost containment measures, proved instrumental as we navigated the challenges brought about by the pandemic. We also seized pockets of opportunities, while leveraging diversified funding instruments and distribution channels to further strengthen our position. At the same time, we continued to keep a watchful eye on the future as we prepare ourselves for the eventual upturn.

PRUDENT FINANCIAL MANAGEMENT

The pandemic brought to fore the importance of prudent cashflow management. To that end, we have exercised discipline in our cash flow and treasury management.

To further shore up our liquidity, we concluded the first non-rated SGD bond issuance of the COVID-19 period and issued a S$65 million bond under our S$900 million multicurrency medium term note programme in support of our growth plans. We are pleased to secure strong anchor support for this bond issue despite the challenging environment. We are particularly proud of our team's and the bankers' confidence and conviction in pushing ahead with the bond issuance despite working under the Circuit Breaker restrictions.

In the later part of the year, the team inked one of the most significant deals in the commercial real estate space in 2020 and we entered into a sale and purchase agreement to divest Robinson Point for $500 million.

SEIZING OPPORTUNITIES

Agility and nimbleness are important for any business, and even more so in a pandemic. As the pandemic roiled the global hospitality sector and forced hotels to shutter their doors, our hotels - Grand Hyatt Melbourne and Hyatt Regency Perth - too have been affected. Yet, we continue to seize opportunities to boost our occupancy. Grand Hyatt Melbourne was the designated hotel for the 2021 Australian Open, which allowed us to support Victoria State in its hosting of the event. We are taking the opportunity to review and re-position the hotels to operate more competitively in a post COVID-19 environment. As part of the effort, we have streamlined the organisation structure and are reviewing the hotel operations to improve profitability and provide flexibility in asset optimisation. Other measures include strengthening our internal capability through training and development.

OUR PEOPLE, OUR STRENGTH

Beyond our operations, the pandemic year has also impacted us on a personal level and led us to profound discoveries of ourselves as individuals and as a collective. While we had hoped that the pandemic would be short lived, it was not to be. Yet, we have emerged stronger from this long and difficult battle as our people stepped up admirably, demonstrating remarkable grit, courage, perseverance, and determination in the face of adversity. We stuck together as a team - small but dedicated and effective. This strategic advantage allowed us to respond quickly and decisively to navigate the pandemic-induced operational challenges. Armed with a positive attitude and an open mindset, we creatively adapted our approaches and strategies to make the most of the challenging landscape. We sharpened our focus, took on additional responsibilities, and supported and encouraged each other.

With the pandemic now under control in Singapore, Australia, and China, there has also been a gradual return to normalcy. The way forward remains challenging, but we are well-placed to meet the challenges head on. The lessons learnt during the pandemic will continue to serve us well. Bonded by this shared experience and with the worst of the pandemic behind us now, the team is now fully pressing ahead with our transformation into a regional property developer. We will continue to pull together our collective strengths, track record and expertise to identify and participate in large-scale integrated developments within the region.

In the midst of every crisis, lies great opportunity. Having successfully reinvented and remodelled various aspects of our businesses, we are well-positioned to seize opportunities in a post COVID-19 environment. As we embark on a “new normal”, we are cognisant that COVID-19 has accelerated existing trends. We will continue to re-examine our business with a post COVID-19 lens, strengthening our operational resilience and ensuring that we will continue to grow from strength to strength. We are confident that the renewed bonds forged during the fight against COVID-19 will spur us to greater heights.

REWARDING STAKEHOLDERS

The Board has proposed a first and final one-tier tax exempt dividend of 0.6 cent per share. If approved at the Annual General Meeting (“AGM”) on 23 April 2021, it will be paid on 25 June 2021. Shareholders may also elect to receive their dividend in the form of shares under the Scrip Dividend Scheme.

IN APPRECIATION

2020 has been one of the most challenging years the Group has ever faced, and we have pulled through thanks to the hard work and support of many parties. We would like to thank the directors for their guidance and counsel over the past year, and our business partners for their loyalty and commitment to us in this difficult year. Their trust and continued belief in us were instrumental in helping the Group navigate this pandemic. In particular, we like to extend our appreciation to Mr Albert Choo Teow Huat, Chairman of Audit and Risk Committee and Nominating Committee as well as member of Remuneration Committee, who will not be seeking re-election at the upcoming AGM. Over the years, the Group benefited greatly from his wealth of experience and guidance. Our people too, has been the bedrock of our success and they have also once again demonstrated remarkable dedication in their work. Lastly, we would also like to thank our shareholders who have continued to believe in us. We will do our best to ensure that Tuan Sing rises above this pandemic better, stronger, and more resilient than before. To all our stakeholders, we hope you stay safe and healthy.

Richard Eu Yee Ming
Chairman

William Nursalim alias William Liem
Chief Executive Officer

DIRECTORS' PROFILE

RICHARD EU YEE MING, PBM
Chairman
Non-Executive & Independent Director

Date of first appointment as Director:
19 August 2019

Date of appointment as Chairman:
24 February 2021

Date of last re-election as Director:
22 April 2020

Served on the following Board committee:
- Audit and Risk Committee (Member)

Academic and professional qualification
- Bachelor of Laws (LLB) Hons, University of London

Present directorship in other listed companies
- Broadway Industrial Group Limited (listed on SGX-ST)

Present principal commitments (other than directorships in other listed companies)
- Eu Yan Sang International Limited (Non-Executive Group Chairman)
- Singapore University of Social Sciences (Non-Executive Chairman)
- Thye Hua Kwan Moral Charities Limited / Thye Hua Kwan Nursing Home Limited / Ang Mo Kio Thye Hua Kwan Hospital Ltd (Non-Executive Director)
- Nippon Life India Asset Management (Singapore) Pte. Ltd. (Non-Executive Director)
- Vanda Global Capital Pte. Ltd. (Executive Director)
- Dragonfly Education Group Pte. Ltd. / Dragonfly Education Holdings Pte. Ltd. (Non-Executive Director)

Background and working experience
- Various senior positions in the company now known as Haw Par Corporation Ltd
- Assistant to Managing Director, Hong Kong Television Broadcasts Ltd
- Dealer, J Ballas & Co Pte, Stockbrokers
- Managing Director of Dataprep (Singapore) Pte Ltd
- Corporate Planning Manager and Company Secretary of Metro Holdings Ltd
- Managing Director of Intervest Capital Management Pte Ltd
- Key appointment holder for Eu Yan Sang Group from 1989, appointed Group CEO in 2002 and Chairman from 2017

Award

2003: Entrepreneur of the Year Award, Singapore, Master Category, Ernst & Young

2007: Honorary Fellow, Marketing Institute of Singapore

2010: Best Chief Executive Officer Award (companies with market capitalisation less than $300 million) at the Business Times Singapore Corporate Awards

2011: Ernst & Young Entrepreneur of the Year, Singapore, represented Singapore at the World Entrepreneur of the Year Awards

2019: Spirit of Enterprise – Nexia TS Entrepreneurship Award

2020: Public Service Medal (Pingat Bakti Masyarakat), Singapore National Day Awards 2020

WILLIAM NURSALIM ALIAS WILLIAM LIEM
Chief Executive Officer
Executive Director

Date of first appointment as Director:
15 January 2004

Date of appointment as Chief Executive Officer:
1 January 2008

Date of last re-election as Director:
24 April 2019

Served on the following Board committee:
- Nil

Academic and professional qualification
- Bachelor of Science in Business, University of California, Berkeley
- Master of Business Administration, Massachusetts Institute of Technology

Present directorship in other listed companies
- SP Corporation Limited (listed on SGX-ST)

Present principal commitments (other than directorships in other listed companies)
- Gul Technologies Singapore Pte. Ltd. (Director)
- Nuri Holdings (S) Pte Ltd (Director)

Background and working experience
- Corporate Analyst of Lehman Brothers
- Management roles in GT Asia Pacific Holdings Pte Ltd and Habitat Properties Pte Ltd

Award

2016: Best Chief Executive Officer Award (companies with market capitalisation $300 million to less than $1 billion) at the Singapore Corporate Awards 2016

CHENG HONG KOK
Non-Executive &
Independent Director

Date of first appointment as Director:
15 August 2017

Date of last re-election as Director:
19 April 2018

Proposed for re-election at the AGM on 23 April 2021

Served on the following Board committees:
- Remuneration Committee (Chairman)
- Nominating Committee (Member)

Academic and professional qualification
- Bachelor of Science (Chemical Engineering) Degree with First Class Honours, University of London
- Advanced Executive Management Program, Kellogg Graduate School of Management, Northwestern University, United States of America
- Singapore State Scholar/Colonial Welfare and Development Scholar
- Eisenhower Fellow

Present directorship in other listed companies
- SP Corporation Limited (listed on SGX-ST)

Present principal commitments (other than directorships in other listed companies)
- Nil

Background and working experience
- Various senior positions at Singapore Petroleum Company Limited ("**SPC**") as head of corporate planning, finance and accounting, supply and trading, and marketing and distribution. President and Chief Executive Officer of SPC from 1981 to 1996, Board and Executive Committee member of SPC from 1999 to 2009, and was actively involved in the Asean Council on Petroleum during his tenure with SPC
- Independent Director of the Board and Chairman of the Audit and Risk Committee of Far East Orchard Limited for many years until 2017
- Board member of the Singapore Economic Development Board
- Member of the Government Economic Planning Committee

CHOO TEOW HUAT ALBERT
Non-Executive &
Independent Director

Date of first appointment as Director:
18 February 2002

Date of last re-election as Director:
19 April 2018

Retirement at the AGM on 23 April 2021

Served on the following Board committees:
- Audit and Risk Committee (Chairman)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Academic and professional qualification
- Bachelor of Business Administration (Upper Two Honours) Degree, National University of Singapore

Present directorship in other listed companies
- Nil

Present principal commitments (other than directorships in other listed companies)
- Nil

Background and working experience
- Senior positions in the finance function of the Shell group of companies in Singapore
- Assistant Treasurer, Global Treasury Division of Caltex Corporation
- Board Chairman of Power Senoko Pte Ltd
- Independent Director of Permasteelisa Pacific Holdings Ltd (previously listed on SGX-ST)

MICHELLE LIEM MEI FUNG
Non-Executive &
Non-Independent Director

Date of first appointment as Director:
5 April 2001

Date of last re-election as Director:
22 April 2020

Served on the following Board committees:
- Audit and Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic and professional qualification
- Bachelor of Science (Economics) (Hons), London School of Economics
- Master of Business Administration, University of Chicago

Present directorship in other listed companies
- Nil

Present principal commitments (other than directorships in other listed companies)
- Honorary Consul, Consulate of the Grand Duchy of Luxembourg in Singapore
- Nuri Holdings (S) Pte Ltd (Managing Director)
- Habitat Properties Pte Ltd (Managing Director)
- Giti Tire Pte. Ltd. (Director)
- GT Asia Pacific Holdings Pte Ltd (Director)

Background and working experience
- Director, management and corporate finance role in investment, property, manufacturing, retail and trading companies
- Non-Executive Director of SP Corporation Limited (listed on SGX-ST)

Membership and others
- Patron of Bukit Timah Citizens' Consultative Committee, Holland-Bukit Timah GRC, Singapore
- Council Member of the University of Chicago Booth School of Business
- Trustee of the Singapore LSE Trust

Award
2016: The Public Service Medal by the President of Singapore

Mr William Nursalim alias William Liem (CEO)

Mr Richard Eu Yee Ming (Chairman)

CORPORATE STEWARDSHIP

MANAGEMENT PROFILE

1. MR LEONG KOK HO
CHIEF FINANCIAL OFFICER

Mr Leong joined Tuan Sing in August 2018. He has more than 30 years' experience. Before joining Tuan Sing, he held CFO positions in companies listed in the SGX and NYSE. He started his career with Coopers & Lybrand. He worked in China in the mid-1990s and gained exposure to regional businesses. He holds a Bachelor of Accountancy Degree from National University of Singapore and a MBA from the University of Southern Queensland. He is a Fellow Certified Public Accountant with ISCA and a member of the Singapore Institute of Directors.

2. MR JAMES ONG JOO LIM
SENIOR VICE PRESIDENT,
SALES, LEASING AND MARKETING

Mr Ong joined Tuan Sing in June 2012. Before that, he held various senior positions at established real estate agencies including Jones Lang LaSalle, Chesterton International and Colliers International, accumulating almost three decades of experience in selling both local and overseas residential projects.

3. MR ALEXANDER LOH KIM LENG
DIRECTOR, GROUP HUMAN RESOURCES

Mr Loh is currently Director, Group Human Resources with more than 18 years of experience across a full spectrum of human resource management. In his role, he leads a regional HR team in reinforcing strong company culture, creating and leading employee engagement and development programs, and implementing reward and talent management strategies that support the achievement of business goals and objectives. He holds a Bachelor of Business Administration degree in Human Resource Management from La Trobe University, Australia.

4. MS PEGGY WONG
GENERAL COUNSEL

Peggy is responsible for the Group's legal and compliance matters. She brings with her extensive experience accumulated from working across a full spectrum of legal work in private practice and in-house positions encompassing real estate development, manufacturing, asset management and investment holdings. She has a strong track record in cross-border transactions and has held leadership positions with management responsibilities in corporate governance and change management. Peggy holds a Bachelor of Laws degree from the University of Canterbury and is a Barrister and Solicitor of the High Court of New Zealand.

5. MR TAN CHOONG KIAK
EXECUTIVE DIRECTOR,
GCEO'S OFFICE

Mr Tan joined Tuan Sing in August 2020. He has over 30 years of experience managing Asia Pacific finance teams and has extensive experience in acquisition, divestment, IPO, debt & equity financing, and strategic planning. Before Tuan Sing, he held senior leadership positions at Resorts World Sentosa, Wildlife Reserves Singapore, NewsPage, HDH Capital Management, Lazard and Lehman Brothers in Singapore, Hong Kong and the U.S. He is a Chartered Global Management Accountant and has a Master in Business Administration from Harvard Business School.

6. MR PETER KOCK TIAM SONG
SENIOR VICE PRESIDENT,
PROPERTY MANAGEMENT

Mr Kock has been with Tuan Sing for more than two decades. An active grassroots leader, he was conferred The Public Service Star – BBM and The Public Service Star (Bar) – BBM(L) by the President of Singapore in 2008 and 2018 respectively. Since 1 December 2013, he has been the Chairman of the School Advisory Committee for New Town Primary School. He holds a Bachelor of Commerce in International Facility and Information Management from Curtin University of Technology. He is also a certified Fire Safety Manager accredited by the Singapore Civil Defence Force.

7. **MR BOSTON LOI TECK HAN**
DIRECTOR,
CONSTRUCTION MANAGEMENT

Mr Loi leads the Group's construction management business. His primary focus is on design and build function and high productive integrated system between structural and architectural works. He has more than 20 years of experience in the construction industry with significant experience in the overall strategy of construction operation, project planning, project management, project safety, project quality assurance and quality control and value engineering. He holds a Bachelor of Environmental Design and Bachelor of Architecture from University of Tasmania.

8. **MR TAN CHEE WEE**
VICE PRESIDENT,
PROCUREMENT/PROJECTS

Mr Tan joined Tuan Sing in August 2015 as a project manager in the Projects Department and worked on projects in Australia and Indonesia. He has experience in residential, commercial, industrial and institutional projects. He is currently leading Tuan Sing's procurement/project division to achieve cost efficiency in upcoming development projects. He holds a Bachelor of Civil Engineering from Universiti Teknologi Malaysia, a Master's degree in Civil Engineering from Nanyang Technological University and a Master's degree in Project Management from National University of Singapore.

9. **MR PATRICK TAN BOON CHEW**
HEAD, ASSET AND
FUND MANAGEMENT

Mr Tan has more than 31 years of experience in real estate development, asset and fund management. He held prior senior appointments in various reputable real estate companies and fund management establishments, where he was tasked with developing, managing and marketing properties in Asia. He holds a BSc (Hons) Degree in Building Economics and Quantity Surveying, a MSc in Project Management and a Master of Applied Finance. He is also professionally qualified as a member of the Singapore Institute of Surveyors and Valuers and as a Member of the Singapore Society of Project Managers.

10. **MR NICK NG CHOONG HOW**
SENIOR VICE PRESIDENT,
BUSINESS DEVELOPMENT

Mr Ng joined Tuan Sing in March 2010, and has garnered more than two decades' experience in agency works, project marketing and consultancy in the real estate industry. He earned a Bachelor of Science (Honours) in Economics and Management at the University of London, a Diploma in Civil Engineering at Singapore Polytechnic and a Specialist Diploma in Fund Management and Administration at Nanyang Polytechnic.

11. **MR THIVA KESAVAN**
VICE PRESIDENT,
HOSPITALITY (OPERATIONS)

Thiva joined Tuan Sing in April 2020, heading the operations of hospitality portfolio. He has more than two decades of experience in hotel operations and strategies, asset performance enhancement and creative operator. He held key leadership roles transforming operation and profitability within different hospitality portfolios. He holds a diploma in Counselling from Kaplan School of Management.

12. **MR CHONG TEIK YEAN**
SENIOR VICE PRESIDENT,
PROJECTS

Mr Chong joined Tuan Sing in May 2011, heading the Projects department. He has more than three decades of experience in project management spanning infrastructure works, high-rise residential apartments and sizeable commercial/mixed developments. He holds a Bachelor of Engineering (Civil) Degree from the National University of Singapore and a Bachelor of Laws from the University of London. He also holds a post-graduate Diploma in Business Administration from the National University of Singapore and a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants.

RECOGNITION FOR CORPORATE GOVERNANCE & TRANSPARENCY

SINGAPORE CORPORATE AWARDS

2019 Singapore Corporate Awards
"**Best Managed Board (Bronze)**" **and**
"**Best Risk Management (Bronze)**"

2018 Singapore Corporate Awards
"**Best Managed Board (Bronze)**"
"**Best Investor Relations (Bronze)**" **and** "**Best CFO**"

SECURITIES INVESTORS ASSOCIATION (SINGAPORE) INVESTORS' CHOICE AWARDS

2019 Winner of the Mid Capitalisation Category for
Shareholder Communications Excellence Award

2019 Runner-up of the Mid Capitalisation Category for
Singapore Corporate Governance Award

2018 Runner-up of the Mid Capitalisation Category for
Shareholder Communications Excellence Award

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX RANKING

2020 (Top 3%) - 17th place amongst 577 listed companies
2019 (Top 2%) - 11th place amongst 578 listed companies
2018 (Top 2%) - 12th place amongst 589 listed companies

RECOGNITION FOR BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

18 ROBINSON, SINGAPORE

2020 BCA Construction Quality Assessment System
CONQUAS STAR rating

2020 BCA Universal Design (UD)
GoldPLUS Award

2019 Singapore Landscape Architecture Awards
Silver award (Commercial and Industrial Landscape)

2018 BCA Universal Design Mark GoldPLUS (Design) Award for
Ongoing Projects - Non-Residential by the BCA of Singapore

KANDIS RESIDENCE, SINGAPORE

2018 BCI Asia Awards
Top Ten 2018 Developers - Singapore

RECOGNITION FOR CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

GRAND HYATT MELBOURNE, AUSTRALIA

2020 Business Traveller Asia-Pacific Awards
Best Business Hotel in Melbourne

2019 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence
Outstanding Community Service Achievement;
Outstanding Achievement in Training;
Excellence in Innovation;
Sales Employee of the Year;
Back of House Employee of the Year

2019 Spice Hot 100 Hotels, Resorts & Venue Awards

2019 Australian Hotels Association (AHA) National Awards for Excellence
Best Outstanding Achievement in Training

2019 Business Traveller Asia-Pacific Awards
Best Business Hotel in Melbourne;
Best Business Hotel Brand in the World – Grand Hyatt

2019 World Luxury Hotel Awards
Australasia's Luxury City Hotel

2019 Jay Pritzker Award for
Global General Manager of the Year, Hyatt worldwide

2018 International Luxury Hotel Awards
Best Luxury Hotel for Australia

2018 World Travel Awards
Australia's Leading Business Hotel

2018 Business Traveller Asia-Pacific Awards
Best Business Hotel in Melbourne

2018 HM Awards for Hotel and Accommodation Excellence
Best Upper-Upscale Hotel in Australia

2018 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence
Deluxe Accommodation Hotel of the Year;
Outstanding Achievement in Training;
Hotel Industry Rising Star;
Revenue Management Employee of the Year;
Food and Beverage Services Employee of the Year

2018 Australian Hotels Association (AHA) National Awards for Excellence
Best Outstanding Achievement in Training

HYATT REGENCY PERTH, AUSTRALIA

2019 WA Catering Institute of Australia Gold Plate Awards
Excellence in Health and High Tea

2019 WA Perth Airport WA Accommodation Awards for Excellence
Hotel Conference and Events Award;
Hotel Housekeeping Award;
Hotel Engineering and Maintenance Award

Having marked the Group's Golden Jubilee in 2019, we entered the new year filled with optimism. Despite COVID-19, our investment properties in Singapore and Australia, which are mainly in the office segment, has remained resilient during the pandemic. The on-going Robinson Point divestment, ramp up of tenancies at 18 Robinson and the refreshing of tenancies in Link@896 have strengthened our cash flow and improved recurring income stream. While our development properties in Singapore experienced delays, sales of our Singapore development properties and Indonesia properties continued to progress. At the same time, we continued to step up efforts to enhance existing properties to bolster our recurring income and create new income streams.

The pandemic brought a renewed focus on sustaining a resilient balance sheet with sufficient liquidity as buffer against the economic uncertainties. While the Jobs Support Scheme grants provided some cushion from the COVID-19 impact, the Group took proactive steps to preserve value and strengthened cash flow.

As at the date of this report, we are working to complete one of the most significant deals in the commercial real estate space in 2020, the divestment of Robinson Point for $500 million. The divestment is expected to complete in June 2021 and will strengthen our financial position. At the same time, we will continue to explore the monetisation of non-core businesses to optimise value creation and tighten our portfolio.

BUILDING CAPABILITIES

The pandemic had resulted in disruptions to our everyday lives. During this time, we sought to take advantage of the downtime to focus on existing asset enhancement initiatives ("AEI") to boost our asset value and position us for the eventual recovery. While asset enhancement work was impacted by the imposition of the Circuit Breaker in Singapore and the domestic lockdowns in Australia, we remain committed to the completion of these works. AEI at Link@896 has resumed and is progressing smoothly. Meanwhile, in response to the change in business environment, asset enhancement work at Fortescue Centre in Perth will be carried out in phases and upon meaningful uptake in leasing space. We have also continued the design and construction concept work for the re-development of the Grand Hyatt Melbourne complex, which will create significant value upon its completion.

With global travel restriction due to the COVID-19 outbreak, demand for accommodation in the hospitality industry has been impacted. In Australia, where we operate the Grand Hyatt Melbourne and Hyatt Regency Perth, demand has been restricted to domestic travellers and hotel quarantine business mandated by the government, as international borders remain closed. To mitigate the impact, the Group enacted cost containment measures and tapped on government wage subsidies to cushion the impact of the lower hotel occupancies. At the same time, we are exploring to convert under-utilised space to improve revenue and lower operating costs. These measures are part of our broader effort to position the hotels to operate more competitively in a post COVID-19 environment by restructuring costs, enhancing efficiency and productivity, and streamlining hotel operations and management structure.

18 Robinson, Singapore

GLOBAL OUTLOOK

2020 was undoubtedly a challenging year for the Group. The global outbreak of the COVID-19 pandemic has had profound impact on economies and businesses around the world, and Tuan Sing too has not been spared. Yet, our strong foundation, built up over many years of hard work, coupled with the resilience and perseverance of our people, have allowed us to ride through the pandemic.

As we enter the new year, the global outlook is showing green shoots of recovery. With the global rollout of vaccination campaigns having begun in earnest, and with the help of concerted health policies and government financial support, the Organisation for Economic Co-operation and Development is projecting global GDP to be lifted by 4.2% in 2021. Yet, the resurgence of COVID-19 in many countries and the discovery of new and more transmissible strains of the virus in the first quarter of 2021 provides a grim reminder that the battle against COVID-19 remains very much a work in progress and economic risks continue to persist.

While the global environment remains highly uncertain, the outlook for 2021 has improved. On the macroeconomic front, Singapore is expected to grow by 5.5% in 2021, with the pace of growth likely to be even higher if the pandemic is contained by a successful deployment of vaccines worldwide. China is expected to record growth of 7.9% in 2021, while Southeast Asia and Australia are expected to grow 5.2% and 3.7% respectively.

In Indonesia, the newly enacted Omnibus Law will ease foreign ownership restrictions and provide a boost for the property market, particularly those of the top-end residential sector. The Group owns a 125-hectare land bank in Batam and is actively developing Batam Opus Bay, the Group's upcoming integrated mixed development township project. In addition, the Group is also the lead development partner in an upcoming 500-hectare integrated development project in Bali.

FUTURE READY, MARCHING FORTH

The pandemic has accelerated some property trends and spawned new ones that may present attractive investment opportunities. Meanwhile, increased domestic consumption, productivity and urbanisation, coupled with the acceleration of e-commerce and platform-based businesses and the evolution of the traditional office landscape, will continue to fundamentally reshape the region's real estate sector.

We remain confident in our ability to traverse this NEW LANDSCAPE. Our agility and nimbleness will continue to serve us well as we embark on a business transformation to reposition ourselves FROM A NICHE DEVELOPER TO A MAJOR REGIONAL PLAYER with investments in large-scale integrated developments and townships, and a presence across a diverse range of property segments in various key Asian cities across Singapore, China, Indonesia, and Australia.

In addition, we will continue to seek opportunities and explore potential partnerships and collaborations to grow our portfolio of well-located assets in tourism gateway cities, such as Batam, Bali, Sanya, Melbourne and Perth, as well as strengthen our commercial portfolio in the region.

Through this all, we are guided by the principles of good corporate governance, entrepreneurial spirit and a commitment to sustainability. These will continue to be the bedrock of our success and will enable us to generate stronger and sustainable returns over time.

William Nursalim alias William Liem

Chief Executive Officer
Tuan Sing Holdings Limited

Kandis Residence, Singapore

OVERVIEW

Tuan Sing Holdings Limited is a fast-growing, regional real estate company focused primarily on property development, property investment and hotel ownership. Over the years, the Group has developed a portfolio of strategically located real estate assets not only in Singapore but across the Asia Pacific region, establishing a reputation for delivering high quality and iconic developments.

The Group operates in four business segments, namely Property, Hotels Investment, Industrial Services and Other Investments.

PROPERTY

This segment focuses on development properties for sale in Singapore and Indonesia as well as investment properties in Singapore, Australia and China. Having achieved steady sales from its development properties in Singapore, the Group is now actively developing Batam Opus Bay, the Group's upcoming integrated mixed development township project in Indonesia.

In Singapore, the Group's ongoing development properties are Kandis Residence, Mont Botanik Residence and Peak Residence; and the Group's main investment properties are 18 Robinson, Robinson Point and Link@896. Robinson Point is in the process of being divested pursuant to a sale and purchase agreement signed in November 2020. Completion is expected to be June 2021.

HOTELS INVESTMENT

This segment comprises two hotels in Australia – Grand Hyatt Melbourne and Hyatt Regency Perth – which are managed by Hyatt International.

INDUSTRIAL SERVICES

Our investments in this segment include an 80.2% equity stake in SP Corporation Limited ("SP Corp"), a SGX listed company; and a wholly owned subsidiary, Hypak Sdn. Bhd. ("Hypak"). SP Corp is primarily engaged in commodities trading, while Hypak is in the business of manufacturing and marketing polypropylene packaging bags in Malaysia.

OTHER INVESTMENTS

This segment comprises a 44.5% equity interest in Gul Technologies Singapore Pte. Ltd. ("GulTech"), which manufactures printed circuit boards; and a 49% equity interest in Pan-West (Private) Limited, a retailer of golf-related products.

PROPERTY

Revenue for the Property segment was **$129.9 MILLION**, an increase of $20.9 million or 19% from $109.0 million for the same period in the previous year. The increase was mainly driven by the increase in occupancy at **18 ROBINSON**, as occupancy continued to improve post-completion, and the sale of apartments at Mont Botanik Residence.

SINGAPORE PROPERTY

The Singapore residential market remained resilient in 2020 despite the COVID-19 pandemic and weaker economic conditions.

Market reacted cautiously in the 1st half of 2020 with the onset of the pandemic that eventually led to the implementation of the Circuit Breaker in early April 2020. The pandemic-induced uncertainties held back purchasing decision that saw business activities coming nearly to a halt.

When the Circuit Breaker was gradually relaxed starting in June 2020, activities started to return to normalcy and interest in the residential market rebounded. Urban Redevelopment Authority's price index increased 2.2%, compared with the 2.7% increase in 2019. The year ended with new home sales of 9,982 units, a small rise of 0.7% from 9,912 units in 2019.

Office rental rates in the Central Business District ("CBD") declined by 3.1% for 2020 on weak global economic conditions. However, rents are expected to grow in 2021 with benign supply, new demand driven by the technology sector and an overall business recovery. Office space in the CBD also saw vacancy rose by 1.9% to 9.6% at end 2020, partly due to new completions and contraction in demand. With the limited supply coming onstream, vacancy rate is likely to be kept low until 2023 when the supply hikes. (Source: Urban Redevelopment Authority ("URA") 4th Quarter 2020 Median Office Rentals and Colliers Research 4th Quarter 2020)

The Group will continue to develop and market its development properties in Singapore:

- **SENNETT RESIDENCE** With direct connection to Potong Pasir MRT, this project truly has an address of convenience. It features 332 residential units in three 19-storey and one five-storey condominium block, which houses a remarkable 50-metre rooftop pool. Complete with gym, fitness station, clubhouse and 3 shop units, Sennett Residence has two final residential units left for immediate occupancy. Temporary Occupation Permit ("TOP") and the Certificate of Statutory Completion ("CSC") was obtained in June 2016 and in May 2017 respectively.

18 ROBINSON, Singapore

MONT BOTANIK RESIDENCE, Singapore

- **KANDIS RESIDENCE** Designed by Ong & Ong, this project is scheduled to be completed by 1st quarter 2021. With 130 residential units ranging from one to three-bedroom on offer, Kandis Residence is set in a tranquil enclave in the Northern corridor and a stroll away from Sembawang park which overlooks the Johor Strait. The location is well-placed within the North Coast Innovation Corridor earmarked by the Urban Redevelopment Authority and lies just a short drive away from the Woodlands Regional Centre, the future Seletar Regional Centre and the Punggol Creative Cluster.

- **MONT BOTANIK RESIDENCE** is distinguished by a series of communal sky gardens linking two blocks of 10-storey residential towers. This 108-unit, freehold project is within walking distance from Hillview MRT Station and is surrounded by lush greenery – the neighbouring Bukit Timah Nature Reserve, Bukit Batok Nature Park and Bukit Gombak "Little Guilin". Designed by AGA Architects, Mont Botanik Residence was launched in August 2018 and is expected to be completed by 1st half of 2022.

18 Robinson, Singapore

- **PEAK RESIDENCE** A rare freehold opportunity for 90 discerning owners, this site sits in the exclusive Thomson district on a charming peak with views of the valley beyond. The development exudes exclusivity, with the panoramic views offering a calming influence. Accessibility is superb as it is within walking distance to Novena MRT station, the upcoming Mount Pleasant MRT station (Thomson East Coast Line) and a minute drive to Pan Island Expressway. Launching in 2nd quarter 2021, this development is scheduled for completion in 2023.

The Group has a diversified portfolio of investment properties in Singapore comprising the following:

- **18 ROBINSON** is a premium commercial building comprising office and retail spaces situated at the prominent junction of Robinson Road and Market Street (diagonally opposite Lau Pau Sat). It obtained its TOP in January 2019. The building comprised approximately 17,786 square metres of net lettable area. Designed by Kohn Pedersen Fox Associates in conjunction with Architects 61, the premium commercial building comprises a tower from the 10th to 28th storey and a podium from the ground to seventh storey and has a sky terrace level with six basement levels. The podium comprises a mixed of retail, food and beverage and office spaces, while the tower comprises mainly office spaces located on the 10th to 27th storey (save for 25th storey) and retail and food and beverage spaces on the 28th storey. The basement levels consist of one basement level of vehicular drop-off and car lift access and five basement levels of an automated guided vehicle car parking system. 18 Robinson features urban windows revealing its interior functions and serves to connect with the street activities. For occupiers on all office floors, the low-iron glass facade provides a sweeping, all-around panorama of city vistas and marina views. The building's energy-and-water saving features are aimed at achieving and maintaining the BCA Green Mark GoldPLUS standards, reflecting the Group's green and sustainability initiatives. Some of the green and sustainability initiatives include the use of energy-efficient variable-speed drives in the air-conditioning system and the extensive use of LED lighting throughout the building.

  The building also has passive energy-saving design features including a curtain wall facade system that uses low-emissivity, double-glazed insulating glass units to minimize heat gain into the building.

  Equipped with a fully automated carpark system that uses a battery-powered automated guided vehicle system, 18 Robinson employs a laser-guided positioning system instead of conventional automatic parking systems that require conveyor belts to transport the cars.

- **LINK@896** (formerly "896 Dunearn Road") is a commercial building located opposite King Albert Park MRT and situated on a part-freehold, part-999-year leasehold site of 13,089 square metres with an allowable gross plot ratio of 1.8 and a maximum permissible gross floor area of 23,560 square metres. Acquired in June 2017, it is a five-storey building comprising approximately 17,973 square metres of net lettable area, with a mixture of retail and office tenancies. The repositioning of the property through Additions and Alterations ("A&A") works is ongoing and expected to be completed in 2021.

- **ROBINSON POINT** is a 21-storey freehold office building at 39 Robinson Road, in the heart of Singapore's Central Business District. The building comprises approximately 12,477 square metres of net lettable area, with retail units on the ground floor. It offers 57 car park bays on levels 3 to 5. The Group has entered into a sale and purchase agreement for the divestment of Robinson Point for S$500 million. The sale is expected to complete in June 2021.

- **THE OXLEY** is a freehold 10-storey mixed commercial-cum-residential building located along Oxley Rise, which lies in the prime District 9, and is just a few minutes' walk away from the entertainment, shopping and hotel belt of Orchard Road. The building includes a podium block that houses commercial premises from the first to the third stories, a tower block with residential units from the fourth to the 10th storey, and a three-storey basement car park. The Group was the developer of the building and currently owns the three-storey office space. The first and second floors are fully leased out to the Group's major shareholder, while the third floor currently houses Tuan Sing's corporate headquarters.

- **FAR EAST FINANCE BUILDING** is a 13-storey commercial building with a basement and it comprises mainly office space on all levels except for part of the ground floor which accommodates shop space. It is located adjacent to 18 Robinson along Robinson Road, near its junction with Cecil Street/Finlayson Green. The Group owns the strata unit that occupies the whole of the 11th floor.

- **L&Y BUILDING** is a five-storey light industrial building with a basement car park, located at Jalan Pemimpin within proximity to the Marymount MRT station. The Group owns three of the 24 strata units in the building.


Grand Hyatt Melbourne, Australia


Batam Opus Bay, Indonesia
Artist's impression

AUSTRALIA PROPERTY

The Group has commercial buildings in Melbourne and Perth, which are respectively adjacent to its two hotels, Grand Hyatt Melbourne and Hyatt Regency Perth.

The Group's **Melbourne investment property** consists of a Commercial Centre and a basement carpark with 589 parking bays within the Grand Hyatt Melbourne Hotel complex. The tenancies occupy a total lettable area of 3,024 square metres, featuring a range of leases ranging from two to six years. Some of the luxury and high-end stores in the hotel's shopping complex include Chanel, Bvlgari, Paspaley Pearls and Giorgio Armani. In 2020, the Group achieved an average occupancy rate of 98%.

In Melbourne, rents for prime Collins Street retail space have generally remained stable despite the impact of COVID-19. While there is evidence suggesting that incentives have increased across the market to counteract an increase in CBD retail vacancy and to attract tenants to commit to take new space, retail space within the immediate locality remains in strong demand and as such it is expected that current rental levels will be retained moving forward.

In late 2020, the group acquired an adjoining property located at 25 George Parade comprising an additional standalone retail area of 135 square metres which will be marketed for lease in 2021.

The Group's **Perth investment property** consists of Fortescue Centre, two basement levels of carpark with 883 parking bays and two vacant land plots, occupying a land area of 3,072 square metres. Fortescue Centre is a three-level office with a total lettable area of 19,064 square metres, of which 76% has been occupied by Fortescue Metal Group. The office faces Terrace Road and Plain Street and overlooks the picturesque Swan River.

The Perth market has been less impacted than the eastern states due to the early and sustained closure of the Western Australia border and the continued growth of the mining and resources sector which continues to provide demand for office space. Retail property within Perth was impacted by COVID-19 but mostly within the CBD with an increase in vacancy levels.

The retail component of the commercial centre and part of the car park area are currently undergoing an AEI. Upon completion, it will be an iconic commercial and retail hub in the Eastern Perth CBD, which is in proximity to the Crown Casino and the Perth Optus Stadium. The proposed development is on-going and expecting to complete by 4th quarter of 2023.

INDONESIA PROPERTY

In June 2018, the Group acquired a leasehold 85 hectares site in Batam Waterfront Citty through a 90% equity stake in two special purpose vehicles. The Group enlarged the land holding by acquiring an adjacent 40 hectares site a year later, to a total of 125 hectares. This allows for much elaborated master plan for an integrated township development named as Opus Bay.

The initial master plan of 56 hectares was conceptualized by the renowned New York-based Kohn Pedersen Fox Associates (KPF) architect in 2019, catering for a population of close to 10,000 peoples within a space of residential, retail, hotel, convention and entertainment centre.

This is followed through with detail planning for Phase 1 comprising residential apartments, villas, outlet mall and ferry terminal refurbishment, supported by reputable consultants like Ong & Ong, RT+Q, Lead8 and Park+Associates.

Sales launches for the 559-unit Balmoral tower and 50 Cluny villas are scheduled for the 1st half of 2021, with the outlet mall beginning operation during the 1st half of 2023.

In addition, the Group is the lead development partner in an upcoming 500-hectare integrated development project in Bali. The Group acquired a 2.26% equity interest in Goodwill Property Investment Limited ("GPI") in 2019, with the aim of seeking opportunities to grow its portfolio of well-located assets in Indonesia. GPI owns 80% of PT Bali Turtle Island Development, a developer in Indonesia that owns approximately 500 hectares of land in Kura Kura Bali ("KKB"), located at South Eastern part of Bali. KKB is easily accessible from popular resort destinations and is just a 15-minute drive away from Denpasar International Airport.

Artist's impression

The integrated development in Sanya, China

CHINA PROPERTY

The Group currently has one plot of vacant land in Fuzhou for residential development. The Fuzhou Land is approximately 163,740 square metres, situated in the mountainous ridge of the Shoushan Country, Jing'an District, which is a rural part of the city. The site is about 400 metres above sea level and is an approximately 30-minute drive to the city center.

The Group has an equity interest of 7.8% in Sanya Summer Real Estate Co., Ltd ("SSRE"), a Hainan-based property development company which owns two plots of land in Hainan: the land at Sanya Yuxiu Road with approximately 44,485 square metres, which is adjacent to the Sanya High-Speed Railway Station, and the land at Hairun Road of approximately 28,569 square metres. The land at Yuxiu Road is currently under construction for an integrated development comprising commercial, residential and retail components, which would be an iconic landmark when completed in 1st half of 2023. The land at Hairun Road is under design and planning for a proposed residential and commercial development, which is expected to be completed progressively in three to five years.

The Group has a three-storey commercial building located at No. 2950 Chun Shen Road, Shanghai, China, occupying a land area of approximately 1,741 square metres. The leasehold building has been fully leased out, with an estimated lettable area of 2,170 square metres.

In recent years, the Group determined that there was a change in use of the leasehold properties previously held for sale in China. This has led to the transfer from development properties to the following investment properties:

- **SIX SHOP UNITS AND BASEMENT COMMERCIAL SPACES WITHIN LAKESIDE VILLE PHASE III** which are situated at Qingpu district, Shanghai and occupy a total estimated lettable area of 3,896 square metres. The Group was the developer of the development which was completed in 2010.
- **AN UNDERGROUND CARPARK** that is located at Lane 558, Baochun Road, Minhang district, Shanghai, occupying the basement of a 17-storey building. The carpark comes with an estimated area of 2,403 square metres.
- **TWO APARTMENT UNITS AT LAKESIDE VILLE PHASE III** occupying an estimated gross floor area of 634 square metres.

HOTELS INVESTMENT

Revenue for Hotels Investment Segment was **$32.8 MILLION** for 2020, a decrease of $69.0 million from $101.8 million in the same period in the previous year, mainly due to the COVID-19 pandemic.

The Group owns two award-winning and prominent hotels, **GRAND HYATT MELBOURNE** and **HYATT REGENCY PERTH**. Details of the hospitality awards received by these hotels over the recent years are set out in the "Awards & Accolades" section of this Annual Report. Both hotels are managed under the Hyatt brand name, in line with the hotel management agreement with Hyatt International.

Grand Hyatt Melbourne, Australia

- **GRAND HYATT MELBOURNE** is located within Melbourne's Central Business District at the "Paris End" of Collins Street, with access to both Russell Street and Flinders Lane. The internationally recognised five-star hotel, which opened in 1986 and has been extensively renovated over the years, comprises a total of 550 guestrooms and suites over 34 levels. The hotel also features four food and beverage outlets, 15 meeting rooms, a day spa, a fully equipped health/fitness club with a swimming pool, a tennis court, a basketball court and a golf driving area.

- **HYATT REGENCY PERTH** is located at the eastern end of Perth's Central Business District, offering easy access to Adelaide Terrace and Bennett Street, as well as splendid views of the iconic Swan River. Completed in 1984, it features an integrated five-star hotel, office, retail, and parking complex, along with an adjacent commercial centre known as Fortescue Centre. It comprises 367 hotel rooms and suites over the upper nine levels. Facilities and amenities include four food and beverage outlets, 15 conference/ meeting rooms and numerous recreation facilities, including an outdoor heated swimming pool and a fitness centre.

As a result of the COVID-19 pandemic, Grand Hyatt Melbourne temporarily suspended its service from mid-April to mid-November 2020. As a result, it achieved an occupancy rate of 22% in 2020 as compared to 91% in 2019.

Hyatt Regency Perth has been utilised as one of the designated quarantine hotels for returning Australians by the Western Australian government since March 2020. In 2020, it achieved an occupancy rate of 50% as compared to 76% in 2019. Despite the lower occupancy, gross operating profit improved due to cost-cutting measures and the support of the JobKeeper payments.

During the year, both hotels streamlined their organisation structures and embarked on cost-saving initiatives to enhance their competitiveness in a post-COVID environment.

Both hotels continue to enjoy significant support from the domestic market. We believe, this, together with the improved management of the COVID-19 pandemic in Australia, will have a positive impact on the recovery of both hotels in 2021.

INDUSTRIAL SERVICES

Industrial Services Segment posted **$37.4 MILLION** in revenue for 2020 as compared with $101.4 million for the same period in the previous year, representing a decrease of $64.0 million or 63%. The decrease was due to lower contributions from the SP Corporation Limited ("SP Corp"), a commodities trading business. In 2020, the commodities trading business performance was adversely affected by the COVID-19 pandemic.

- **SP CORP** is an 80.2% owned subsidiary listed in Singapore. Its main operations are the trading and marketing of industrial commodities, such as coal, natural rubber and aluminium.
- **HYPAK SDN BERHAD** ("Hypak") is a wholly owned subsidiary of the Group. Its main business is in the manufacturing and marketing of polypropylene packaging bags in Malaysia.


SP Corp's business activities

OTHER INVESTMENTS

Profit after tax in the Other Investments Segment was **$24.8 MILLION** for 2020, as compared with $21.7 million in 2019.

The Group has an equity stake of 44.5% in Gul Technologies Singapore Pte. Ltd. ("GulTech") and a 49% stake in Pan-West (Private) Limited ("Pan-West"). These holdings are classified under the "Other Investments" segment. Profits in this segment are derived mainly from GulTech. In line with our strategic direction, the Group is not averse to disposing of its investments in these two businesses should the opportunity arises.

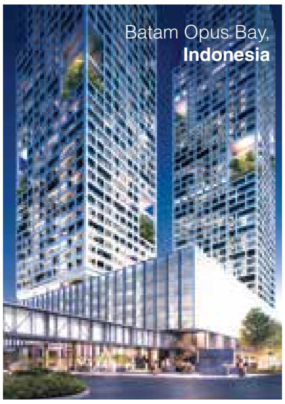
- **GULTECH** is a respected player in the printed circuit boards ("PCB") market, serving customers in the automotive, computer peripheral, consumer electronics, telecommunication, healthcare and instrument & control sectors. It has three manufacturing facilities in China, located in Suzhou and Wuxi. Leveraging on its innovative designs and prototype expertise, GulTech continues to work in partnership with multinational customers to provide leading-edge solutions in a highly-dynamic and fast-paced technological environment. Its customers include leading suppliers and manufacturers for automotive systems such as Visteon Corporation, Continental AG and Wistron Corporation.
- **PAN-WEST** distributes golf-related lifestyle products through a variety of outlets and concessionaires in Singapore. Pan-West is the exclusive distributor for some of the world's top golfing brands including Honma Golf, Cleveland Golf, Sun Mountain, Volvik and High Definition Golf simulators. Pan-West is also an exclusive dealer for Asics Golf and Skechers Golf footwear in Singapore.


GulTech's manufacturing activities

PROPERTY PORTFOLIO

4 COUNTRIES


Kandis Residence, **Singapore**


Batam Opus Bay, **Indonesia**


Grand Hyatt Melbourne, **Australia**


Lakeside Ville, **China**

DEVELOPMENT PROPERTIES

Name of Property	Location	Estimated Gross Floor Area / Land Area (square metre)	Tenure	Group's effective equity interest
COMPLETED PROPERTIES HELD FOR SALE				
Sennett Residence	Singapore	33,328	99 years from year 2011	100%
PROPERTIES UNDER DEVELOPMENT				
Kandis Residence	Singapore	10,850	99 years from year 2016	100%
Mont Botanik Residence	Singapore	8,546	Freehold	100%
Peak Residence	Singapore	8,209	Freehold	70%
Balmoral @ Opus Bay	Indonesia	31,830	30 years from year 2004	90%
Cluny @ Opus Bay	Indonesia	76,716	30 years from year 2004	90%
Batam Opus Bay Land (I)	Indonesia	657,299[a]	30 years from year 2004	90%
Batam Opus Bay Land (II)	Indonesia	401,229[b]	30 years from year 2019	100%
LAND HELD FOR FUTURE DEVELOPMENT				
Land in Jin-an District, Fuzhou Fujian Province	China	163,740[c]	70 years from year 1994	100%

(a) Land area only. This excludes Balmoral @ Opus Bay and Cluny @ Opus Bay.
(b) Land area only.
(c) Land area only and pending renewal of expired certificate for construction site planning.


18 Robinson, Singapore

INVESTMENT PROPERTIES

Name of Property	Location	Estimated Lettable Floor Area / Land Area (square metre)	Tenure	Group's effective equity interest
COMMERCIAL				
18 Robinson	Singapore	17,786	999 years (approx 83% of the total land) from year 1884 & 1885 or 99 years (approx. 17% of the total land) from year 2013 for certain plots	100%
Link@896	Singapore	17,973	Freehold or 999 years from year 1879	100%
Robinson Point[(d)]	Singapore	12,477	Freehold	100%
The Oxley, 1^{st} – 3^{rd} floor	Singapore	2,557	Freehold	100%
Far East Finance Building – 11^{th} Floor	Singapore	284	999 years from year 1884	100%
2 shop units at Sennett Residence	Singapore	61	99 years from year 2011	100%
Commercial Centre and Carpark within Grand Hyatt Melbourne complex	Australia	3,024	Freehold	100%
Commercial Centre and Carpark within Hyatt Regency Perth complex (including 2 vacant land plots)	Australia	19,064	Freehold	100%
A single-storey commercial building at 25 George Parade, Melbourne	Australia	135	Freehold	100%
No. 2950 Chun Shen Road Property	China	2,170	58 years from year 2008	100%
Six shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu district, Shanghai	China	3,896	70 years from year 1997	100%
Underground carpark of a 17-storey building at Lane 558, Baochun Road of Minhang district, Shanghai	China	2,403	61 years from year 2005	100%
2 apartment units at Lakeside Ville Phase III, Qingpu district, Shanghai	China	634	70 years from year 1997	100%
INDUSTRIAL				
L&Y Building (3 strata units)	Singapore	2,100	999 years from year 1885	100%

(d) The carrying amount of Robinson Point has been classified as asset held for sale as at 31 December 2020.

HOTELS INVESTMENT

Name of Property	Location	Land Area (square metre)	Tenure	Total Hotel Rooms	Group's effective equity interest
COMMERCIAL					
Grand Hyatt Melbourne	Australia	5,776	Freehold	550	100%
Hyatt Regency Perth	Australia	22,754	Freehold	367	100%

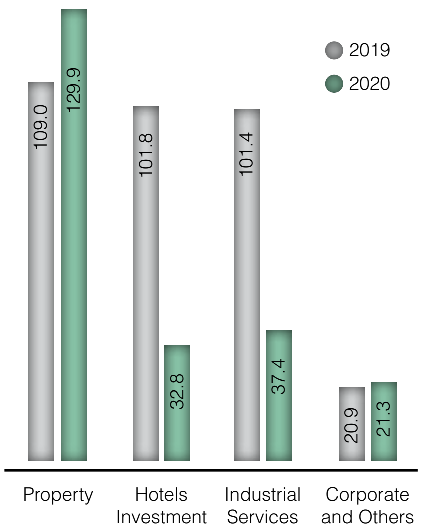
REVIEW OF FINANCIAL PERFORMANCE

28th storey of 18 Robinson, Singapore

REVENUE

Group's revenue was $196.8 million, a decrease of 37% as compared to $310.7 million last year. The overall decrease was due mainly to lower revenue from the Hotels Investment and Industrial Services segments, partially offset by higher revenue from the Property segment.

REVENUE BY BUSINESS SEGMENT ($'M)



REVENUE BY GEOGRAPHICAL LOCATION

Group's revenue was mainly generated from Singapore and Australia, contributing a combined 94% and 90% of the total revenue in 2020 and 2019 respectively.

	2020 $'M	%
Singapore	135.9	69%
Australia	48.5	25%
China	3.9	2%
Malaysia	7.9	4%
Indonesia	0.6	*
Total	**196.8**	**100%**

	2019 $'M	%
Singapore	161.0	52%
Australia	118.7	38%
China	19.5	6%
Malaysia	8.3	3%
Indonesia	3.2	1%
Total	**310.7**	**100%**

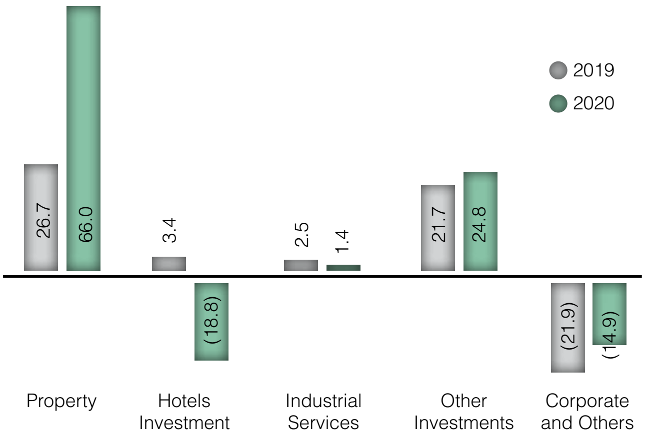
* Less than 1%

PROFITABILITY

Profit after tax increased by 79% to $58.5 million. All operating segments were profitable in 2020 except for the Hotels Investment segment.

Property segment reported higher profit mainly due to higher rental income from 18 Robinson, higher fair value gain on revaluation of investment properties and lower finance costs. The other contributor for the year was Gul Technologies Singapore Pte. Ltd. ("GulTech"), under the Other Investments segment.

PROFIT AFTER TAX BY BUSINESS SEGMENT ($'M)



PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS

For the same reasons mentioned above, profit after tax attributable to shareholders increased by 78% to $59.0 million, mainly driven by the increase in Property segment.

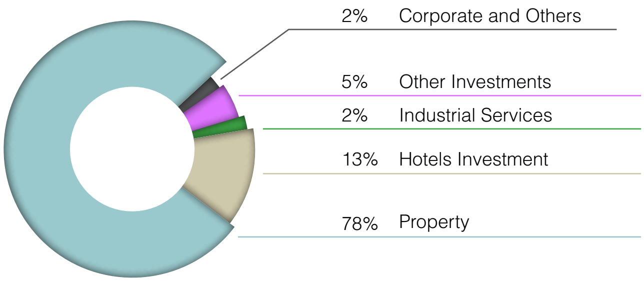
FINANCIAL POSITION

As at 31 December 2020, the Group's total assets increased by 5% or $146.4 million to $3,143.7 million as compared to $2,997.3 million as at 31 December 2019. The increase was attributable mainly to an increase in carrying amount of investment properties and asset held for sale as a result of fair value gain, an increase in cash and bank balances mainly from the deposits collected from the upcoming divestment of a subsidiary and the increase in project account balances of development properties, an increase in carrying amount of investments in equity accounted investees attributable mainly to the Group's equity share of profits from GulTech, partially offset by a decrease in carrying amount of development properties due mainly to sale of units of the development projects in Singapore.

The Group's total liabilities increased by 5% or $91.9 million to $1,970.2 million as compared to $1,878.3 million at the previous year end.

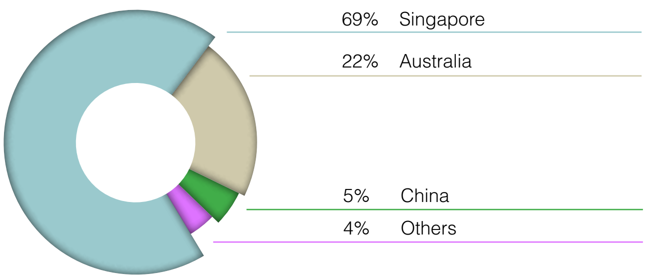
As at 31 December 2020, shareholders' funds grew by 5% or $55.1 million from last year end to $1,160.1 million. Total equity (i.e. including non-controlling interests) increased to $1,173.5 million as at 31 December 2020, from $1,119.1 million at the previous year end. The increase was mainly the result of operating profits made during the year, gain from revaluation of properties, foreign currency translation gain and after netting off Company's payment of dividends to shareholders.

TOTAL ASSETS BY BUSINESS SEGMENT (2020: $3,143.7 MILLION)



Property segment contributed 78% of the Group's total assets in 2020.

TOTAL ASSETS BY GEOGRAPHICAL LOCATION (2020: $3,143.7 MILLION)



69% of the Group's total assets are located in Singapore whereas assets in Australia form the bulk of the Group's overseas assets.

SHARE CAPITAL AND EARNINGS PER SHARE ("EPS")

The number of issued ordinary shares as at 31 December 2020 was 1,187,489,782 (excluding treasury shares) as compared to 1,186,248,411 as at 31 December 2019. On 25 June 2020, 4,713,071 new ordinary shares were allotted and issued at $0.212 per share to shareholders who had elected to participate in the Company's Scrip Dividend Scheme in respect of the 0.6 cent dividend per ordinary share for the year ended 31 December 2019. Separately, 3,471,700 ordinary shares were purchased from the market under the "Share Purchase Mandate" and were held as treasury shares.

	2020	2019
Earnings per share (cents) :		
- Including fair value adjustments	5.0	2.8
- Excluding fair value adjustments	1.5	0.4
Weighted average number of ordinary shares in issue (in millions)	**1,186.6**	**1,186.1**

Earnings per share, including fair value adjustments, increased by 79% to 5.0 cents, as compared to 2.8 cents a year earlier.

DIVIDEND AND SHAREHOLDERS' RETURN

DIVIDEND

Year	Dividend per share (cent)	No of shares (million)	Gross payout ($'000)	Cumulative payout ($'000)
2009	0.3	1,138	3,412	3,412
2010	0.4	1,146	4,586	7,998
2011	0.3	1,154	3,463	11,461
2012	0.5	1,161	5,806	17,267
2013	0.5	1,173	5,864	23,131
2014	0.5	1,176	5,881	29,012
2015	0.6	1,179	7,073	36,085
2016	0.6	1,183	7,097	43,182
2017	0.6	1,187	7,122	50,304
2018	0.9	1,186	10,678	60,982
2019	0.6	1,186	7,117	68,099
2020	0.6	1,187	7,125	75,224

Subject to the shareholders' approval at the forthcoming Annual General Meeting to be held on 23 April 2021, a first and final one-tier tax exempt dividend of 0.6 cent per share, amounting to about $7.1 million, will be paid on 25 June 2021 in respect of the year ended 31 December 2020. For the previous year end, the same payout rate of 0.6 cent per share of dividend was made, amounting to $7.1 million consisting of a cash payment of $6.1 million and the issuance of 4,713,071 ordinary shares at an issue price of $0.212 per share to shareholders who opted for the Scrip Dividend Scheme.

Shareholders will continue to have the opportunity to participate in the Scrip Dividend Scheme and receive their dividend in the form of Tuan Sing shares instead of cash. For the purpose of determining dividend entitlements, book closure dates have been fixed on 10 May 2021.

The Group has been declaring dividends every year since 2009. Total gross dividend payout since then amounts to $75.2 million, including the $7.1 million proposed for 2020.

DIVIDEND PAYOUT AND DIVIDEND YIELD

The proposed dividend of 0.6 cent per share for 2020 represents i) dividend payout ratio of 40.8% based on core earnings which are the net profit before fair value adjustments; ii) dividend yield of 2.1% based on dividend per share over the average share price of 28.3 cents traded during the year.

BANK BORROWINGS AND MEDIUM TERM NOTES ("MTN")

As of 31 December 2020, the Group had total bank borrowings and debt securities of $1,465.0 million, comprising:

(a) Secured Bank Borrowings of $1,396.2 million

These are borrowings mainly relating to investment properties, development properties loans and Australia's hotel properties and commercial properties loans. The secured bank borrowings includes secured MTN of $198.9 million.

Superluck Properties Pte Ltd, a wholly-owned subsidiary of Tuan Sing, established a secured S$500 million MTN Programme on 13 October 2019 under which it can issue notes of various durations in series or tranches in Singapore dollar or other currencies. The first tranche of the secured notes of S$200 million ("Series I secured notes") were issued on 18 October 2019. They are of three years duration, secured, bear a fixed interest rate of 2.80% per annum payable semi-annually in arrears and will mature on 18 October 2022.

(b) Unsecured Bank Borrowings of $68.8 million

Tuan Sing established an unsecured S$900 million MTN Programme in February 2013 under which it can issue notes of various durations in series or tranches either in Singapore dollar or other currency as deemed appropriate at the time.

The second tranche of the unsecured notes of S$150 million ("Series II unsecured notes") were issued on 5 June 2017. They are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrears. Tuan Sing has fully redeemed and cancelled all outstanding Series II unsecured notes upon the maturity date on 5 June 2020. The third tranche of the unsecured notes of S$65 million ("Series III unsecured notes") were issued on 19 May 2020. They are of two years duration, unsecured, bear a fixed interest rate of 7.75% per annum payable semi-annually in arrears and will mature on 19 May 2022.

Our borrowings are distributed amongst a few banks using a combination of floating and fixed interest rates of various durations depending on a number of factors. These include the timing the debt is entered into, the then prevailing market sentiment, our view of the financial market outlook, the nature of the assets pledged, if any, etc. To mitigate interest rate risk, we monitor the trend of interest rate movements. Financial instruments are used, if it is deemed necessary, to hedge interest rate exposures.

As at 31 December 2020, the profiles of the bank borrowings and MTN are as follows:

By secured and unsecured borrowings:

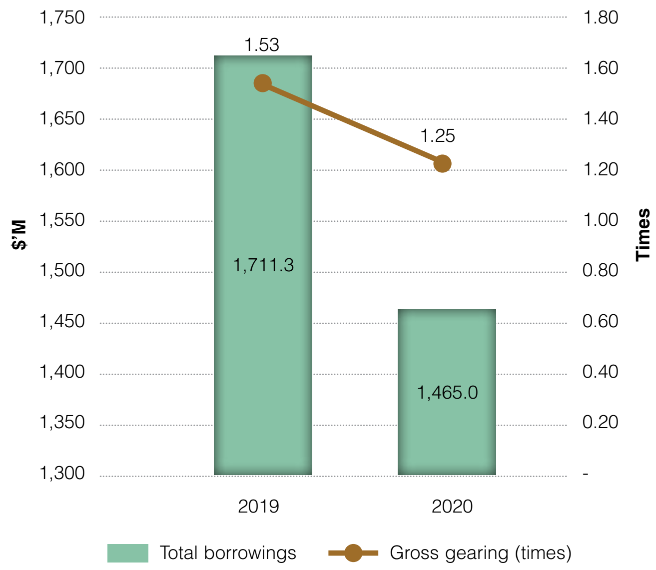
- Secured borrowings: 95% or $1,396.2 million. These are mainly secured with investments properties, development properties and Australia's hotel and commercial properties loans.
- Unsecured borrowings: 5% or $68.8 million. These are mainly the Series III unsecured notes.

By interest rates:

- Floating rates borrowings – 75%
- Fixed rates borrowings – 25%

By borrowing currencies:

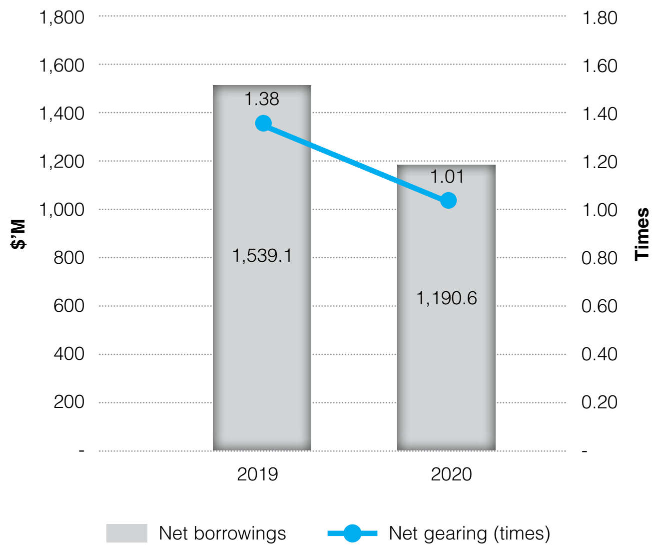
- Singapore dollar currency borrowings – 75%
- Australian dollar currency borrowings – 25%



GEARING

We use gross gearing ratio (debt as a percentage of total equity) and net gearing ratio (net debt as a percentage of total equity) to measure our debt leverage. Net debt is defined as debt less cash in hand and at banks.

As at 31 December 2020, gross gearing ratio decreased to 1.25 times from 1.53 times last year. Similarly, net gearing ratio decreased to 1.01 times from 1.38 times last year.



TREASURY MANAGEMENT

Treasury management is carried out by the business units in accordance with established group policies and guidelines. Policies and guidelines have been regularly updated to take into account changes in the operating environment. Working capital requirements and capital expenditures are funded by a mix of short-term and long-term loans. New investments are structured with an appropriate mix of equity and debt after careful assessment of relevant risks.

Each business unit and the head office monitor working capital requirements, perform profit and cash flow forecast on a quarterly basis. We also ensure that loan covenants are complied with and that there is a proper mix of duration and interest period for the loans. We closely monitor relevant emerging regulations which may potentially impact the way that we obtain our finances or introduce any operating constraints. We are kept updated of the latest development in debt markets and arrange new financing as opportunities arise. Our consistent approach has helped us build a long-term relationship with financial institutions.

MANAGING RISK IN DELIVERING OUR STRATEGY

OVERVIEW OF OUR APPROACH

The Group's business environment is subject to constant and significant changes that require regular assessment of our corporate strategies. At Tuan Sing, risk management is an integrated process that supports informed decision-making throughout the Group. Our integrated approach recognises the need for clear, timely direction and decision from the Board of Directors, senior management and our business unit management (i.e. SBUs). Risk management is also embedded into day-to-day decision-making and operational activities (i.e. operational risk management).

The top-down approach (i.e. strategic risk management) involves a review of the external environment in which we operate and our risk appetite. The result will then guide our execution of our strategy. Key risk indicators have been identified for each of our principal risks and are used to monitor our risk exposure. These key risks are reviewed periodically by the Audit and Risk Committee to ensure that the activities of the business remain within our risk appetite.

The bottom-up approach (i.e. operational risk management) involves identifying, managing and monitoring risks at the "front line" level. This way, risk management is embedded in our everyday operations. Control of this process is through maintaining of risk registers by all SBUs. These risk registers are aggregated and reviewed by the CEO and CFO, with significant and emerging risks escalated for the Board and Audit and Risk Committee's consideration as appropriate. This process complements the top-down view by helping us to identify our principal risks and ensuring that operational risks are fully considered in determining the risk appetite and the corresponding strategy of the business.

The Group's Enterprise Risk Management ("ERM") system is designed to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded, the risks facing the business are being assessed and all information that may be required to be disclosed is reported to the Board through the Audit and Risk Committee. We have reviewed the current ERM framework and are of the view that it remains appropriate for the year 2020.

MANAGE RISK IN DELIVERING OUR STRATEGY

The Group remains focused on property and hotels investment segments to drive growth. The Group will continue to expand its property development business and acquire quality and strategic locations of investments and hotel properties that will contribute a recurring income flow to the Group. In pursuit of corporate strategies and business goals, the Group acknowledges that it is necessary to take certain risks that the Group believe are manageable and appropriate in relation to expected opportunities. However, these should be within the Group's risk appetite by taking into consideration the assessment of macro-environment that the Group is operating in. The Group uses key risk indicators to ensure that the activities of the business are within its risk appetite.

OUR RISK GOVERNANCE & OVERSIGHT STRUCTURE

THE BOARD

- Determine strategic objectives
- Set risk appetite and parameters
- Review external environment
- Manage and monitor risk
- Assess effectiveness of risk management system
- Instil culture and approach for risk governance

AUDIT & RISK COMMITTEE

- Direct delivery of strategic actions
- Report principal risks and uncertainties
- Oversee financial reporting, operational and compliance risks
- Oversee internal and external audit processes
- Consider aggregation of risk exposures across the business
- Monitor key risk indicators and the implementation of risk mitigation plans
- Oversee the adequacy and effectiveness of the Group's risk management and internal control systems

CEO & CFO

- Implement the Company's strategy
- Strengthen the Group's risk management culture
- Ensure the overall framework of risk management is comprehensive and responsive to changes in the business
- Review the completeness and accuracy of risk assessments, risk reporting and the adequacy of risk mitigation efforts on a regular basis

STRATEGIC BUSINESS UNITS

- Monitor and manage operational risks on an ongoing basis
- Identify emerging risks
- Maintain risk registers which provide a framework for all relevant staff to recognise their shared responsibility for an effective management of risks on a regular and timely basis

RISK PROFILE AND KEY RISKS

In view of the current COVID-19 situation, the Group has identified key risks and appropriate mitigating measures which are detailed under "Business Dynamics & Risk Factors Statement" section of this Annual Report. The Group's on-going efforts in navigating through the pandemic crisis for its key stakeholders are outlined as follows:

Employees
During the year, the Group has implemented work from home and split team arrangement, enabling employees to stay safe and remain productive. Flexible and staggered working hours are introduced to minimise the peak hour travels. The Group has also encouraged its employees to participate in online workshops and courses to make the most out of the nationwide circuit breaker period. Safe management officers are appointed at its commercial buildings, show galleries and construction sites to ensure a safe working environment is in place.

Tenants and the retail community
The Group has stepped up the cleaning and disinfection operations at its properties, such as increasing the frequency of cleaning areas with high touch points. Hand sanitisers are also provided at SafeEntry check-in counters of our commercial properties. To tide tenants through the effects of the business disruptions and declining sales, the Group has been assisting tenants in Singapore and Australia in the form of rental rebates which are in compliance with the legislations. These rental rebates have provided much needed reprieve to tenants with businesses that are affected by the pandemic.

Customers
The pandemic has presented opportunity for the Group to leverage on digitalisation in the sales and marketing of its development properties. Given the limitations of physical site visits due to safe distancing measures in place, zoom meetings and virtual tours are conducted with homebuyers to deliver a more convenient and personalised sales experience.

Business partners
Due to travel restrictions, virtual meetings and presentations are often held with overseas business partners (sub-contractors, suppliers, hotel managers) to facilitate project coordination and communication on revised operational protocols. In doing so, the Group embraces and broadens the use of technologies in the monitoring of its businesses.

Shareholders
The Group remains adaptive during this challenging period. SP Corp, a listed subsidiary of the Group, was among the first in Singapore to convene and hold a webcast Annual General Meeting ("AGM") during the circuit breaker period. In keeping pace with the rapidly changing guidelines, the Group continues to strengthen shareholder confidence and corporate accountability.

The Group performs cash flow projections in sufficient granularity to ensure that adequate level of cash can be maintained in view of the evolving COVID-19 situation. The Group has also available bank facilities to be utilised when the need arises. In achieving an optimal capital structure, the Group's objective is to provide sustainable returns to shareholders through the appropriate use of capital leverage.

NO THREAT TO GOING CONCERN

After making due inquiry, the management is satisfied that there were no risks that could threaten the ability of the Group to continue as a going concern over the coming 12 months.

BUSINESS & STRATEGY RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
STRATEGY RISK	
• The Group is exposed to risks associated with its overseas expansion plans. • Expansion involves the spreading of resources in setting up new business units and dealing with unfamiliar rules and regulations in foreign countries or nuances in customer service expectations. • Such expansion plans may cause management to lose focus.	• New investment proposal is evaluated carefully to ensure that it is in line with the corporate strategy and investment objectives and that it can meet the relevant hurdle rates of financial returns. Other relevant risk factors are also considered. • Evaluation includes macro and project-specific risks analyses, due diligence and sensitivity analyses on key assumptions. Each investment proposal must be reviewed and approved by the Board. • Where appropriate, the Group will explore joint venture opportunities that allow risk and reward sharing between partners. • Interested Person Transactions ("IPT") Mandate is in place to provide the Group with added means to underpin its expansion strategy by leveraging on Interested Persons' network and its close working relationship with Interested Persons.
COMPETITION RISK	
• The relatively small size of our operations may be a disadvantage in the highly competitive property development industry. Hence, the Group may be more vulnerable to external shocks and negative occurrences specific to its operations. • Real estate markets in Singapore and in the region are changing rapidly, which means the Group has to respond swiftly and effectively – more so than other, bigger players. • The hospitality industry in Australia, where our hotels are situated, is highly competitive. Any completion of new hotels or renovation of competing hotel properties would reduce the competitiveness of older or existing properties.	• The Group strives to maintain competitiveness by differentiating of its products and leveraging on its brand name to set itself apart from the mass market. In recent years, the Group has also been diversifying its property portfolio across geographies to enhance the stability of its future revenue and profitability streams. • Tuan Sing is a recognised developer with proven track records and a sterling reputation associated with award-winning projects. • The Group actively works with potential business partners to submit joint-bids for new land parcels. • The Group's hotel properties offer choice locations and excellent services for their class. Long term management agreements are in place with Hyatt International for hotel operations. • Plans are in progress to create value from existing assets through asset enhancement initiatives and redevelopment works.
INDUSTRY RISK	
• The Group is exposed to inherent risks in property developments. • Adverse weather, labour shortage, poor performance by main contractors, industrial accidents, delays in obtaining regulatory approvals or business disruptions caused by a pandemic could delay the completion of projects and cause cost overruns. • The Group is exposed to the hotel industry's supply and demand cycle, which is dependent on the conditions of the hospitality and leisure industry and the state of the property market in Australia.	• Policies and procedures covering project management process are in place. • A pre-approved project budget is agreed to in advance so as to monitor the performance of the project team. All variation orders require approval at appropriate level. • The Group's procurement function has been strengthened to establish a robust bulk procurement database in order to achieve competitive pricing and ensure supplied materials meet the quality standards and comply with local regulations. • The Group continues to review and explore options and strategy to optimise the value of its Hotels Investment segment.

BUSINESS & STRATEGY RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
MACROECONOMIC & POLITICAL RISK	
• Changing macroeconomic and political conditions in countries where the Group operates could adversely affect the Group's performance, particularly when the Group ventures further into the region. • The property development business depends heavily on the continued health of the real estate market in Singapore and in the region. • Changes in government policies and regulations affect the market demand, land title acquisition, planning and design, construction hours and financing.	• The Group monitors key economic indicators and keeps itself updated regarding potential changes of policies by the authorities. • The Group remains optimistic about the medium and long-term outlook for the property markets in Singapore and in the region.
REGULATORY RISK	
• Group is exposed to changes in prevailing laws and regulations in the countries where it operates, particularly in corporate law, competition law, consumer protection and environmental law.	• The Group works closely with advisors, consultants and local authorities so as to keep abreast of changes. • Local business units are required to apprise the head office of material regulatory developments in a timely manner.
REPUTATION RISK	
• The Group's reputation is at risk of adverse publicity if there is mishandling of transactions or events.	• The Group values its reputation and has in place an open communication programme to ensure timely and effective communication with its key stakeholders. • The Group has clearly articulated its mission statement and the guiding principles that drive its operations. • The Group has established an Investor Relations policy that has been made available on its corporate website to further strengthen its communication with stakeholders.
BUSINESS CONTINUITY RISK	
• Property and hotels investment businesses are capital-intensive and rely heavily on external financing at commercially acceptable interest rate and terms. • Property development business relies on obtaining land plots, taking projects to fruition and successfully marketing the units within a certain timeframe, while achieving profitability that is commensurate with the risks involved. • Natural disasters, pandemic and other unforeseen events could cause severe disruptions to our business.	• A S$900 million MTN Programme has been in place since 2013 to allow the Group to seize opportunities at short notice, diversify its sources of funding and raise its business profile. • A portfolio of mostly freehold investment properties provides a platform of growth and generates recurring income. Existing hotel properties offer a stable income stream given its choice locations. • Business Continuity Plans are in place to minimise business disruptions.
TERRORISM RISK	
• The Group could be adversely affected by direct terrorist attacks because of its geographical footprint. • Such an event could result in damage to its properties or facilities, or cause injury or death to personnel as well as disruption in operations, thus causing financial losses to the Group.	• This is an inherent risk that the Group faces. • The Group has a disaster recovery plan in place. • Properties are protected through the implementation of various security measures. • Where appropriate, the Group obtains insurance coverage to mitigate these risks.

FINANCIAL RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
LIQUIDITY RISK	
• Renewal or additional debt-financing on favourable terms would be subject to prevailing global and local economic conditions, sentiments in credit and capital market. • The Group's property portfolio in Singapore and Australia is pledged under various mortgage loan agreements. A breach in any loan covenant could trigger various repayments at short notice.	• The Group monitors its cash and cash equivalents and maintains a level deemed adequate. • The Group manages debt financing and bond issuance proactively to ensure financing requirements are met in advance. • Cash flow projections, debt maturity profiling and bank facilities undrawn are reviewed quarterly to monitor the Group's liquidity position. • Great emphasis is placed on the timely execution of ongoing projects to ensure that a significant proportion of our property projects is sold and that cash is being realised as early as is possible.
CAPITAL STRUCTURE RISK	
• An inefficient capital structure or weakness in financial management could affect the Group's ability to provide adequate returns for shareholders.	• The Group conducts regular reviews to ensure an optimal capital structure. • The Group monitors its gross gearing, net gearing ratios and their trends on a quarterly basis. • To achieve an optimal capital structure, the Group might from time to time issue new shares, obtain new borrowings, sell assets (thereby reducing borrowings), adjust the dividend payout, or return capital to shareholders.
DERIVATIVE FINANCIAL INSTRUMENT RISK	
• Market conditions could move against the assumptions the Group adopts at the time of hedging transactions, an inherent risk.	• Derivative financial instruments are used only to manage the impact of interest rate fluctuations on floating rate debts or foreign currency exposure, or to comply with certain bank covenants. • Hedging is undertaken to meet actual operational requirements, not for speculative purposes. • The Group closely monitors the impact of the macro-economic conditions.
PRICE RISK	
• Revenue and profit recognition for development properties and fair value adjustments for investment properties are lumpy. • Residential property prices and demand in Singapore and in the region are subject to rounds of government cooling measures.	• This is an inherent systemic risk as the Group operates in the industry. • Diversify its property portfolio. • For development properties, the Group reduces the gestation period of a property launch. In addition, the Group monitors the market sentiments so as to leverage on any potential upside. • For investment properties, the Group aims to lock in major tenants with multi-year lease durations.
CREDIT RISK	
• Credit risk arises when counterparties default on their contractual obligations resulting in financial losses to the Group.	• Standard operating procedures are in place which include extending pre-approved credit terms to only credit-worthy customers and monitoring credit risk on a regular basis. • Collections are closely monitored. Major collectability issues are highlighted to all concerned.

FINANCIAL RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
FOREIGN EXCHANGE RISK	
• Exchange gains or losses might arise when the assets and liabilities in foreign currencies are translated into Singapore dollars for financial reporting or repatriation purposes.	• Natural hedging is used extensively, including matching sale with purchase or matching assets with liabilities of the same currency and amount, whenever it is practicable. • Currency translation risk is inherent for operations outside Singapore. Since it is non-cash in nature, it is not hedged.
INTEREST RATE RISK	
• The Group is exposed to interest rate fluctuations through borrowings.	• The Group keeps abreast of trends in interest rate movements. • A variety of financial instruments, including interest rates of different durations, interest rate swaps, caps and forwards, could be used to hedge interest rate risks arising in the ordinary course of business.
TAX RISK	
• The Group is exposed to vagaries of tax interpretations or changes at short notice in foreign jurisdictions.	• The Group monitors changes in tax rules in different countries on a periodic basis. • Tax provisions are made in strict compliance with the rules so as to reduce under-accrual in the book of accounts. • The Group developed its Transfer Pricing Documentation Master File to provide a guideline on transfer pricing for all subsidiaries across different countries.
FINANCIAL MANAGEMENT RISK	
• Apart from the Group's policies and guidelines and the internal audit function, which has been outsourced, the Group relies on the self-assessment, review and reporting process at strategic business units to ensure that transactions are carried out in conformity with accounting standards and the Group's accounting policies and that the internal controls are adequate and effective. • This system may not prevent or detect all fraud or misstatements in a timely manner. • Changes in conditions or operations might cause system effectiveness to vary from time to time.	• Internal controls over financial reporting are reviewed regularly and embedded within our corporate governance structure. • On a half-yearly basis, the operating and finance heads of strategic business units report the results of their self-review in their management representation letter. • The management representation letter also serves as a platform for all strategic business units to highlight any transactions and / or events that could have material or potential financial impact to the Group.
INVESTMENT RISK	
• Higher returns are usually accompanied with higher risk and uncertainty. Therefore, the Group has to strike a balance when making an investment.	• Major investments are reviewed by the Board or its committee to ensure that they are in line with the Group's strategic focus, meet the relevant risk-adjusted hurdle rate of return, and pass other risk assessments.

OPERATIONAL RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
ALLIANCE RISK	
• The medium or long term interests of business associates or joint venture partners might not necessarily be aligned with the Group's. • Policy and personnel changes by business associates could lead to their inability or unwillingness to fulfil obligations.	• The Group agrees with business associates in advance on well thought-out rights, duties and obligations of each party. • The Group maintains cordial working relationships with business partners.
SOCIAL & ENVIRONMENT RISK	
• Heightened awareness among the public or environmental agencies could increase the Group's operating expenses with relation to environmental issues.	• The Group adopts environmentally-friendly practices across countries, so as to bring them in line with best practices in the market and to remedy shortcomings identified. • The Group provides eco-themed amenities and nature-inspired landscaping at its development projects. The Group is also committed to meeting green building requirements for its projects. For hotel operations, various environmental conservation initiatives are implemented. • The Group has implemented its Sustainability Policy which has been published on the corporate website to promote stakeholder engagement.
PEOPLE RISK	
• The Group depends on steadfast service provided by good personnel for business continuity. • Succession plan execution is a challenge given the size of the Group.	• The Group provides a safe working environment in which employees can develop their careers with work-life balance so as to ensure that human capital are nurtured and retained. • Attractive award and bonuses are given to staff who performed well.
PROCESS, SOURCING & EXECUTION RISK	
• Property development projects take 3-5 years to complete. Delays in project completion and cost overruns could arise from labour and material shortage, poor performance of contractors, delays in obtaining necessary regulatory approvals, or industrial accidents, etc. • The Group relies on third-party contractors and consultants for various services. • Long term hotel management agreements have given Hyatt International almost full discretion in the operations of the Group's two hotels in Australia.	• Operating manuals, standard operating procedures and a delegation-of-authority matrix are in place. • Project costs and project timelines are closely monitored through regular project meetings with consultants, suppliers and contractors. • Project control sheets are prepared for on-going projects and are monitored on a monthly basis. Costs overruns are analysed and highlighted to the senior management and the Board. • Regular management team meetings facilitate effective project coordination and communication. • Profit sharing terms in the hotel management agreements aim to ensure alignment with the Group's risk appetite. • In making its first foray into construction management business, the Group is working towards to provide integrated real estate solutions and to reduce reliance on third party contractors in its development properties.

OPERATIONAL RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
WORK HEALTH AND SAFETY RISK	
• Employees are exposed to workplace health and safety risks arising from events such as incidents in the production process or pandemics. • Business uncertainties arising from the ongoing pandemic may persist until vaccine becomes widely available.	• The Group cultivates a safety-consciousness culture at all levels where appropriate. Such steps include the setting up of employees' safety council. • Refresher drills on fire safety, emergency evacuation and first aid responses are conducted regularly. • A disease/pandemic preparedness plan is in place to safeguard the health and welfare of employees, and to ensure quick resumption of critical business functions. • Where appropriate, the Group obtains insurance coverage to mitigate these risks.
INSURANCE COVERAGE RISK	
• Properties owned are subject to risks (e.g. war, terrorism, outbreak of contagious diseases, environmental breaches) that might not be insurable. Even where they are, the premium could be prohibitive or the financial loss might not be fully compensated for by insurance proceeds.	• The Group conducts insurance reviews with insurance brokers on an annual basis to ensure adequate and comprehensive insurance coverage.
CYBER SECURITY RISK	
• The Group's operations are exposed to disruptions to the network. • These could happen through targeted attacks by hackers, insider attacks or accidental cyber incidents. • Cyber thefts of sensitive and confidential information could lead to litigation by customers and/or regulatory fines and penalties.	• The Group adopts a holistic approach by keeping abreast of the threat landscape and changes in business environment. • The Group has in place an Information Security Policy, which covers cyber security and data protection measures. • Where appropriate, the Group obtains insurance coverage to mitigate these risks.
INFORMATION TECHNOLOGY RISK	
• The Group relies on the Information Technology ("IT") infrastructure and system functionality in order to minimise the business disruptions caused by the ongoing pandemic.	• An online IT help desk platform is readily available to employees. • The migration of several systems to Cloud has been initiated. The objective is to manage IT infrastructure remotely while minimising security risk and cost of maintaining on-premise hardware.

COMPLIANCE RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
COMPLIANCE RISK	
• There have been rapid changes in laws, regulations and practices making compliance more complicated. • The Group's internal control systems and related framework might not be brought up-to-date in time.	• Internal controls, risk management and corporate governance frameworks, and control self-assessment processes are all in place and are reviewed on an annual basis. • A whistle-blowing policy and annual declarations by staff on ethics have been in place for some time. • External auditors are engaged for statutory audits and internal auditors are engaged to conduct operations reviews; both report directly to the Audit and Risk Committee.

CORPORATE STRUCTURE

As at 9 March 2021

TUAN SING HOLDINGS LIMITED

PROPERTY

- AREI Partners Pte. Ltd.
  - Greenwillow-AREI Partners Pte. Ltd. (50%)
- Asiaview Properties Pte. Ltd.
- Asplenium Land Pte. Ltd.
- Calypso Construction Management Pte. Ltd.
  - Solidus Materials Pte. Ltd.
- Clerodendrum Land Pte. Ltd.
- Dillenia Land Pte. Ltd.
- Episcia Land Pte. Ltd.
- Gerbera Land Pte. Ltd.
- Heliconia Land Pte. Ltd.
- Ipomoea Land Pte. Ltd.
  - TSRC Novena Pte. Ltd. (70%)
- Jasminum Land Pte. Ltd.
- Megaton Investments Pte Ltd
- Oxley Development Pte Ltd
- Pemimpin Properties Pte. Ltd.
- Robinson Point Limited
  - 39 Robinson Road Pte. Ltd.
- Silveridge Investments Pte Ltd
  - Shelford Properties Pte Ltd
- Superluck Properties Pte Ltd
- Maylands Investment Pte Ltd (70%)
- Calypso Builders Pty Ltd (fks Fuchsia Land Pty Ltd)
- Splendourland Pte Ltd (90%) — (2%) → PT. Goodworth Investments
- Goodworth Investments Pte Ltd (90%) — (98%) → PT. Goodworth Investments
  - PT. Goodworth Investments (99.6%)[6]
    - PT Opus Bay Residence
    - PT Opus Bay Villa
    - PT Opus Bay Shoppes
- TSHI Holdings Pte. Ltd.
  - Lantana Pte. Ltd — (0.4%) → PT. Goodworth Investments; (49%) → P.T. Titian Damai Mandiri; (33%) → PT Batam Opus Bay; (67%) → PT Calypso Project Management
  - Lachenalia Pte. Ltd. — (51%) → P.T. Titian Damai Mandiri; (67%) → PT Batam Opus Bay; (33%) → PT Calypso Project Management
    - P.T. Titian Damai Mandiri → PT Batam Opus Bay → PT Calypso Project Management
  - Goodwill Property Investment Limited (2.26%)[1]
- Bauhinia Land Pte. Ltd.
- Sing-Hu International Pte Ltd
  - Premiera Development Pte. Ltd.
  - Shanghai Shenyu Interior Decoration Limited Liability Company
    - Fujian Ji'Xing Real Estate Development Co. Ltd
- TSH China Holdings Pte Ltd
  - Yewglade Pte Ltd
    - Habitat Properties (Shanghai) Ltd. (91%)[2]
  - Shanghai Shenjia Property Management Co., Ltd.
    - Sanya Summer Real Estate Co., Ltd (7.8%)[3]
- Tuan Sing (China) Investments Limited[#]
- Shanghai Xin Min Real Estate United Development Co., Ltd.[#] (70%)[4]

HOTELS INVESTMENT

- TSH Australia Holdings Pte Ltd
  - Tuan Sing (Australia) Pty Limited ("TSA") (50%)
  - Tuan Sing Real Estate Pty Limited ("TSRE") (50%)
    - Grand Hotel Group - Grand Hotel Company Pty Limited
      - GH Operations Pty Ltd
      - HR Operations Pty Ltd
      - Grand Hotel Management Pty Ltd
      - GHG Capital Pty Ltd

INDUSTRIAL SERVICES

- SP Corporation Limited* (80.2%)
  - SP Performance Pte. Ltd.
    - Performance Retreads Sdn. Bhd.
  - SP Energy Pte. Ltd.
    - SP Mining & Engineering Pte. Ltd.
      - PT. SP Mining & Engineering (99%)[5]
  - Globaltraco International Pte Ltd
  - SP Global International Pte. Ltd.
    - SP Global Hong Kong Limited
- Hypak Sdn. Bhd.

OTHER INVESTMENTS

- TS Planet Sports Pte. Ltd.
  - Pan-West (Private) Limited (49%)
    - Pan-West (Malaysia) Sdn. Bhd.#
- TS Technologies Pte Ltd
  - Gul Technologies Singapore Pte. Ltd. (44.5%)
    - Gultech China Pte. Ltd.
      - Gultech (Jiangsu) Electronics Technologies Co., Ltd
        - Gultech (Suzhou) Electronics Co., Ltd
          - Gultech (Suzhou) Electronics Technologies Co., Ltd
        - Gultech (Wuxi) Electronics Co., Ltd
          - Gultech Wuxi Electronics Co (HK)., Limited
  - Pacific Consultants Pte. Ltd.
- TSHAspire Pte. Ltd.

- ● 100% owned
- ● Less than 100% owned
- ● TSA and TSRE each holds 50% in that entity
- Entity incorporated outside Singapore
- * Public listed company
- # in the process of voluntary liquidation/striking off

1 TSHI Holdings Pte. Ltd. holds an investment of 2.26% in Goodwill Property Investment Limited which in turn holds 80% of PT Bali Turtle Island Development
2 Balance of 9% is held by TSH China Holdings Pte Ltd
3 Shanghai Shenjia Property Management Co., Ltd. holds an investment of 7.8% in Sanya Summer Real Estate Co., Ltd
4 Balance of 30% is held by Tuan Sing (China) Investments Limited
5 Balance of 1% is held by SP Energy Pte. Ltd.
6 Balance of 0.4% is held by Lantana Pte. Ltd.

CORPORATE DATA

BOARD OF DIRECTORS

Richard Eu Yee Ming
Chairman

William Nursalim alias William Liem
Chief Executive Officer

Cheng Hong Kok

Albert Choo Teow Huat

Michelle Liem Mei Fung

AUDIT AND RISK COMMITTEE

Albert Choo Teow Huat
Chairman

Richard Eu Yee Ming

Michelle Liem Mei Fung

NOMINATING COMMITTEE

Albert Choo Teow Huat
Chairman

Cheng Hong Kok

Michelle Liem Mei Fung

REMUNERATION COMMITTEE

Cheng Hong Kok
Chairman

Albert Choo Teow Huat

Michelle Liem Mei Fung

WHISTLE-BLOWING COMMITTEE

William Nursalim alias William Liem
Chief Executive Officer

Leong Kok Ho,
Chief Financial Officer

Tan Sock Kiang,
Group Company Secretary

Email: whistle-blowing@tuansing.com

GROUP COMPANY SECRETARIES

Florence Ding Tsui Eng
Tan Sock Kiang

REGISTERED OFFICE

9 Oxley Rise
#03-02 The Oxley
Singapore 238697
Tel: (65) 6223 7211
Fax: (65) 6224 1085

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road #03-00
ASO Building
Singapore 048544
Tel: (65) 6593 4848
Fax: (65) 6593 4847

GROUP EXTERNAL AUDITORS

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Tel: (65) 6224 8288
Fax: (65) 6538 6166
Partner-in-charge: Kee Cheng Kong, Michael
(Appointed in 2020)

GROUP INTERNAL AUDITORS

PricewaterhouseCoopers
Risk Services Pte. Ltd.
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Tel: (65) 6236 3388
Partner-in-charge: Ng Siew Quan

PRINCIPAL FINANCIERS

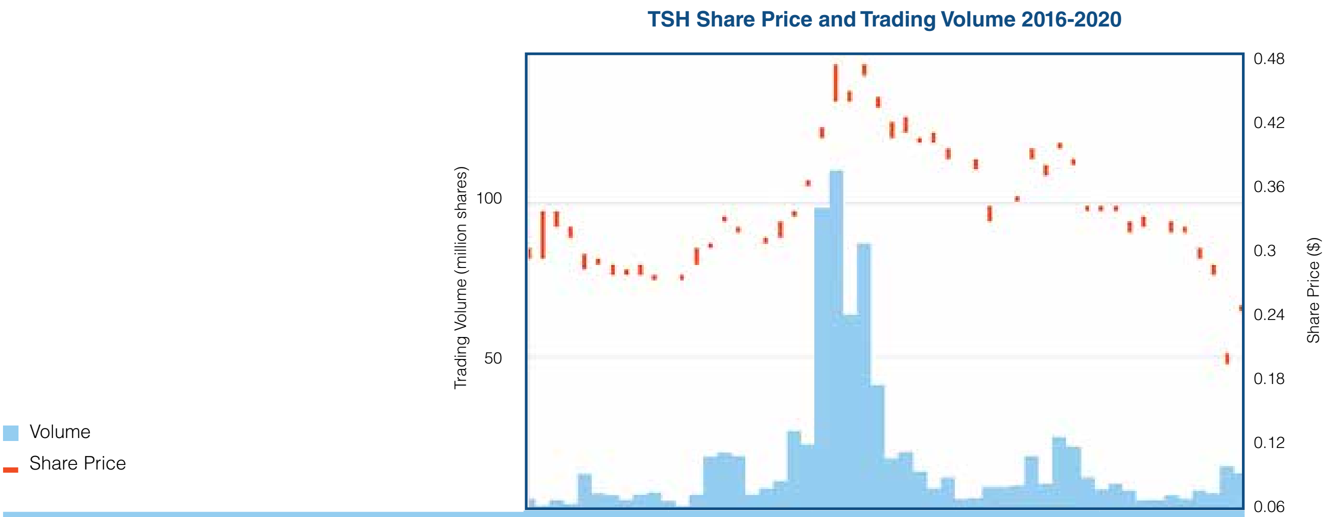
United Overseas Bank Limited
DBS Bank Limited
Australia and New Zealand Banking
Group Limited

SHARE LISTING INFORMATION

Counter name: Tuan Sing
SGX code: T24
Bloomberg code: TSH:SP

Share Price and Trading Volume (2016-2020)

Market: Singapore Stock Exchange ("SGX") Sector: Real Estate Management and Development	SGX Code: T24 Bloomberg Code: TSH:SP



	2016	2017	2018	2019	2020
Last transacted (cents)#	28.5	45.0	36.0	33.0	**31.5**
High (cents)	34.0	46.5	50.0	42.5	**34.5**
Low (cents)	27.5	29.0	32.5	32.0	**19.5**
Average (cents)##	30.0	35.3	40.7	35.9	**28.3**
Market capitalisation ($'million), year end	337.1	534.1	427.1	391.5	**374.1**
Trading volume (million shares), full year	52.6	400.2	225.6	119.1	**127.5**
Number of shares issued (million shares), year end	1,182.8	1,187.0	1,186.4	1,186.2	**1,187.5**
P/E ratio, year end	10.0X	8.5X	3.3X	11.8X	**6.3X**
P/B ratio, year end	0.4X	0.5X	0.4X	0.4X	**0.3X**

Notes:
Last transacted share price as at year end
Average closing price of all trading days during the year
P/E ratio – Last transacted share price / earnings per share for the year
P/B ratio – Last transacted share price / net asset value per share as at year end

Share Price Performance (5-Year)

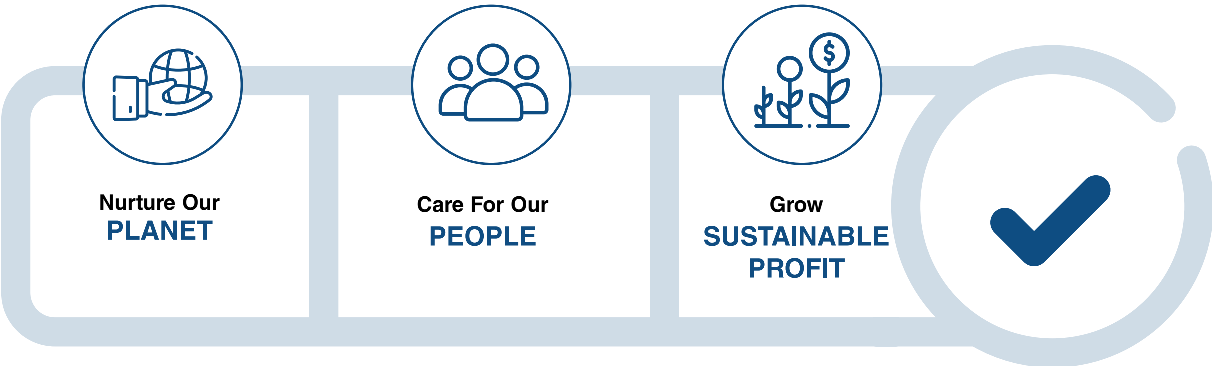
TSH Share Price versus ST Index and Real Estate Index (2016 - 2020)					
Share performance	**1-year**	**2-year**	**3-year**	**4-year**	**5-year**
Period Commencing	2/1/2020	2/1/2019	2/1/2018	3/1/2017	4/1/2016
Period Ending	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Tuan Sing (TSH: SP)	-9%	-9%	-32%	9%	-3%
Straits Times Index (FSSTI)	-13%	-6%	-17%	-2%	0%
ST Real Estate Holding and Development Index (FSTREH)	-20%	-9%	-26%	-7%	-8%

SUSTAINABILITY AT TUAN SING

MANAGING SUSTAINABILITY

Sustainable practices have been progressively embedded into the day-to-day operations of Tuan Sing Holdings Limited ("Tuan Sing") since the implementation of the Company's Sustainability Policy in 2016. Today, these practices guide the Group in the conduct of its business and is an integral part of our business strategy.

The three pillars of our Sustainability Policy are as follows: to nurture our PLANET, to care for our PEOPLE and to grow sustainable PROFIT.



Nurture Our Planet	Care For Our People	Grow Sustainable Profit
As an advocate of the spirit of "caring" for our society and the environment, we actively encourage our employees to volunteer for charitable causes and to practise eco-friendly behaviour when and where possible.	We are committed to the professional development of our employees through the provision of training and upskilling opportunities, as well as the creation of an inclusive and collaborative work environment.	We strive for sustainable growth and performance as a company by adhering to a high standard of corporate governance and embracing a risk-centric culture.

SCOPE OF THIS SUSTAINABILITY REPORT

We present Tuan Sing and its subsidiaries' annual sustainability report for the financial year ended 31 December 2020. This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option, issued by the Global Sustainability Standards Board and in compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B. We are also guided by the Practice Note 7.6 on the Sustainability Reporting Guide issued by SGX-ST. This sustainability report has not been audited by an external entity.

BOARD STATEMENT

The Board acknowledges that its members are collectively responsible for the long term strategic direction of the Company, and states that it has specifically considered sustainability issues including environmental, social and governance ("ESG") factors during the formulation of its strategies. For the purpose of SGX-ST Listing Rule 711B and Practice Note 7.6, the Board confirms that it has determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

Global sustainable development goals

The UN's Sustainable Development Goals Report 2020 reported that since the adoption of the Sustainable Development Goals ("SDGs") in 2015[1], progress had been made in some areas such as improving maternal and child health, expanding access to electricity and increasing women's representation in government. However, these advances were offset elsewhere by growing food insecurity, deterioration of the natural environment, and persistent and pervasive inequalities. In 2020, the COVID-19 pandemic has unleashed an unprecedented crisis, causing further disruption to the SDG progress.

National sustainable development focus

The Singapore government has identified four pillars of sustainable development success[2] and has implemented a number of sustainability initiatives over the years. Most recently, the Singapore Budget 2021 has unveiled the Singapore Green Plan 2030 which aims to secure a green, livable and sustainable home for Singaporeans.

In Indonesia which the Group has a strong footfhold, the UN in Indonesia had in April 2020 signed a Cooperation Framework with the Government of Indonesia which outlines a partnership between the UN and the Indonesian Government articulating the UN's collective actions to support Indonesia in preserving and accelerating achievements of the SDGs.

(1) The United Nations General Assembly had in 2015 set 17 global sustainable development goals covering social and economic development issues including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanisation, environment and social justice. (Source: https://sdgs.un.org/)

(2) Singapore's four pillars of sustainable development success are: (i) building a sustainable economy through integrated and long-term planning to optimise resources such as budget, land, manpower, energy, and carbon emissions to ensure sustainable growth; (ii) creating a sustainable living environment such as aiming to triple Singapore rooftop gardens and green wall by 2030; (iii) ensuring sustainable development for our people by investing in our precious human capital and preparing for the future of work by focusing on technological advances; and (iv) contributing to international collaboration by committing to the Paris Agreement and supporting the United Nations 2030 Agenda for Sustainable Development in achieving the 17 SDGs. (Source: Eco-Business Asia Pacific)

Tuan Sing's sustainability journey

We are similarly committed to align with the international efforts towards achieving sustainability. The journey towards long-term sustainability is one that requires collective and continuous effort by all employees of Tuan Sing. To align and achieve the sustainability targets set as an organisation, it is essential to have good governance in place as the Board manages and monitors the sustainability performance of all employees.

This report covers the primary components as set out in Listing Rule 711B and focuses on the material topics identified. This report is issued with the approval of the Board.

SUSTAINABILITY CONTACT

Your feedback is valuable to us in improving our sustainability practices. If you have any comments or feedback regarding this report and its contents, please send your views to us at https://www.tuansing.com/get-in-touch.html.

STAKEHOLDER ENGAGEMENT

At Tuan Sing, we understand the importance of having frequent communications with our stakeholders. It is only through timely engagements that allow us to better understand our stakeholders' expectations and concerns. This is fundamental to the formulation of our business strategies and plays a crucial role in business development to achieve sustainable growth. We identified our key stakeholders by assessing their influence and involvement in our business.

The following table summarises our engagement approach with our key stakeholders:

Our Stakeholders	Frequency	Engagement Platforms	Key Topics and Concerns Raised	Our Response
Investors	Throughout the year	• Annual General Meeting • Site visits • Corporate website • Investor Relations email • Annual Report • SGXNET Announcements	• Sustainable returns • Corporate governance practices • Risk management practices	Refer to "Message to Shareholders", "CEO's Review of Operations", "Corporate Governance", "Managing Risk in Delivering Our Strategy" and "Business Dynamics & Risk Factors Statement" of the Annual Report.
Employees	Throughout the year	• Performance appraisal discussions • Weekly meetings • E-communications • Town hall sessions	• Remuneration and welfare • Workplace safety and health • Training and development	Refer to "Labour Practices & Conducive Workplace" within the Sustainability Report.
Customers	Throughout the year	• Tenant meetings • Show flat • Email correspondence • Social media channels	• Quality of products and services • Workmanship and defects rectification	Refer to "Supply Chain Management" within the Sustainability Report.
Business Partners	Throughout the year	• Meetings • On-site inspections • Price quotations and email correspondence • Vendor evaluation and assessment	• Ethical and fair trading	Refer to "Supply Chain Management" and "Labour Practices & Conducive Workplace" within the Sustainability Report.
Community	Throughout the year	• Community service engagements	• Environmental and social impact	Refer to "Community Involvement" and "Environmental Initiatives" within the Sustainability Report.

OUR RESPONSE TO COVID-19 PANDEMIC

In Singapore, the nationwide circuit breaker period lasted for almost two months, causing business disruptions on an unprecedented scale. Our ongoing efforts such as facilitating telecommuting and intensifying the cleaning and disinfection operations at our commercial buildings continue to ensure that a safe working environment is in place. In support of our tenants with businesses affected by the pandemic, we have rendered assistance in the form of rental rebates which are in compliance with the legislations. To enhance our preparedness against the spread of COVID-19, our building's property management response is in line with the authorities' guidelines and Disease Outbreak Response System Condition (DORSCON)'s alert levels. In addition, the property management team has been briefed of their roles and responsibilities. Drills for pandemics are regularly conducted to familiarise our emergency response team with their course of actions.

We will continue to remain vigilant and adaptive as we forge ahead with plans to grow our business and to deliver sustainable returns to our stakeholders. In doing so, we believe we can be well-positioned for resilience to operate in a post-COVID environment.

MATERIAL ESG TOPICS

Having taken into consideration the outcome of our stakeholder engagements, Tuan Sing has identified the following material ESG topics to be discussed in this sustainability report in accordance with its level of significance to Tuan Sing's economic, environmental and social impact, as well as their importance to our stakeholders. The list of material topics and topic boundaries are in line with those previously reported in the 2019 report.

Sustainability Focus Areas	Material Factors	Read more in the following sections:	Impact Boundary
Economic value generation and distribution	Economic Performance Anti-Corruption	• "Statutory Reports and Accounts" of the Annual Report • "Labour Practices & Conducive Workplace" within the Sustainability Report • "Corporate Governance Report" of the Annual Report	• All business segments
Environmental initiatives	Energy Water Paper consumption Food waste reduction	• "Environmental Initiatives" within the Sustainability Report	• All business segments
Labour practices and conducive workplace	Employment Training and Education Diversity and equal opportunity	• "Labour Practices & Conducive Workplace" within the Sustainability Report • "Corporate Governance Report" of the Annual Report	• Employees • Board and Committees
Community Involvement	Local Communities	• "Community Involvement" within the Sustainability Report	• Employees

As a property developer, Tuan Sing develops not only properties but also living spaces, lives and communities. We are a strong advocate of creating a sustainable living environment for future generations. This begins with us, as a developer, to reduce the environmental footprint of our projects and properties.

In conceptualising our developments, we create value by balancing economic objectives with the need to champion environmental sustainability, promote continual improvements in health and safety practices, and uphold universal design considerations. We apply universal design principles at every level – architectural planning, construction, building operations and maintenance – to achieve:

1) seamless connectivity within the development and its external premises/infrastructure;

2) simple and intuitive facilities for equitable use by everyone; and

3) integration of inclusive design principles with the overall architecture and space planning.

GREEN BUILDINGS FOR SUSTAINABLE DEVELOPMENT

Beyond developing high-quality premium homes that are known for their design excellence, lush greenery and modernity over the past two decades, we have also transformed our built environment with numerous award-winning green buildings including 18 Robinson and Robinson Point.

18 Robinson was awarded the Green Mark Gold^{PLUS} Rating by the Building and Construction Authority ("BCA") of Singapore for the numerous green features that have been incorporated in the design build. These include energy-efficient air-conditioning systems, lifts and escalators, an excellent building envelope system that uses high-performance glazing to minimise heat gain into the building, energy-efficient LED lightings that are supplemented with motion sensors in staircases and toilets which are projected to contribute up to 40% of energy savings, efficient water fittings which meet the Public Utilities Board's Water Efficiency Labelling Scheme ("WELS") efficiency standards and requirements. In addition, highly efficient chilled water plants have been installed to reduce energy consumption.

Robinson Point has an energy efficient air-conditioning plant that moderates itself to cater for the cooling demand of the building. It has a naturally ventilated car park which do away with the needs to constantly run the mechanical fans and it has also a recycle management program that is well received by tenants.

In recognition of Tuan Sing's impact on the built environment in Southeast Asia, the Group was named one of the Top 10 Developers in Singapore at the BCI Asia Awards in 2018.

SUSTAINABILITY PRACTICES AT OUR HOTELS

We recognise that our hotel operations have been one of the biggest generators of waste, and consume high amounts of energy within our Group operations due to the inherent nature of the business. In this respect, we have implemented measures and closely monitored the operations' energy and water consumption with the aim of reducing waste generation and greenhouse gas emissions while slowing down the rate of resource depletion.

Grand Hyatt Melbourne ("GHM") – GHM has a number of fairly large food & beverage outlets which generate a sizeable volume of food waste. To contain this problem and divert food waste from landfills, GHM installed an appropriately sized Closed-Loop Organics Unit that uses composting technology to process all food waste onsite. The resulting material is a nutrient-rich soil conditioner that can be used as fertiliser for the hotel gardens.

Installing of the Closed-Loop Organics Unit has improved our waste management across the board. Removing food waste from the general waste stream has resulted in:

- Lower volumes of general waste sent to landfills
- Reduced contamination rates arising from better signage and education
- Higher volumes of commingled (i.e. mixed, dry recyclable) materials recycled
- Lower volumes of general waste, which allowed us to replace the large general waste compactor with smaller 1,100-litre bins
- A review of waste contractor, infrastructure and pick-up requirements, which enabled us to negotiate a more financially beneficial arrangement

Hyatt Regency Perth ("HRP") – A top priority for HRP is to minimise the impact of its operations and practices on the environment. As part of continuing efforts to reduce and recycle waste, HRP engaged the City of Perth as an agent to provide a total waste service that includes the removal of commingled waste and organic waste directly from the site, which in turn helps to contain costs and inefficiencies. Meanwhile, the introduction of new energy-efficient LED lighting in corridors, function rooms and guest bathrooms has substantially reduced energy consumption at HRP.

HRP aims to reduce water and electricity consumption by implementing the following additional measures:

- Install a high voltage meter and actively manage peak load demands
- Modify the cooling tower enclosure to improve air flow and reduce operating temperatures
- Continue the introduction of LED lighting to reduce power consumption and heat generated
- Review, upgrade and replace equipment when required, as well as review schedules and operating parameters
- Continue the introduction of dual flush toilets to the other wings (As of 2020, only one wing has been completed)
- Inspect basins and ensure flow rates are appropriate
- Increase inspections of high water consumption areas, such as cooling towers to identify leaks and issues promptly to reduce unnecessary loss

Below are our key environmental performance indicators:

	2019	2020
Electricity consumption (kWh)	28,082,998	**22,696,061**
Water consumption (ML)	218	**109**
Paper consumption (Tonne)	9.7	**4.2**
Food waste reduction (%)	67.7%	**48.4%**

In addition to the above-mentioned environmental initiatives, the overall decrease in electricity, water and paper consumption in 2020 was also attributable to the overall reduction in business activities across the business segments caused by the COVID-19 pandemic. Food waste reduction percentage decreased slightly for 2020 due to repair works on the Closed-Loop Organics units and lower volume of food waste caused by hotel closure resulted in lower efficiency of the Closed-Loop Organics units.

ENVIRONMENTAL INITIATIVES TARGETS

As part of our continuing efforts to sustainability, we are setting up a task force to monitor and review past trends to derive balanced and realistic targets in shaping future environmental initiatives for our properties in Singapore and also for our other major businesses.

At Tuan Sing, we strongly believe in giving back to the society to help us grow and unite as citizens of the world while creating an enduring corporate legacy. As such, we take initiatives to reach out to the communities around us. To foster and facilitate greater engagement, we actively encourage our employees to take part in meaningful community initiatives, while sponsoring many activities and programmes that aim to make a true difference in the lives of our beneficiaries.

CARING FOR THE COMMUNITY

Throughout the years, we have worked together with RSVP Singapore to reach out to the less privileged. Serving more than 200,000 beneficiaries a year. RSVP is a non-profit organisation comprising senior volunteers who utilise their skills and life experience to bring change to the community. Activities that we have participated in over the past years include educational tours for students and outings for the mentally disadvantaged.

In Australia, our hotel employees are equally passionate about contributing to their communities, through reaching out to the less fortunate and creating opportunities to shape lasting change. Community service efforts include taking participation in “Causal for a Cause” campaign, setting up of donation box at our hotel lobby, as well as organising “Clean Up Australia Business Day” involving our hotel staffs cleaning up the streets.

DONATIONS AND SPONSORSHIPS

In addition to its active community participation, Tuan Sing has also provided financial support to charitable organisations through donations and sponsorships over the years.

In 2020, Tuan Sing made donations and sponsorships amounting to $32,000 (2019: $104,000). The cumulative amount of donations and sponsorships from 2012 to 2020 is $442,000.

Year	**2018**	**2019**	**2020**	**Cumulative from 2012 to 2020**
Amount of donations and sponsorships	$87,000	$104,000	**$32,000**	**$442,000**

The reduced amount of donations in 2020 was due to the adverse business environment amid the COVID-19 pandemic and the reduced number of charitable events participated by the Company during the year.

TARGET AND INITIATIVES

Moving forward, the Company hopes to improve or at least maintain the amount of donations to charitable organisations and to gradually involve staff in more community activities as the risk of the coronavirus subsides.

LABOUR PRACTICES & CONDUCIVE WORKPLACE

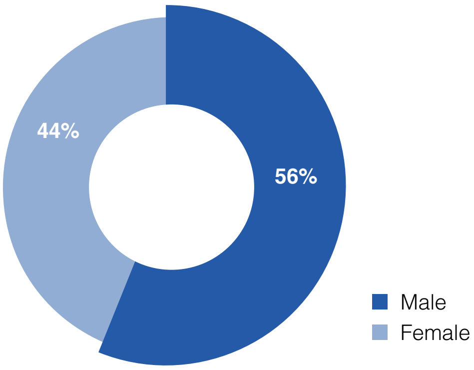
Our employees are our most important asset. We are committed to actively engaging our workforce, motivating them to work together with the Company to create a brighter future for all. Spreading positivity in the workplace helps nurture happy, satisfied employees, spurring their desire to contribute positively to the Company. To this end, we endeavour to provide our employees with a safe and conducive working environment, and to equip them with the skills they need to perform at their best, through both learning and career advancement opportunities.

DIVERSITY

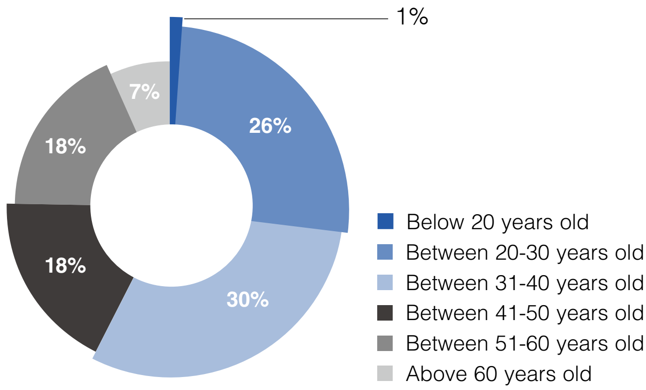
Diversity within a workplace is important as it allows Tuan Sing to expand its horizons with a wider range of insights and perspectives, as it has access to a diverse pool of talents. As at 31 December 2020, Tuan Sing and its subsidiaries have a total headcount of 813 people.

In terms of gender proportion, Tuan Sing has a healthy mix of males and females. The gender distribution across our businesses in most countries is fairly distributed with Singapore office having a male to female ratio of 57:43. In Malaysia, we have more male employees due to the inherent nature of the packaging material manufacturing industry. Tuan Sing advocates for an inclusive workplace through its age-diverse workforce that is fairly represented by employees from all age groups.

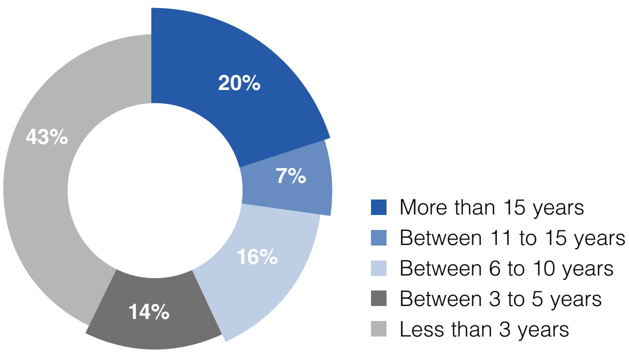
Employees by Gender



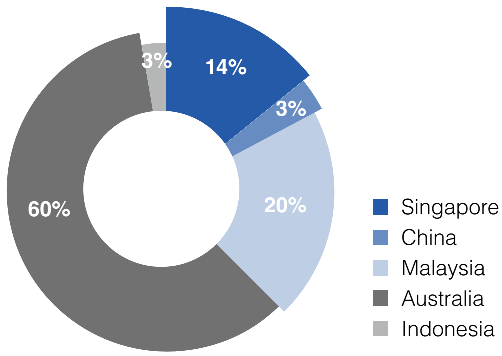
Employees by Age Band



Employees by Years of Service



Employees by Country



Across the Tuan Sing Group, we have employees employed on either a permanent or temporary basis. As opposed to permanent-contract employees, employees who are employed under a temporary contract, have a definite and defined employment period. Out of the total headcount of 813, Tuan Sing has 119 temporary-contract employees.

The employees of Tuan Sing are also categorised into full-time and part-time employees. A full-time employee is one whose working hours per week, month, or year are defined according to national legislation and practices regarding working hours. As at 31 December 2020, there were 262 part-time employees as majority of our employees are full-timers.

EMPLOYEES BY EMPLOYMENT CONTRACT, COUNTRY AND GENDER

	Permanent		Temporary		Total
	Male	Female	Male	Female	
Singapore	65	48	2	2	**117**
Australia	178	198	49	58	**483**
China	10	11	5	1	**27**
Malaysia	132	32	–	–	**164**
Indonesia	13	7	–	2	**22**
Total	**398**	**296**	**56**	**63**	**813**

EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

	Full-time	Part-time	Total
Male	345	109	**454**
Female	206	153	**359**
Total	**551**	**262**	**813**

EMPLOYEES BY DESIGNATION AND COUNTRY

	Permanent and Temporary				
	Executive Director	Manager	Executive	Non-executive	Total
Singapore	1	64	36	16	**117**
Australia	–	12	4	467	**483**
China	–	4	7	16	**27**
Malaysia	1	7	20	136	**164**
Indonesia	–	10	12	–	**22**
Total	**2**	**97**	**79**	**635**	**813**

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

In 2020, the rate of new employee hires was 17%. The majority of the new employee hires were from Australia and falls within the age groups of 20 to 30 years old and 31 to 40 years old.

NEW EMPLOYEE HIRES

	Singapore		Australia		China		Malaysia		Indonesia		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
2020												
Less than 20 years old	–	–	5	9%	–	–	2	10%	–	–	**7**	**5%**
20 to 30 years old	1	2%	26	48%	–	–	14	67%	5	28%	**46**	**33%**
31 to 40 years old	21	46%	14	26%	1	100%	4	19%	9	50%	**49**	**35%**
41 to 50 years old	12	26%	5	9%	–	–	1	4%	4	22%	**22**	**16%**
51 to 60 years old	10	22%	4	8%	–	–	–	–	–	–	**14**	**10%**
Older than 60 years old	2	4%	–	–	–	–	–	–	–	–	**2**	**1%**
Total	**46**	**100%**	**54**	**100%**	**1**	**100%**	**21**	**100%**	**18**	**100%**	**140**	**100%**

In terms of employee turnover, the turnover rate was 37% in 2020. The majority of the turnovers were from Australia and falls within the age groups of 20 to 30 years old and 31 to 40 years old.

EMPLOYEE TURNOVER

	Singapore		Australia		China		Malaysia		Indonesia		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
2020												
Less than 20 years old	–	–	1	1%	–	–	–	–	–	–	**1**	*
20 to 30 years old	2	11%	117	44%	–	–	8	50%	1	50%	**128**	**43%**
31 to 40 years old	6	33%	80	30%	–	–	6	38%	–	–	**92**	**30%**
41 to 50 years old	5	28%	38	14%	–	–	2	12%	1	50%	**46**	**15%**
51 to 60 years old	3	17%	22	8%	–	–	–	–	–	–	**25**	**8%**
Older than 60 years old	2	11%	9	3%	–	–	–	–	–	–	**11**	**4%**
Total	**18**	**100%**	**267**	**100%**	**–**	**–**	**16**	**100%**	**2**	**100%**	**303**	**100%**

* Less than 1%

Despite the high employee turnover, approximately 57% of the employees have been with Tuan Sing for more than 3 years. Approximately 67% of the employees in Australia have been with the company for more than 3 years. As part of the Group's efforts to improve employee retention, employees who have resigned are interviewed prior to leaving the company.

2020 has been a challenging year for our hotel operations in Australia. As we explore options and strategy to enhance the hotels' competitiveness in a post-COVID environment, we continue to exercise prudence in retaining employees amid the uncertainties.

A SAFE WORKING ENVIRONMENT

At Tuan Sing, safety is always our top priority. Steps to promote and foster mental health and well-being include taking measures to prevent discrimination (including bullying and harassment) of any kind in the workplace. As a standard modus operandi, all new employees are briefed on the Company's policies and practices during the orientation programme.

The safety and health committees at our two hotels, and at the factories of Gul Technologies Singapore Pte. Ltd. ("GulTech"), regularly review safety and health issues while sourcing for ways to make the work environment safer. To support such efforts, we allocate an appropriate sum from the budget each year to help improve work safety across the board. During the year, we have activated our pandemic preparedness plans across our businesses in Singapore and in the region to enable our employees to work from home while cleaning operations have been stepped up for our premises. Safe management officers were appointed at our commercial buildings and show galleries in Singapore to ensure safe distancing measures were observed. Procedures were also put in place to manage our responses to reported or suspected cases at our buildings.

In addition to allocating a budget for work safety improvement, GulTech conducts audits to ensure compliance with occupational safety and health standards (ISO45001) and environmental protection standards (ISO14001). Its induction programme for new employees emphasises the importance of work safety and precautions.

FAIR AND MERIT-BASED EMPLOYMENT

Ample opportunities are given to all employees to excel in their career with the Group, regardless of their background. We recognise that older workers can continue to contribute to the Company's success by sharing their extensive experience with their younger peers. We value all our employees, and it is our practice to continue to re-employ employees beyond the retirement age.

The Company adopts an open performance appraisal approach and reviews appraisal criteria regularly to align them with the changing expectations of different employee categories.

The Company's remuneration package consists of both fixed and variable components. The variable component is performance-based and is determined based on the performance of the Company, the business unit and the individual. The variable portion of an employee's remuneration increases as he or she moves up the corporate ladder.

EMPLOYEE RELATIONS

Employees are updated regularly on their respective business units' performance as well as the Group's. Our open door policy helps to facilitate and encourage both formal and informal interaction between employees at all levels.

Our open performance appraisal system promotes two-way communication, allowing employees to freely discuss their past performance and their career aspirations, thus ensuring better job matches and happier employees on the whole.

Employee grievances are dealt with promptly. Our Whistle-blowing Policy has been in place for many years and has been made known to all employees. A Whistle-Blowing Committee ("WBC") has been tasked to look into any feedback from employees regarding unfair practices, corruption or misconduct.

EMPLOYEE DEVELOPMENT & TRAINING

As we believe our employees are an essential asset, we take pains to help them reach their full potential through training, job rotation and internal promotion opportunities, so they can move beyond their existing work scope both locally and regionally. Training needs for each employee are identified annually, mutually agreed on and steadily implemented over time. We actively promote continuous learning, encouraging our staff to equip themselves with relevant job-related skills. We also foster a culture of sharing, encouraging employees to share with colleagues the knowledge and skills they have gained through training. Training materials are made available to all interested employees. In addition, eligible employees are granted sponsorships for higher studies and examination leave.

The table below shows the average training hours by countries and employee categories.

Average hours of training by employment category

	Singapore	Australia	China	Malaysia	Indonesia	2020 Total	2019 Total
Management	10.2	15.8	2.0	6.0	2.3	**36.3**	38.3
Non-management	1.7	3.4	5.6	0.8	0.7	**12.2**	62.9

Average hours of training by gender

	Singapore	Australia	China	Malaysia	Indonesia	2020 Total	2019 Total
Male	6.4	3.2	2.7	1.1	2.4	**15.8**	47.0
Female	6.6	4.1	8.0	0.8	–	**19.5**	55.1

There was a drop in the training hours in 2020 compared to 2019. This was due to reduced training activities in the pandemic-stricken year. Moving forward, the Company hopes to increase the training hours to the pre-COVID level.

EMPLOYEE WELLNESS AND WORK-LIFE BALANCE

At Tuan Sing, the well-being of our employees comes first. We believe that happy employees feel a strong sense of accomplishment and find considerable satisfaction in their work. Hence, in addition to maintain a five-day work-week, we strive to promote a holistic and balanced lifestyle for our employees in various ways. Among others, they are allowed to work from home and to decide when to start and end their workdays for a certain period.

Employees are also free to use the swimming pool and jacuzzi facilities at the corporate head office. Complimentary health screenings are made available to employees annually. Comprehensive health screening packages, dental services and telecommunication services are also offered at preferential corporate rates to our employees and their family members.

Our employees in Australia enjoy complimentary stays at participating Hyatt hotels worldwide.

SUCCESSION PLANNING

We strive to retain a diverse and robust talent pool, carefully grooming our people to ensure that they will be ready to meet future needs. Priority is given to employees whenever there is a job opening within the Group. Numerous employees have benefited from this approach, as it allows them to broaden their exposure and skill-sets across various business functions.

EMPLOYEES' CODE OF CONDUCT AND ANTI-CORRUPTION

Tuan Sing has always upheld the highest standards of integrity and professionalism in conducting its business activities, and expects its employees to embrace these values as well. This forms the basis of long-lasting relationships with our stakeholders. To ensure that employees are aware of the Company's philosophy, an Employee Handbook providing guidelines on the Code of Conduct is made readily available to all employees through the Company's intranet. It serves as a reminder to employees that they should act in the best interests of the Company and avoid situations that could create a conflict of interest. At the end of each year, employees are required to declare their compliance with the Code of Conduct, and whether they have been involved in any situation that might lead to a conflict of interest. A formal "Anti-Bribery and Anti-Corruption Policy" is also made available to all employees through the Company's intranet.

In 2020, a refresher webinar on "Anti-Bribery and Anti-Corruption" was organised for employees to have better understanding of the legislations in this area. The webinar was conducted by a trained officer from the Corrupt Practices Investigation Bureau.

There were no bribery or corruption cases reported in 2020 and we aim to maintain the zero occurrence of corruption incident.

SUSTAINABLE PROJECTS

For all projects, Tuan Sing keeps its sustainability targets in sight by exercising caution when selecting business partners who play an integral role in the various phases of the Group's property development projects. Business partners are evaluated against established criteria and assessed regularly for their performance. Consultants, contractors and suppliers engaged by Tuan Sing should demonstrate high levels of work ethics and commitment towards the environment, health and safety.

The sustainability practices we have in place for our property development projects take into account requirements laid out under (i) the Green Mark certification standard instituted by the BCA, (ii) ISO 26000: 2010 Guidance on Social Responsibility, (iii) ISO 14001 Certificate of Developers, Main Builder, Mechanical & Engineering Consultant and Architect, (iv) ISO 14064-1 Greenhouse Gas (GHG) Emission, and (v) SS 557: 2010 Code of Practice for Demolition.

The sustainability practices established throughout our supply chain have resulted in the incorporation of many green features in our flagship building 18 Robinson, such as energy-efficient variable-speed drives in the air-conditioning system and the extensive use of LED lighting throughout the building. Passive energy-saving design features include an excellent curtain wall facade system that uses high-performance Low-E glazing to minimise heat gain. In recognition of these conscientious efforts towards the environment, 18 Robinson was certified Green Mark Gold^{PLUS} by BCA in 2017. Beyond the green practices, we remain driven to create developments that promote the comfort of our occupants. This commitment to contribute to a sustainable and inclusive built environment has led to further recognition for 18 Robinson, which was once again conferred the Universal Design Mark Gold^{PLUS} by the BCA in 2020. This award is accorded to developments that adopt user-friendly philosophy in its building design, operations and maintenance.

Over the years, Tuan Sing has made it a priority to deliver quality excellence. In 2020, 18 Robinson achieved a "CONQUAS STAR" rating by the BCA as it attained a score of 95 points and above. The BCA Construction Quality Assessment System ("CONQUAS") sets the industry benchmark for quality and workmanship standards for construction projects in Singapore. Besides 18 Robinson, Tuan Sing's completed development property projects in Singapore, namely the Sennett Residence and Cluny Park Residence, have achieved an above-average CONQUAS score by the BCA when assessed in previous years. In 2018, Tuan Sing was also named as one of the Top 10 Developers in Singapore at the BCI Asia Awards, which distinguishes leading architectural firms and developers that have had the greatest impact on the built environment in Southeast Asia. These achievements were the result of Tuan Sing's continuous efforts towards sustainable supply chain management.

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standard: Core Option

GRI Standard		**Page number & Comments**
General Disclosures		
GRI 102: General Disclosures 2016		
Organisational Profile		
102-1	Name of the organisation	Tuan Sing Holdings Limited
102-2	Activities, brands, products, and services	Refer to "Management Discussion and Analysis" of the Annual Report. Tuan Sing does not provide any products or services that are banned in certain markets.
102-3	Location of headquarters	Refer to the "Statutory Reports and Accounts" of the Annual Report.
102-4	Location of operations	Refer to "Management Discussion and Analysis" of the Annual Report.
102-5	Ownership and legal form	Refer to "Our Corporate Profile" of the Annual Report.
102-6	Markets served	Refer to "Management Discussion and Analysis" of the Annual Report.
102-7	Scale of the organisation	Refer to "Our Corporate Profile" and "5-Year Financial Highlights" of the year of the Annual Report. Refer to "Labour Practices & Conducive Workplace" within the Sustainability Report.
102-8	Information on employees and other workers	Refer to "Labour Practices & Conducive Workplace" within the Sustainability Report.
102-9	Supply chain	Refer to "Supply Chain Management" within the Sustainability Report.
102-10	Significant changes to the organisation and its supply chain	There were no significant changes in the financial year ended 2020.
102-11	Precautionary principle or approach	Refer to "Managing Risk in Delivering Our Strategy" and "Business Dynamics & Risk Factors Statement" of the Annual Report.
102-12	External initiatives	Refer to page 47 of the Sustainability Report.
102-13	Membership of associations	Refer to pages 45, 47 and 53 of the Sustainability Report.
Strategy		
102-14	Statement from senior decision-maker	Refer to "Message to Shareholders" of the Annual Report.
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Refer to "Company and Strategy" of the Annual Report.
Governance		
102-18	Governance structure	Refer to page 58 for the corporate governance framework.
Stakeholder Engagement		
102-40	List of stakeholder groups	Refer to page 43 of the Sustainability Report.
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Refer to page 43 of the Sustainability Report.
102-43	Approach to stakeholder engagement	Refer to page 43 of the Sustainability Report.
102-44	Key topics and concerns raised	Refer to page 43 of the Sustainability Report.

GRI Standard		Page number & Comments
General Disclosures		
GRI 102: General Disclosures 2016		
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Refer to pages 38 and 39 of the Annual Report.
102-46	Defining report content and topic boundaries	Refer to page 42 of the Sustainability Report.
102-47	List of material topics	Refer to page 44 of the Sustainability Report.
102-48	Restatements of information	There is no restatement of information.
102-49	Changes in reporting	There is no change in reporting.
102-50	Reporting period	Refer to page 42 of the Sustainability Report.
102-51	Date of most recent report	The last Sustainability Report was released as part of our Annual Report for the financial year ended 2019.
102-52	Reporting cycle	Refer to page 42 of the Sustainability Report.
102-53	Contact point for questions regarding the report	Refer to page 43 of the Sustainability Report.
102-54	Claims of reporting in accordance with the GRI Standards	Refer to page 42 of the Sustainability Report.
102-55	GRI content index	Refer to pages 54, 55 and 56 of the Sustainability Report.
102-56	External assurance	Refer to page 42 of the Sustainability Report.

GRI Standard		Page number & Comments
Specific Disclosures on Material Topics		
GRI 103: Management Approach 2016		
Material issue: Economic Performance		
103-1	Explanation of the material topic and its Boundary	Refer to “5-Year Financial Highlights”, “Statutory Reports and Accounts” and “Management Discussion and Analysis” of the Annual Report.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	
Material issue: Anti-Corruption		
103-1	Explanation of the material topic and its Boundary	Refer to 52 of the Sustainability Report.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
205-3	Confirmed incidence of corruption and actions taken	
Material issue: Energy		
103-1	Explanation of the material topic and its Boundary	Refer to “Environmental Initiatives” of the Sustainability Report.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
302-1	Energy consumption within the organisation	

GRI Standard		Page number & Comments
Specific Disclosures on Material Topics		
GRI 103: Management Approach 2016		
Material issue: Water Consumption		
103-1	Explanation of the material topic and its Boundary	Refer to "Environmental Initiatives" of the Sustainability Report.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
303-5	Water consumption	
Material issue: Employment		
103-1	Explanation of the material topic and its Boundary	Refer to "Labour Practices & Conducive Workplace" of the Sustainability Report.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
401-1	New employee hires and employee turnover	
Material issue: Training and education		
103-1	Explanation of the material topic and its Boundary	Refer to "Labour Practices & Conducive Workplace" of the Sustainability Report.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
404-1	Average hours of training per year per employee	
Material issue: Diversity and equal opportunity		
103-1	Explanation of the material topic and its Boundary	Refer to "Labour Practices & Conducive Workplace" of the Sustainability Report and "Corporate Governance Report" of the annual report.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
405-1	Diversity of governance bodies and employees	

CORPORATE
GOVERNANCE

CORPORATE GOVERNANCE REPORT

"Tuan Sing Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") is committed to achieving and maintaining a high standard of corporate governance to promote transparency as we believe that good governance supports long-term value creation."

The directors of the Company ("**Directors**" or "**Board**") and the Company's management ("**Management**") believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance. The Board has established policies and procedures to enhance corporate performance and accountability of the Group.

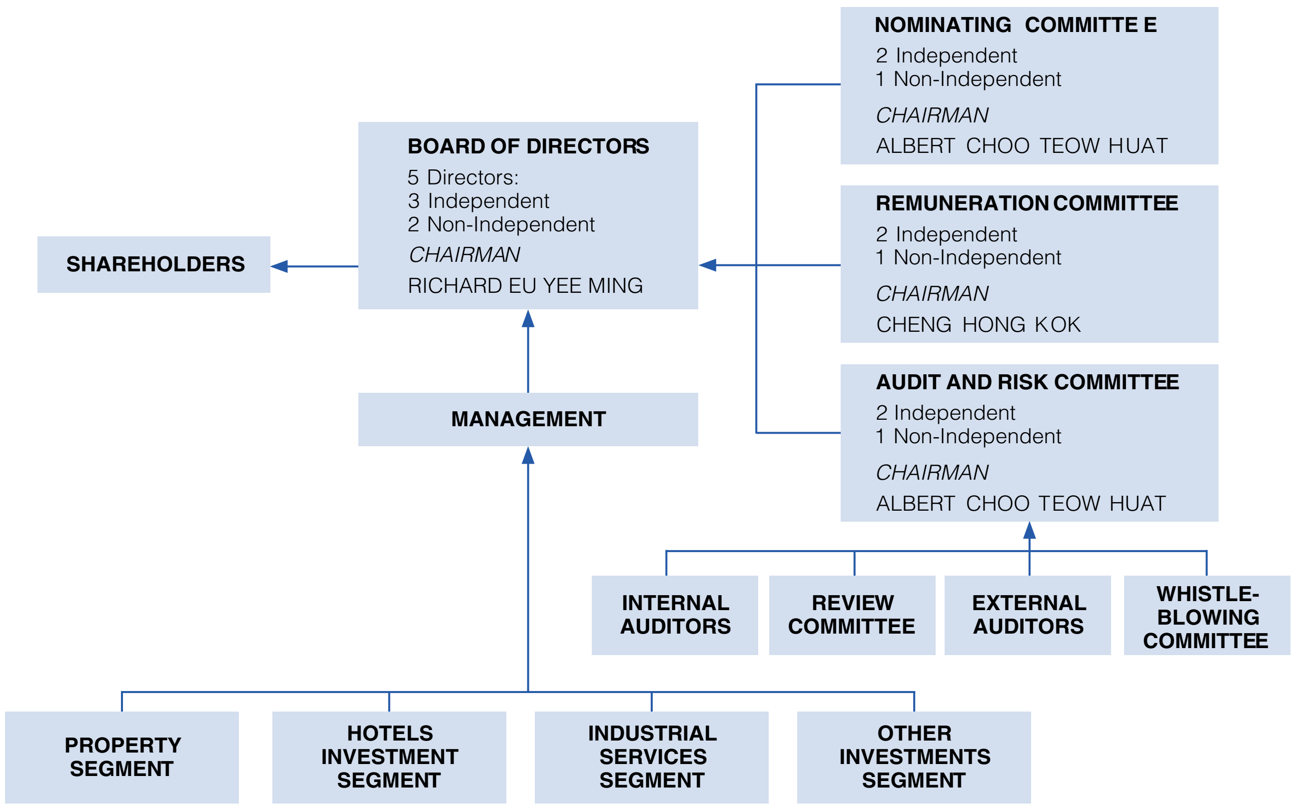
In 2020, the Company continued to fare well in its governance achievements and was ranked 17th in The Singapore Governance and Transparency Index (SGTI) 2020 (General Category) out of 577 Singapore-listed companies. The Company is accepted by SGXFast Track which recognises the efforts and achievements of listed issuers which have upheld high standards of corporate governance and maintained a good compliance track record.

Welcome to the Corporate Governance section of our Annual Report

This report sets out the Company's corporate governance processes, practices and activities in the financial year ended 31 December 2020 ("**FY2020**") with specific reference to the Code of Corporate Governance 2018 ("**Code**").

Unless otherwise elaborated, the Board is pleased to report that the Company has complied, in all material aspects, with the principles and provisions set out in the Code.

Corporate Governance Framework as at 9 March 2021[1]



Annotation

(1) Date of the Audited Financial Statements and Directors' Statement for FY2020.

I. BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Effective Board leadership and organisation, working with Management for the long-term success of the Company

The Board works with the Management to achieve the long-term success of the Company and value-creation for our shareholders.

Provisions 1.1 and 1.2
Board roles and Directors' duties

The Board oversees the strategic direction, performance and business affairs of the Group and provides overall guidance to Management. The duties and power of the Board include:

i. providing entrepreneurial leadership, setting corporate strategies and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

ii. reviewing and approving the Group's annual business plan, including the annual budget, operational and capital expenditure plans as well as constructively challenging Management on the strategic options and planning process;

iii. reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational, compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;

iv. effectively monitoring and managing risks, achieving appropriate balance between risks and the Company's performance;

v. overseeing the long-term succession planning for Management and ensuring that Management observes the code of conduct as applied to them;

vi. ensuring that policies are in place to ensure compliance with legislative and regulatory requirements;

vii. monitoring the Group's performance, position and prospects and reviewing the performance of Management against agreed goals and objectives and satisfying themselves that the Group's businesses are properly managed;

viii. reviewing and approving the release of the Group's half-year and full-year financial results and a variety of other strategic initiatives tabled by Management; and

ix. ensuring transparency and accountability to key stakeholder groups.

In carrying out its roles, the Board will appropriately focus on value creation, innovation and sustainability.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group. It also relies on the skills, commitment and due diligence of its Management and its external advisors to make objective decisions in the best interests of the Group while maximising value for shareholders. In addition, the Board sets the tone for the entire organisation where ethics and values are concerned.

The Board is supported by three Board committees, namely the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (each, a "**Board Committee**" and collectively, the "**Board Committees**"). Each Board Committee, with specific area of responsibilities delegated by the Board, facilitates the Board's discharge of its functions.

Conflicts of interest

Internal guidelines requiring all Board members who have a potential conflict of interest in a particular agenda item to abstain from participating in the relevant Board discussion have been implemented. This policy also applies to all the Board Committees.

Directors' competencies

Directors are provided with opportunities to undergo relevant trainings and to continually improve the Board and Board Committees' performance. The Company will fund Directors' participation at industry conferences, seminars or any training programmes in connection with their duties as Directors. The Company also updates the Directors on statutory and regulatory changes that affect their obligations as Directors where relevant.

The Company scaled back the organisation of training programmes for the Directors in FY2020 due to the COVID-19 pandemic. The Company organised a webinar with Willis Towers Watson to brief the Directors on remuneration matters and related topics. The Directors also continued to keep themselves abreast of changes and developments in the business environment and some participated in webinars.

The Management organises an offsite strategy meeting at interval of between one to three years. At each strategy meeting, the Board and Management meet to discuss and review the Company's strategic plans. The last strategy meeting was held in June 2019.

In addition, site visits to the Group's overseas projects are arranged to provide the Directors an opportunity to understand these projects better. In 2019, three site visits were organised for the Company's independent directors ("**Independent Directors**") to China and Indonesia to keep them abreast of developments within the Company. There was no site visit in FY2020 due to the COVID-19 and travel restrictions.

News articles and reports (including industry news and analyst reports) relevant to the Group's business are circulated to the Directors on a regular basis. It is also the Company's standard practice for other updates including changes in laws and regulations, code of corporate governance and financial reporting standards to be shared at Board meetings or circulated via email to the Directors.

Upon appointment to the Board, a new Director will receive a formal letter of appointment together with a thumb drive containing information which include the Directors' duties and responsibilities, Board and Board Committees' meeting schedule, the Company's latest annual report, Constitution, terms of references of the Board and its Committees, Directors' remuneration framework and the Group's policies approved by the Board. A Director's onboarding programme is also organised for the new Director which includes a presentation session by senior management on an overview of the Group's business activities and site visits to the Group's key investment properties and projects.

For a new Director without prior board experience in companies listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company will also arrange for the new Director to undergo a prescribed training programme conducted by the Singapore Institute of Directors in accordance with SGX-ST Listing Rule 210(5).

There was no appointment of new Director in FY2020.

Provision 1.3
Internal guidelines on matters requiring Board's approval

The Company has established guidelines governing matters that require the Board's approval. A Delegation of Authority Matrix, which forms part of the Company's Policies and Procedures Manual, provides clear direction to Management on matters requiring the Board's specific approval, which include:

i. business plans and budgets/forecasts

ii. formation of new entities

iii. material acquisition and disposal of land/assets/investments

iv. corporate/financial restructuring/corporate exercises

v. financial results announcements and press releases

vi. declaration of dividends

vii. delegation of authority matrix, policies and procedures

viii. material financial/funding arrangements and provision of corporate guarantees

ix. interested person transactions ("**IPTs**") above certain threshold

The Delegation of Authority Matrix is reviewed and revised periodically. The Matrix was last reviewed in November 2019.

Key Activities of the Board – FY2020

Standard agenda:

- Reports of the ARC, NC and RC
- Group Chief Executive Officer ("**CEO**")'s monthly management report and periodic updates (quarterly or half-yearly as appropriate) on:
  - businesses including risk profiles
  - development/operations in Australia, China and Indonesia
  - Group's borrowing profile
  - Group' cash flow projection
  - litigation cases
- Review and approval of all announcements including those for half-year and full-year financial statements
- IPT Register
- Whistle-blowing Register
- Disclosure of Directors' interests pursuant to Section 156 of the Companies Act, Chapter 50 ("**Companies Act**")

Other key items deliberated during FY2020:

- Proposed acquisitions and divestments
- Medium Term Note ("**MTN**") Programme
- Business strategies
- Developments/updates relating to accounting, legal, regulatory and/or corporate governance
- Formation of entities

Matters reserved for specific Board approval:

i. Documents for distribution to shareholders, annual report and financial statements

ii. Annual budgets and business plans

iii. Dividend pay-out

iv. CEO's Key Performance Indicators ("**KPIs**") and performance review

The Board is also responsible for the succession planning, appointment and replacement of Directors, appointment of key management personnel ("**KMP**") and the determination of their remuneration. The Company's KMP has been identified as the CEO, the Chief Financial Officer ("**CFO**") and the General Counsel.

Board organisation and support
Provision 1.4
Delegation to Board Committees

To assist the Board in discharging its functions and to optimise operational efficiency, the Board has delegated certain of its functions to the Board Committees, namely the ARC, NC, and RC. Each Board Committee has its specific written terms of reference setting out the scope of its duties and responsibilities, and procedures governing the manner in which it is to operate and how decisions are to be taken. Any amendment to the terms of reference for any Board Committee requires the approval of the Board. Further information on the Board Committees is set out in the respective sections concerning Board Committees in this Annual Report.

Provision 1.5
Board and Board Committee meetings and attendance records

Meetings of the Board, Board Committees and shareholders of the Company ("**Shareholders**") are scheduled in advance of each financial year in consultation with the Directors to ensure optimal participation. Ad hoc meetings of the Board and Board Committees may be called where necessary or warranted by particular circumstances. On occasions when Directors are unable to attend meetings in person, telephonic or video conference participation is permitted in accordance with the Constitution of the Company. In FY2020, the Directors were given the option to attend virtual meetings via video conferencing facilities such as Zoom and Teams.

In line with our commitment to sustainability, the Company has since 2014, issued each Director with an electronic tablet device to enable them to access and read meeting papers electronically in place of hard-copy printouts. This initiative also enhances information security as the documents are passcode-secured for Directors to download to their tablet devices.

The attendance record (includes both physical and virtual meetings) of the Directors in FY2020 is set out below:

	Board	ARC	NC	RC	General Meeting
Total Number of Meetings held	3	4	1	1	1
	Total Number of Meetings attended				
Executive Director					
William Nursalim alias William Liem	3	N.A.	N.A.	N.A.	1
Non-Executive Director					
Ong Beng Kheong[(1)]	1	N.A.	1	N.A.	1
Cheng Hong Kok	3	N.A.	1	1	1
Albert Choo Teow Huat	3	4	1	1	1
Richard Eu Yee Ming	3	4	N.A.	N.A.	1
David Lee Kay Tuan[(2)]	1	1	N.A.	N.A.	N.A.
Michelle Liem Mei Fung[(3)]	3	2	1	1	1
Neo Ban Chuan[(4)]	1	2	1	N.A.	0

Annotations:
(1) Mr Ong Beng Kheong retired at the conclusion of the Company's AGM on 22 April 2020
(2) Mr David Lee Kay Tuan (deceased) ceased as Director on 28 March 2020
(3) Ms Michelle Liem Mei Fung was appointed as an ARC Member on 22 July 2020
(4) Mr Neo Ban Chuan retired at the conclusion of the Company's AGM on 22 April 2020

Provision 1.6
Access to information

To enable the Board to make informed decisions and to fulfil its responsibilities, Management provides complete, accurate and adequate information in a timely manner.

The Board, Board Committees and Directors have separate and independent access to Management and are free to request for additional information as needed to make informed decisions. Agendas of the Board and Board Committee meetings are to be circulated to the Directors together with meeting materials at least one week ahead of the meetings.

In addition to the annual budget and business plans submitted to the Board for approval, the Board is provided with monthly management reports analysing the operational performance. The reports also detail the variances between the achieved results and those of the corresponding period of the previous year, as well as that of the budget, complete with appropriate explanations. Further, reports on cash flow forecast, performance forecast, risks assessment, scenarios analysis, share price movements, utilisation of bank facilities, benchmarking against market indexes and peer entities, Board memorandums and related materials are circulated to the Board from time to time. All Internal Auditors' reports are sent directly to members of ARC for review. Detailed qualitative and financial analysis, cash flow forecasts and financing requirements of each bid or project are formalised in proposals, and sent to the Board for approval before any bid for land or properties or engagement in new projects.

Provision 1.7
Independent professional advice/Company Secretary

The Company provides for Directors, individually or as a group, to have separate and independent access to the Management, the Company Secretaries and to seek external professional advice, where necessary, at the expense of the Company, in the furtherance of their duties and after consultation with the Chairman of the Board.

The role of the Company Secretaries has been clearly defined and includes, *inter alia*, advising the Board on all matters regarding the proper function of the Board, compliance with the Company's Constitution and applicable regulations, requirements of the Companies Act, the Securities and Futures Act (Cap. 289) and the SGX-ST Listing Manual.

The Company Secretaries report to the General Counsel and seek her counsel when carrying out their functions. In consultation with the General Counsel, the Company Secretaries assist the Board in implementing and strengthening corporate governance policies and procedures.

Under the direction of the Chairman and guidance of the General Counsel, the Company Secretaries ensure good information flow to and within the Board and the Board Committees and between Management and Non-Executive Directors. Meeting materials and minutes of meetings are circulated to all members of the Board and Board Committees in a timely manner. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Appropriate level of independence and diversity of the Board, enabling it to make decisions in the best interests of the Company

Board Composition at a glance

The Board consists of members who have the appropriate level of independence and diversity of thought and background. Collectively, their established track record in real estate, business, finance, accounting, legal, strategic planning and management, have enabled the Board to make decisions in the best interests of the Company. The Directors' Profile can be found on pages 10 to 11 of this Annual Report.

Board composition as at 9 March 2021[(1)]

Non-Executive and Independent Directors

1. Cheng Hong Kok
2. Albert Choo Teow Huat
3. Richard Eu Yee Ming

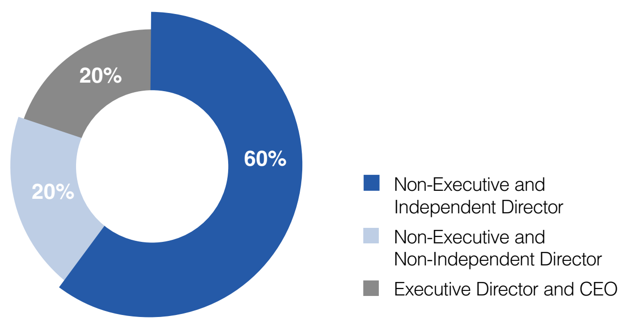
Non-Executive and Non-Independent Director

Michelle Liem Mei Fung

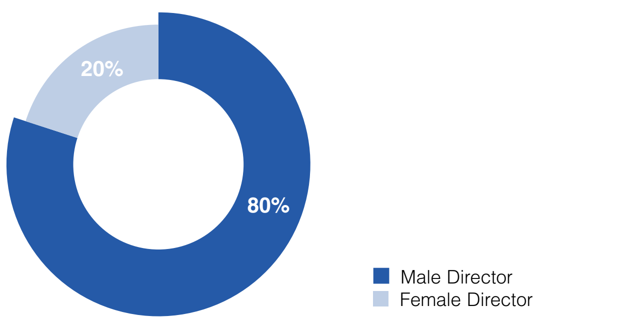
Executive Director and CEO

William Nursalim alias William Liem

Independence

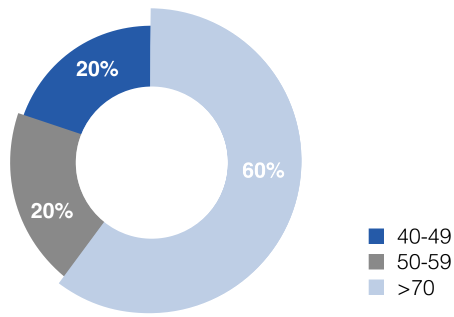


Gender diversity



Annotation
(1) Date of the Audited Financial Statements and Directors' Statement for FY2020.

Age group of our directors



Provision 2.1
Independence of Directors

As at the date of this Annual Report, the Board comprised five Board members, of whom four are Non-Executive Directors (including three Independent Directors). Other than the CEO, all Directors are non-executive.

An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers who can interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement to the best interests of the Company.

The NC and the Board take into account the existence of relationships or circumstances, including those identified by the SGX-ST Listing Manual and the Code's Practice Guidance 2018 ("**Practice Guidance**") that are relevant in determining as to whether a Director is independent.

Each Director is required to declare his independence and complete an annual declaration in the form of a self-assessment questionnaire which sets out the circumstances where a Director is deemed not to be independent, and submit it to the NC for review. The results are collated by the Company Secretaries and reported to the Board.

In FY2020, the NC conducted its annual review of the Directors' independence and was satisfied that the Company had complied with Provision 2.1 of the Code, the Practice Guidance and SGX-ST Listing Rule 210(5)(d)(i) and (ii).

In line with the SGX-ST Listing Rule 210(5)(d)(iii) which takes effect from 1 January 2022, the continued appointment of an Independent Director who has served the Board for an aggregate period of more than nine years will be subject to the approval of (i) all Shareholders; and (ii) all Shareholders, excluding Shareholders who are Directors and the CEO of the Company (and their associates). In this respect, Mr Albert Choo Teow Huat who is the only Independent Director having served the Board beyond nine years, has given notice of his intention to retire at the forthcoming annual general meeting ("**2021 AGM**") and as such he will not be subjected to this mandatory two-tier voting process.

For FY2020, the NC noted Mr Cheng Hong Kok's directorship in the Company's subsidiary, SP Corporation Limited ("**SP Corporation**"). Mr Cheng's appointment was solely for board service and he was neither employed by the Company nor SP Corporation. In FY2020, the Company provided management support services and leasing of office space to SP Corporation. The aggregate value of these transactions was not material compared to the revenues of the Company and SP Corporation. Mr Cheng was not involved in determining the value of these transactions and he did not participate in the review and approval process. The NC was of the view that Mr Cheng's directorship with SP Corporation had neither interfered, nor was reasonably perceived to interfere, with his ability to exercise independent judgement to act in the best interests of the Company.

For FY2020, the NC and the Board had assessed the independence of Messrs Albert Choo Teow Huat, Cheng Hong Kok and Richard Eu Yee Ming, and were satisfied that there was no relationship (based on the aforesaid assessments) or other factors such as gifts or financial assistance, past or present association, business dealings, representative of shareholder, financial dependence, relationship with the Group or the Group's management which would impair their independent judgement. During the process, each Independent Director had recused himself in the determination of his own independence.

Provision 2.2
Composition of Independent Directors on the Board

Provision 2.2 of the Code requires the Independent Directors to make up a majority of the Board where the Chairman of the Board is not independent. The former Board Chairman, Mr Ong Beng Kheong who was a Non-Executive Non-Independent Director had retired at the 2020 AGM. The current Board Chairman, Mr Richard Eu Yee Ming (appointed on 24 February 2021) is an Independent Director.

The composition of the Board's Independent Directors has complied with Provision 2.2. of the Code with the Independent Directors constituting a majority (3 out of 5 Directors) of the Board. The composition also satisfies the SGX-ST Listing Rule 210(5)(c) requirement wherein Independent Directors shall comprise one-third of the Board. Rule 210(5)(c) becomes effective on 1 January 2022.

For FY2020, the NC reviewed the composition of the Board and its Committees, and was of the view that the current Board size of five Directors was adequate to facilitate effective decision making for the current needs and demands of the Group's businesses. The Board concurred with the NC's assessment and recommendation.

Each Director participates in the Board's decision-making process, which are made collectively without any individual or small group of individuals influencing or dominating the decision-making process.

Provision 2.3
Proportion of Non-Executive Directors

Throughout FY2020, Non-Executive Directors constitute a majority of the Board and as such the Company had complied with Provision 2.3 of the Code.

The Non-Executive Directors help Management in setting strategies and goals and where necessary, challenge the underlying assumptions of Management's proposals. They also set the CEO's KPIs. During the year, Non-Executive Directors reviewed the monthly operation reports submitted by Management and monitored Management's performance in meeting KPIs and long-term strategies.

Provision 2.4
Board composition and size

For FY2020, the NC conducted its annual review on the composition and size of the Board and concluded that they were appropriate, taking into account the scope and nature of the operations of the Group. The NC also noted that there was adequate diversity in that the Board comprised members of both genders and from different backgrounds whose core competencies, qualifications, skills and experience met with the requirements of the Group.

As part of the annual assessment process, the NC reviewed the competency matrix of the Directors, taking into account their respective areas of specialisation and expertise, and was satisfied that members of the Board as a whole possess the relevant core competencies in areas such as accounting, finance, legal, property, strategic planning, business and management experience. The Executive Director possesses excellent industry knowledge while the Non-Executive Directors, who are professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences, and provide independent judgement during Board deliberations. The Board concurred with the NC's assessment.

Board diversity policy

The Company recognises and embraces the benefits of diversity of experience, age, skill sets, gender and ethnics on the Board ("**Board Diversity**"). The Board views Board Diversity as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board has recently adopted a written Board Diversity Policy (the "**Policy**") at the recommendation of the NC. The Policy sets out certain quantitative and qualitative objectives. Among others, the Board has set "diversity" as a key criterion for any search process for the Board and KMP.

The Board has also set its gender diversity objectives of (i) having at least one female Director on the Board and at least one female KMP; (ii) having at least one female candidate in any search process for Directors and KMP; and (iii) to endeavour to align with the target set by the national diversity body (e.g. Council for Board Diversity ("**CBD**")) for female board representation as much as possible. Nevertheless, gender is but one aspect of diversity and new Directors will continue to be selected based on their merits and the potential contributions which they can bring to the Board.

The current Board has one female Director (constituting 20% of the Board), namely Ms Michelle Liem Mei Fung and meets the target set by the CBD for 2020. Ms Liem has been a Board member since 2001 and the Company continues to benefit from her membership in terms of improved discussions, debates and decision-making at the Board level.

In determining the diverse skillset needs of the Board, the Board will continue to leverage on its established "Board of Directors' Competency Matrix" to identify any gap in the Board's collective skills.

Provision 2.5
Regular meetings of Non-Executive Directors

In FY2020, the Non-Executive Directors met during the periodic meetings of the Board and Board Committees. In addition, the Non-Executive Directors met informally (online or offline) with the KMP (including the CEO) and other senior management of the Group from time to time to discuss matters relating to the Group. After the meetings, they provided feedback to Management to review and resolve specific issues and matters discussed during the meetings. The Company has benefitted from Management's ready access to the Non-Executive Directors for guidance and exchange of views, both within and outside of Board and Board Committee meetings in 2020.

The Non-Executive Directors meet to discuss, *inter alia*, Management's performance without the presence of Management at least once a year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Division of responsibilities between Board and Management, and avoidance of a single individual influence on decision-making

Provisions 3.1 and 3.2
Separation of the role of Chairman and CEO

In FY2020, the Board Chairmanship was helmed by Mr Ong Beng Kheong (Non-Executive Non-Independent Director) until his retirement at the conclusion of the 2020 AGM. The current Chairman, Mr Richard Eu Yee Ming (Non-Executive Independent Director) was appointed on 24 February 2021. Ms Michelle Liem Mei Fung (Non-Executive Non-Independent Director) chaired the periodic Board meetings during the interim.

The roles of the Chairman and the CEO of the Company remain distinct through a clear division of responsibilities which have been established in the written terms of reference of the Board.

The Chairman leads the Board with the highest standard of integrity and governance. He promotes effective communication and contributions by each Director. The Chairman manages the business of the Board by setting agendas for meetings, which he leads to ensure full discussion of all agenda items.

The CEO translates the Board's decisions into executive actions and is accountable to the Board. He provides clear and decisive leadership and guidance to the Company's employees. The CEO runs the Company's business with a clear vision and missions set by the Board.

There is no familial relationship between the CEO, Mr William Nursalim alias William Liem and the former Chairman Mr Ong Beng Kheong or the current Chairman, Mr Richard Eu Yee Ming.

The Chairman is responsible for ensuring the effective functioning of the Board to act in the best interests of the Company and Shareholders. He leads the Board; encourages interaction between the Board and Management; facilitates effective contribution of Non-Executive Directors; encourages constructive relations among the Directors; and promotes good corporate governance.

Prior to each Board meeting, the Chairman, in consultation with Management and the Company Secretaries, sets the agenda for the meeting and ensures that Board members are provided with adequate and timely information. As a general rule, meeting papers are sent to Directors at least one week in advance, in order for Directors to be adequately prepared for the meeting. The Chairman leads the meetings and ensures full discussion of each agenda and that the Board members are able to engage the Management in constructive debate and open discussions on various matters including strategic issues. Members of the Management team with proposals, or who can provide insights into these discussion matters, are invited to participate in the meetings.

At each general meeting of Shareholders, the Chairman plays a pivotal role in fostering constructive dialogue between the Shareholders and the Board.

Provision 3.3
Lead Independent Director

The Code provides for a Lead Independent Director to be appointed by the Board in situations where the Chairman is conflicted and when the Chairman is not independent. For FY2020, the NC and the Board, having taken into consideration the Company's current business operations and current Board size were of the view that the appointment of a Lead Independent Director was not necessary.

Although no Lead Independent Director has been appointed, the Company's Independent Directors set aside time to meet (without the presence of other Directors) at least once a year. They provide their feedback to the Chairman of the Board. The Independent Directors also meet regularly with, and have unrestricted access to the CEO, other KMP and senior management members, as well as other Non-Executive Directors to discuss matters relating to the Group.

Directors and Management are also accessible to the Company's Shareholders, and the Company has always responded to queries raised by its Shareholders. The absence of a Lead Independent Director has not impacted, and is unlikely to impact, the efficient communication between the Board and the Shareholders or other stakeholders of the Company.

The current Board Chairman, Mr Richard Eu Yee Ming, is an Independent Director. As such, the appointment of a Lead Independent Director is not necessary. Nevertheless, the Board will, on an annual basis, examine the need for the appointment of a Lead Independent Director.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment/re-appointment and progressive renewal of the Board

Provisions 4.1 and 4.2
NC membership and key terms of reference

As at the date of this report, the NC consists of the following three members with the majority, including the Chairman, being independent:

- Mr Albert Choo Teow Huat, Chairman (Non-Executive and Independent)
- Mr Cheng Hong Kok (Non-Executive and Independent)
- Ms Michelle Liem Mei Fung (Non-Executive and Non-Independent)

The NC is guided by its written terms of reference which stipulate its principal roles as follows:

i. review the nomination, appointment and re-appointment of Directors to the Board;

ii. review annually the independence of Directors;

iii. determine a suitable size of the Board;

iv. develop and maintain internal guidelines to assess a Director's ability and his/her performance in carrying out his/her duties as Director of the Company;

v. review the Directors' mix of skills, attributes/qualities, experiences and diversity that the Board requires;

vi. recommend to the Board on internal guidelines to address the competing time commitments faced by Directors serving on multiple boards;

vii. develop and maintain, as appropriate, a formal assessment process and criteria to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board;

viii. review, as appropriate, the independence of any Director who has served on the Board beyond nine years from the date of his/her first appointment; and

ix. review the succession plans for Directors, appointment and/or replacement of the Chairman, the CEO, and other KMP for recommendation to the Board.

Upon request of the Board and/or the CEO, the NC shall also review any other senior management appointments within the Group, save for any entity listed on a stock exchange and has its own nominating committee, and those that are jointly controlled of which the Company's influence is balanced by other joint venture party(ies).

Other than as stated above, the NC is also involved in the review of training and professional development programmes for the Board. For FY2020, the task of this review was assisted by the in-house Company Secretaries.

When making decisions on the appointment of new Directors to the Board, the NC and the Board consider several criteria which include the relevant expertise and experience that are required on the Board and the Board Committees. Other determining factors include diversity, independence, conflicts of interest and time commitments.

In discharging its key responsibilities, the NC reviewed the followings in FY2020:

i. the independence of Directors, particularly any Director who has served more than nine years;

ii. the size of the Board and its composition;

iii. the commitment of Directors serving on multiple boards;

iv. the performance of the Board as a whole and the Board Committees;

v. contribution by each individual Director to the effectiveness of the Board;

vi. the Directors' continued training and professional development;

vii. the disclosure of Board matters in the annual report; and

viii. Board succession and renewal plans.

An NC report is submitted to the Board at the end of each financial year and the minutes of NC meetings are tabled to the Board to keep Board members apprised.

Provision 4.3
Selection, appointment and re-appointment of Directors

The NC is responsible for recommending identified candidates to the Board to fill vacancies arising from resignation or retirement, or if there is a need to appoint additional Directors to fill a competency gap in the Board, or for any other reasons as identified by the NC. The potential candidate may be proposed by existing Directors, the Management or through third-party referrals.

The Company has in place a process for selecting and appointing new Directors. This process includes, *inter alia*, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board. The NC may have recourse to both internal sources as well as external sources to draw up a list of potential candidates. Shortlisted candidates will be required to furnish their curriculum vitae, stating in detail their qualifications, working experience and employment history, and to complete certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines. There was no appointment of new Director in FY2020.

The NC also ensures compliance with the Company's Constitution which stipulates that at each AGM, one-third of the Board (inclusive of the Chairman and CEO), shall retire from office by rotation and be eligible for re-election. Further, all Directors (including the Chairman and CEO) shall submit themselves for re-nomination and re-appointment at least once every three years pursuant to SGX-ST Listing Rule 720(5) and the Company's Constitution.

In line with the SGX-ST Listing Rule 720(5) and the Company's Constitution, the Company's CEO who is an Executive Director, is subject to the same provisions on retirement by rotation, resignation and removal as other Directors of the Company as part of the Board renewal process.

In addition, the Constitution of the Company stipulates that new Directors appointed by the Board during the financial year without Shareholders' approval be re-elected at the next AGM following their appointment.

Eligibility of Directors for re-election/re-appointment has been reviewed annually by the NC and the Board based on the individual Director's performance.

Provision 4.4
Continuous review of Directors' independence

For FY2020, the NC had conducted, *inter alia*, an annual review of the independence of the Directors based on their declaration which was drawn up in accordance with the guidelines provided under the Code, its Practice Guidance and relevant SGX-ST listing rules, and had determined, having regard to the circumstances set forth in Provision 2.1 of the Code, the independence of each Director. Please refer to Provision 2.1 of this Corporate Governance Report on the process and details of the NC's review of Directors' independence. The NC is also committed to reassess the independence of each Independent Director as and when warranted.

Provision 4.5
Multiple directorships

Information on the directorships and principal commitment(s) of each Director is furnished under the "Directors' Profile" section of this Annual Report and on the Company's website.

There are internal guidelines to assist the NC to determine whether Directors who sit on multiple boards have committed adequate time to discharge their responsibilities towards the Company's affairs. In this respect, the Company's current policy stipulates that if a Director is an executive director or key management personnel of another listed company or a major corporation, he/she should preferably not hold more than three other directorships on unrelated listed companies and/or major corporations ("**Internal Guideline Limit**").

For FY2020, the NC and the Board noted that Ms Michelle Liem Mei Fung (Non-Executive Non-Independent Director) and Mr Richard Eu Yee Ming (Non-Executive and Independent Director) have other principal commitments exceeding the Internal Guideline Limit. Nevertheless, the NC and the Board noted that Ms Liem's and Mr Eu's roles in these companies were mostly non-executive in nature. Further, some of these companies are related corporations with established experienced and professional management team looking after the day-to-day operations.

Based on the aforesaid reasoned assessment, the NC and the Board were satisfied that Ms Liem's and Mr Eu's ability to devote their time to the Company have not been and will not be affected by their other principal commitments.

Except as stated above, there was no other Director who had exceeded the Internal Guideline Limit for FY2020. The NC and the Board were satisfied that all the Directors had discharged their duties adequately and satisfactorily.

BOARD PERFORMANCE

Principle 5: Formal annual assessment of the effectiveness of the Board, its Board committees and individual directors

Provisions 5.1 and 5.2
Board evaluation process, Board performance criteria and individual Director evaluation

The Company has implemented a formal process to evaluate (i) the performance and effectiveness of the Board as a whole and of its Board Committees; and (ii) the contribution by the Chairman and each individual Director to the Board.

The performance criteria were recommended by the NC and approved by the Board.

For FY2020 and as in previous years, the Board conducted an annual evaluation of the performance of the Board and individual Directors by having each Director complete a questionnaire for "Board Performance Assessment" with comments where necessary.

The "Board Performance-Assessment" encompasses the performance evaluation for the Board Committees. The NC and the Board were of the view that this streamlined process was adequate and effective.

In evaluating the Board's performance, the following areas were assessed:

(a) Board structure including independent element on the Board, working partnership between the Board and Management, Board size, and contribution by the Chairman and each Director to the Board;

(b) conduct of meetings including their regularity, adequacy of notice, leadership of the chair, quality of discussion and consensus of decision;

(c) corporate strategy and planning including provision of entrepreneurial leadership to the Management, resources allocation and approval of annual business plan;

(d) risk management and internal controls including its framework and a review of their implementation effectiveness;

(e) measuring and monitoring Management's performance, including conducting reviews in comparison with the previous year's performance and budget;

(f) recruitment, evaluation and compensation, including approval for KMP appointments, remuneration framework, annual compensation and bonus for the KMP;

(g) succession planning for the Board and Management;

(h) financial reporting including the integrity of financial statements, principles applied and approval for announcements; and

(i) communication with Shareholders.

In evaluating the Board's performance, the NC also considered the Company's share price performance (one-year and five-year period) against certain market indexes, five-year financial indicators such as return on assets, return on equity, and the economic value add of the Group.

In addition, the NC used the data obtained from the "Real Estate Development & Holding Company – market capitalisation of $300 million - $3 billion" (source: Bloomberg) as a benchmark to assess the Company's past year performance. Where there was material divergence, underlying reasons were sought and recorded, and action was taken where necessary.

In the assessment of individual Directors, a Board competency matrix is used to assess the Directors' respective areas of specialisation and expertise, as well as other factors as provided under the Code's guidelines. The Board will then act on the results where appropriate.

The evaluation of each individual Director's performance is a continuous process. The evaluation criteria include the Director's attendance at meetings of the Board, Board Committees and at general meetings, his/her ability to devote sufficient time and attention to the Company's affairs, participation in discussions at meetings, knowledge of and contacts in the regions where the Group operates, his/her functional expertise and commitment of time to the Company.

Further, the Executive Director/CEO is evaluated each year by the Non-Executive Directors, *inter alia*, through assessment of his performance against certain KPIs set by the Board in the early part of the year. The KPIs include both financial and non-financial criteria and short-term to medium-term goals.

To ensure confidentiality, completed evaluation forms by all Directors were submitted to the Company Secretaries for collation. The results of the evaluation were collectively presented first to the NC for review and discussion, and thereafter to the Board for a further discussion.

The Board was satisfied with the results of the annual evaluation of the performance of the Board, its Board Committees and individual Directors' assessment for FY2020.

The results of the performance evaluation exercise are used as a reference by the Chairman to review, where appropriate, the composition of the Board and its Board Committees, and in consultation with the NC, to support its proposals for Board renewal, so as to improve the effectiveness of the Board's oversight of the Company. Comments received from the NC are compiled and presented to the Board in due course.

The Board did not engage any independent external consultant to facilitate the annual review of the performance of the Board, the Board Committees and the individual Directors for FY2020. However, the NC and the Board are open to the idea should such a need arise to enhance or enliven the Board performance evaluation process.

II. REMUNERATION MATTERS

Matters concerning remuneration of the Directors, KMP and other senior management are under the purview of the RC, whose primary function is to establish formal and transparent policies on remuneration matters in the Company.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this report and in the notes to the financial statements of the Company and of the Group.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: Formal and transparent procedure for developing director and executive remuneration

Provisions 6.1 and 6.2
Remuneration Committee composition and terms of reference

The RC comprises the following Directors, all of whom are non-executive and the majority, including the Chairman, being independent:

- Mr Cheng Hong Kok, Chairman
  (Non-Executive and Independent)
- Mr Albert Choo Teow Huat
  (Non-Executive and Independent)
- Ms Michelle Liem Mei Fung
  (Non-Executive and Non-Independent)

The RC is guided by its written terms of reference, which stipulate its principal responsibilities as follows:

i. offers an independent perspective in assisting the Board to establish a formal and transparent procedure for developing a remuneration policy for Directors and KMP (or executives of equivalent rank) of the Company;

ii. establishes an appropriate remuneration framework to motivate and retain Directors and KMP (or executives of equivalent rank), and ensure that the Company is able to attract appropriate talent from the market in order to maximise value for Shareholders;

iii. develops a remuneration policy for the Executive Director and KMP (or executives of equivalent rank), structuring it to link rewards to corporate and individual performance;

iv. determines specific remuneration packages for the Executive Director and KMP (or executives of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company;

v. reviews and approves the compensation of the KMP (or executives of equivalent rank); and

vi. reviews the appropriateness and transparency of remuneration matters for disclosure to Shareholders.

The RC has explicit authority to investigate any matter within its terms of reference including seeking expert advice within and/or outside the Company.

An RC report is submitted to the Board at the end of each financial year and the minutes of the RC meetings are tabled to the Board to keep Board members apprised.

Provision 6.3
Developing remuneration framework

The RC, with the endorsement of the Board, has established an appropriate remuneration framework to attract, retain and motivate Directors and KMP (or executives of equivalent rank) of the Company as well as specific remuneration packages for each Director, the KMP (or executives of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company. The framework is being reviewed periodically to ensure that they remain relevant and effective.

The RC's remit is to make recommendations to the Board. Determining the remuneration of the Directors is the purview of the Board as a whole, and individual Directors do not participate in discussions regarding their own remuneration.

For FY2020, the RC reviewed and recommended to the Board the remuneration package of the Executive Director/CEO, the KMP and other senior management. The RC also reviewed and endorsed the Management's recommendation of other employees' bonuses for 2020 and salary increments for 2021.

The Company's obligations in the event of termination of service of the Executive Director and the KMP are enumerated in their respective employment letters. The RC is satisfied that the termination clauses therein were fair and reasonable to the respective employment class and were not overly generous.

Provision 6.4
RC's access to advice on remuneration matters

The RC has direct access to the Company's Director of Human Resources, should they have any queries on human resource matters. The RC has explicit authority to investigate any matter within its terms of reference and to seek external expert advice should such a need arise at the Company's expense. In this regard, the RC draws on a pool of independent consultants for diversified views and specific expertise to ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The Company did not engage any external remuneration consultants in FY2020. However, an independent remuneration consultant, Willis Towers Watson was invited to brief the Directors, particularly the RC members on certain remuneration related topics. Willis Towers Watson has no relationship with the Company.

LEVEL AND MIX OF REMUNERATION

Principle 7: Level and structure of remuneration are appropriate and proportionate to the sustained performance, value creation and strategic objectives of the Company

Provisions 7.1, 7.2 and 7.3
Remuneration of Directors and KMP

The Company's remuneration structure for the Executive Director/CEO and KMP (or executives of equivalent rank) has been benchmarked against entities of a comparable size and in similar industries. It consists of both fixed and variable portions with the aim to attract, retain and motivate appropriate talents on a sustainable basis. The fixed compensation comprises a base salary and fixed allowances. The variable component, on the other hand, is a cash-based, short-term incentive that is performance-related and is linked to the Company and the individual's performance. This is designed to align the employees' remuneration with the interests of Shareholders and to link rewards to corporate and individual performance so as to promote the long-term success of the Group.

Throughout FY2020, the Board had only one Executive Director, namely the CEO. As stipulated in the Company's remuneration framework, the Executive Director and KMP of the Group do not receive Director's fees from the Company or from its subsidiaries/associated entities if they are nominated and appointed to these boards.

For the purpose of assessing the performance of the Executive Director/CEO and KMP (or executives with equivalent rank), KPIs with both financial and non-financial targets are clearly set out at the start of the financial year. Financial targets may include net profit, return on total assets, return on shareholders' equity and total shareholder's return (i.e. dividend plus share price movement over the year). Non-financial targets may be related to reputation, customers, employees, environment, community and sustainable future. Such KPIs comprise both quantitative and qualitative factors as well as short and medium-term targets. The RC believes that the KPIs enable the Company to monitor its success in achieving its strategy and the progress of the Group in delivering high-quality sustainable growth.

Each year, the RC reviews and approves the remuneration packages of the Executive Director/CEO and the KMP (or executives of equivalent rank) for recommendation to the Board. This includes the review of their basic salary, allowance, benefits and bonus. In the process, the RC takes into account the KPI performance of each individual for the financial year under review. In addition, the RC also reviews the performance of the Group's other heads of department ("**HOD**") (excluding those employed by the listed subsidiary which has its own remuneration committee), after taking into consideration the CEO's assessment of, and recommendation for, bonus and remuneration.

For FY2020, the RC was satisfied that the adjustments made to the salaries as well as the performance-related bonuses granted to the Executive Director/CEO and KMP were reflective of their performance and contributions made by them taking into account the extent to which their KPIs were met.

Having reviewed and considered the variable components of the Executive Director/CEO and KMP (or executives of equivalent rank), which are not excessive, the RC is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years. There are no lengthy or onerous removal clauses in the employment contracts.

Currently, the Company does not have any long-term incentive scheme or schemes involving the offer of shares or grant of options or any other forms of deferred remuneration.

Remuneration framework for Non-Executive Directors

Non-Executive Directors have no service contracts (except for the letter of appointment) with the Company and their terms in office are specified in the Constitution. The remuneration packages of Non-Executive Directors consist of Directors' fees and attendance fees, which are computed based on a fees scale covering basic retainer fees as Director; additional fees for serving on any of the Board Committees; and attendance fees for participation in meetings of the Board and the Board Committees.

The RC takes into consideration factors such as the frequency of meetings, the time spent and responsibilities of Non-Executive Directors, as well as the need to stay competitive with industry practices when determining the appropriate level of Directors' fees.

The RC also considers the nature and responsibilities of the Chairman and members of the ARC who receive higher additional fees which are commensurate with their roles and responsibilities.

The framework for Non-Executive Directors' fees (on a per-annum basis unless otherwise indicated), which was last revised in FY2018, is as follows:

Roles	Members (per annum)	Chairman (per annum)
Board of Directors	$50,000	Additional $50,000
Audit and Risk Committee	$20,000	Additional $20,000
Other Committees	$7,500	Additional $7,500
Attendance Fee	$1,000 per meeting	
Overseas Engagement Fee	$2,000 per trip	
Special or *Ad hoc* Project(s)	Appropriate sum depending on complexity and time involved, as recommended by the Board after the completion of the projects and approved by Shareholders in a general meeting	

The remuneration framework for Non-Executive Directors was last reviewed in FY2018, using data obtained from a survey of such fees disclosed by comparable peers in property companies listed in Singapore in their annual reports. The Board concurs with the RC's proposal for Non-Executive Directors' fees for FY2020 which are computed in accordance with the current framework. The RC and the Board will accordingly table the Non-Executive Directors' fees for FY2020 for Shareholders' approval at the 2021 AGM. The Chairman and Non-Executive Directors will abstain from voting in respect of the resolution. The RC and the Board were of the opinion that the current framework remains relevant.

The RC and the Board are collectively of the view that the remuneration for FY2020 is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company, and for KMP to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

Principle 8: Transparency on remuneration policies, procedure, level and mix, and relationship between remuneration, performance and value creation

Provision 8.1
Remuneration report

Details on the remuneration of Directors and the KMP for FY2020 are reported below. During FY2020, there were no termination, retirement or post-employment benefits granted to any of them.

The remuneration of the Executive Director/CEO and Non-Executive Directors for FY2020 is set out in Table A below:

TABLE A

Name of Directors	Directors' Fees[(1)] $	Salary[(2)] $	Benefits[(3)] $	Variable Bonus $	Total $
Executive Director					
William Nursalim alias William Liem[(4)]	–	934,560	48,026	554,400	1,536,986
Non-Executive Directors					
Ong Beng Kheong[(5)]	35,190	–	–	–	35,190
Cheng Hong Kok	77,500	–	–	–	77,500
Albert Choo Teow Huat	122,500	–	–	–	122,500
Richard Eu Yee Ming	77,000	–	–	–	77,000
David Lee Kay Tuan[(6)]	18,639	–	–	–	18,639
Michelle Liem Mei Fung[(7)]	80,907	–	–	–	80,907
Neo Ban Chuan[(8)]	27,928	–	–	–	27,928
Total Directors' Remuneration	**439,664**	**934,560**	**48,026**	**554,400**	**1,976,650**

Annotations:
(1) If approved, the aggregate amount of Directors' fees of $439,664 will be paid to the Non-Executive Directors upon approval by Shareholders at the forthcoming AGM.
(2) Salary refers to basic salary (CPF contribution is not applicable).
(3) Benefits refer to car benefits.
(4) As an Executive Director, Mr William Nursalim alias William Liem does not receive Director's fees.
(5) Mr Ong Beng Kheong retired at the conclusion of the Company's AGM on 22 April 2020.
(6) Mr David Lee Kay Tuan (deceased) ceased as Director on 28 March 2020.
(7) Ms Michelle Liem Mei Fung was appointed as an ARC Member on 22 July 2020.
(8) Mr Neo Ban Chuan retired at the conclusion of the Company's AGM on 22 April 2020.

For FY2020, there was no change in the fee structure for Directors.

The total proposed Directors' Fees for FY2020 is $439,664 which is 27.79% lower than FY2019 (FY2019: $608,900) reflecting mainly the reduced number of Directors and fewer meetings held during the year.

The range of gross remuneration of the top five management personnel including the KMP, excluding the Executive Director/CEO of the Group is set out in Table B below:

TABLE B

Name of Top 5 Management Personnel including KMP	Designation	Breakdown of Remuneration by Percentage				Total Remuneration in Compensation Bands of $250,000
		Salary[1]	Benefits[2]	Bonus[3]	Total	
Leong Kok Ho[4]	Chief Financial Officer	84%	1%	15%	100%	$250,000 - $499,999
Nick Ng Choong How	Senior Vice President, Business Development	74%	1%	25%	100%	$250,000 - $499,999
James Ong Joo Lim	Senior Vice President, Sales, Leasing & Marketing	60%	2%	38%	100%	$250,000 - $499,999
Patrick Tan Boon Chew	Head, Asset & Fund Management	66%	1%	33%	100%	$500,000 - $749,999
Peggy Wong[4]	General Counsel	66%	1%	33%	100%	$250,000 - $499,999
Total Remuneration of Top 5 Management Personnel including the KMP		**$1,493,266 70%**	**$14,880 1%**	**$627,379 29%**	**$2,135,526 100%**	

Annotations:
(1) Salary refers to basic salary, allowance and employer's provident fund or equivalent contribution thereof.
(2) Benefits refer to handphone benefits.
(3) Bonus refers to variable bonus and employer's provident fund or equivalent contribution thereof.
(4) The KMP of the Company are the CEO, the CFO and the General Counsel. The CEO's compensation is disclosed in Table A above.

The aggregate remuneration paid to the above top five management personnel including the KMP (excluding the Executive Director/CEO of the Group) for FY2020 was $2,135,526.

Provision 8.2
Employee who is a Substantial Shareholder or is an immediate family member of a Director, CEO or Substantial Shareholder

Except for the Executive Director/CEO, Mr William Nursalim alias William Liem, whose remuneration is disclosed in Table A above, there is no other employee who is a substantial shareholder or is an immediate family member of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds $100,000 for FY2020.

Provision 8.3
Details of all forms of remuneration and other payments and benefits paid to Directors and KMP

Please refer to Table A and Table B above on the breakdown of remuneration and other payments and benefits paid to the Directors and KMP.

The information on the link between remuneration paid to the Executive Director/CEO and KMP and their performance is set out under Principle 7 above.

The Company has no employee share/stock options scheme or long-term incentive scheme.

III. ACCOUNTABILITY AND AUDIT

The Board and the ARC are responsible for the governance of risks, and ensure that the Company maintains a sound system of risk management and internal controls over financial reporting, operational risks and compliance risks (including information technology controls and risk management systems), to safeguard the interests of the Company and its Shareholders. All areas of weaknesses identified in internal audit reports are properly dealt with in a timely manner.

During FY2020, the half-year and full-year results of the Group were announced within the prescribed timeline after the end of each period.

RISK MANAGEMENT & INTERNAL CONTROLS

Principle 9: Board's governance of Risk Management System and Internal Controls

In October 2014, the Audit Committee was renamed as Audit and Risk Committee. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the Internal Auditors. Having considered the Company's business and operations as well as its existing internal control and risk management systems, the Board is of the view that a separate Risk Committee is not required for the time being.

Provision 9.1

Significant risks, objectives and value creation

The ARC reviews key risk categories on an annual basis to ensure that the activities of the business remain within the Group's risk appetite.

During FY2020 and as in the previous years, the ARC assisted the Board in the identification of risks and oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management systems and internal controls. The ARC reported to the Board on risks facing the Group; suggested level of risk tolerance for the Company to achieve its strategic objectives and value creation; and its review of updated risk policies.

A detailed Group Risks Management Report is prepared by Management and reviewed by the ARC and recommended to the Board for approval each year. For FY2020, the Report identified twenty-seven risks and ways to manage them. Information technology risk (relating to IT infrastructure) was identified as a new risk factor (of medium rating) in FY2020 mainly due to the increasing digital adoption and remote working arrangement, particularly the "work from home" system precipitated by the COVID-19 pandemic. The risk rating for "work, health and safety" risk was also raised from "low" to "medium" as a result of the coronavirus exposure.

The Board has since endorsed the Group Risks Management Report for FY2020. A summary of the contents may be referred to under "Business Dynamics and Risk Factors Statement" section of this Annual Report.

The Group's risks management process is based on the Group's Enterprise Risks Management framework, which is in turn designed to be in line with ISO 31000 – "Risk Management Principles and Guidelines" and the recommended practice under "Risk Governance Guidance for Listed Boards" issued by the Corporate Governance Council in 2012.

The last review of the framework by the ARC and the Board was in 2016, which took into account changes in the business and operation environments as well as evolving corporate governance requirements. The framework outlines the principles, process, tools, risk categories and types, key responsibilities, reporting requirements and communication timelines within the Group, and intends to provide reasonable assurance that the Group's objectives can be achieved and that its obligations to stakeholders - customers, shareholders, employees and community can be met. The ARC and the Board are of the view that the framework remains relevant in the Group's current context.

Risks that affect the achievement of the business objectives and financial performance of the Group over a short-to-medium term are summarised in the Group Risks Register by each business unit. The identified risks have been grouped in two dimensions: one based on the risk exposure and appetite, and the other based on the likelihood of happening. From there, a "Risk Matrix Table" is then charted to aid the Board's deliberation. The Group's risks have also been classified into four main categories, namely, Business & Strategy Risks, Financial Risks, Operational Risks and Compliance Risks including information technology controls and risk management systems.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The risk management system has become an essential part of the Group's business planning and monitoring process. On an annual basis, Management submitted to ARC and the Board the "Risks Report" detailing the Group's risk profile, evaluating their potential impact and proposing countermeasures to mitigate or to transfer identified risks so as to bring them to an acceptable level.

The ARC also reviews reports submitted by the Internal Auditors on pre-selected areas of the operations of the Group. The selection process follows a cycle of a few years so that all key operations/units of the Group will be subjected to an internal audit by cycle.

In order to mitigate the risk of fraud, corruption and misconduct by employees, the Group has implemented various corporate governance policies and practices such as Employees' Code of Conduct and Practices, Dealing in Securities, Interested Person Transactions Policy and Procedure, and Whistle-blowing Policy, all of which are set out in the "Other Corporate Governance Matters" section of this Annual Report. In addition, the following policies have been developed and put in place:

i. <u>Information Security Policy</u>

This policy provides guidelines to employees on the proper use of the Company's information systems and to ensure that the confidentiality of proprietary information is protected. It also supports the Company's business objectives of ensuring that the security, integrity and availability of information technology systems are balanced against the need for staff to access systems and services that are necessary for their job, within the limits imposed by this policy.

ii. <u>Personal Data Protection Policy</u>

This policy aims to ensure that employees are aware of the legal obligations of the Company under the Personal Data Protection Act 2012, Singapore, or similar legislation in countries which the Group operates so as to protect the security and confidentiality of third party data obtained during its operations.

iii. <u>Anti-bribery and Anti-corruption Policy</u>

This policy sets out guidelines to ensure that the Company and its Directors, officers, employees and agents conduct their activities in an honest and ethical manner, and that they comply with the applicable anti-bribery or anti-corruption laws and regulatory requirements in the various jurisdictions in which the Company operates.

iv. Sustainability Policy

This policy codifies the Company's commitment to reducing the impact of our business operations on the environment by ensuring that sustainability and ecological awareness are incorporated into our business practices, processes and operations.

In accordance with the SGX-ST Listing Rules 711A and 711B, the Board has reviewed the Company's Sustainability Report and approved its inclusion in the Annual Report. For more details, please refer to pages 42 to 56 of this Annual Report.

As part of the Group's continuous efforts to ensure that its risk management systems and internal controls are adequate and effective, the Company is not only working towards strengthening the existing policies by conducting regular reviews to ensure that they remain relevant, but is also implementing new ones where necessary so as to meet challenges brought on by a changing business environment.

Provision 9.2
Assurance from CEO, CFO and other responsible KMP

The CEO and the CFO have provided assurances to the Board that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company and the Group's operations and finances for the year ended 31 December 2020.

The Company has adopted an internal annual compliance checklist on internal controls and risk management systems of the Group ("**Compliance Checklist**") which is completed and confirmed by the relevant HOD within the Group each year. The Compliance Checklist assists the Company in monitoring the compliance of the Group's internal controls (including regulatory compliance, financial, operational and information technology controls) and risk management systems.

Based on the Compliance Checklists that were confirmed and signed off by the relevant HOD within the Group, the CEO and the relevant HOD have provided assurances that the Company's risk management and internal control systems were adequate and effective as at 31 December 2020.

Board's commentary, with the concurrence of the ARC, on the adequacy and effectiveness of internal controls and risk management systems

Based on internal controls established and maintained by the Group, work performed by the Company's internal auditors ("**Internal Auditors**") and external auditors ("**External Auditors**"), reviews performed by Management, and written representations by the CEO and the CFO and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control framework and systems were adequate and effective as at 31 December 2020 to address financial, operational and compliance risks including information technology controls and risk management systems, which the Group considers relevant and material to its operations.

AUDIT AND RISK COMMITTEE

Principle 10: Establishment of Audit & Risk Committee which discharges its duties objectively

Provisions 10.1, 10.2 and 10.3
Composition, roles and expertise of the ARC

As at 31 December 2020, the ARC comprises the following Directors, all of whom are non-executive and the majority, including its Chairman, are independent:

- Mr Albert Choo Teow Huat, Chairman
  (Non-Executive and Independent)
- Mr Richard Eu Yee Ming
  (Non-Executive and Independent)
- Ms Michelle Liem Mei Fung
  (Non-Executive and Non-Independent)

The ARC members collectively bring with them accounting, financial management and legal expertise and experience. The Board, after considering the advice from the NC, believes that members of the ARC are appropriately qualified to discharge the ARC's responsibilities as defined under its terms of reference, which have been approved by the Board.

At least two members of the ARC (including the ARC Chairman) have recent and relevant accounting or related financial management expertise or experience.

The ARC Chairman, Mr Albert Choo Teow Huat, has accumulated extensive financial management experience throughout his professional career. Mr Choo previously held senior positions in finance and treasury in the Shell group of companies as well as Caltex Corporation. Mr Choo was also a board member of Power Senoko Pte Ltd.

Mr Richard Eu Yee Ming brings with him extensive corporate expertise and knowledge, having served as Group CEO of Eu Yan Sang International for 28 years, and where he remains as Non-Executive Chairman. With various corporate leadership positions in several other organisations under his belt, Mr Eu has a wide range of experience across a variety of roles that includes corporate finance.

A successful accomplished businesswoman, Ms Michelle Liem Mei Fung is the managing director of Nuri Holdings (S) Pte Ltd, the Company's controlling shareholder. She has extensive and diverse experience in the investment, property, manufacturing, retail, and trading sectors. Ms Liem possesses wide-ranging expertise in economics, business, finance and management. Ms Liem also possesses a unique blend of private and public service experience, in her capacity as a business leader, honorary consul and community leader.

For FY2020, no former partner or Director of the Company's incumbent auditing firm or its member firms was a member of the ARC.

During FY2020, the ARC met four times, of which three were scheduled meetings and one was ad hoc. The KMP attended all the four meetings. The Internal Auditors and the External Auditors attended one and three scheduled meetings respectively.

The ARC is kept abreast by Management as well as the Company's External Auditors and Internal Auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Duties of the ARC

The roles and responsibilities of the ARC as defined under its terms of reference are summarised below:

i. Reviewing the adequacy and effectiveness of the internal controls over financial, operational, compliance, information technology, and risk management policies and systems established by Management;

ii. Reviewing the assurance from the CEO and the CFO on the Group's financial records and financial statements;

iii. Monitoring compliance with the laws and regulations, the SGX-ST Listing Manual and the Code;

iv. Reviewing the principal business risks and assessing the appropriateness of the mechanisms in place to identify, preventing and minimising these business risks;

v. Reviewing the relevance and consistency of the accounting standards used by the Group, significant financial reporting issues and judgements;

vi. Reviewing the monthly management reports as well as the semi and annual financial statements, assessing and challenging where necessary, their correctness, completeness, integrity and consistency before submission to the Board or made public;

vii. Meeting with Management and External Auditors to review the financial statements, the process and the results of the audit and other sections of the annual report including disclosure on corporate governance practices before its release;

viii. Reviewing and recommending for the Board's approval, IPTs as defined under Chapter 9 of the SGX-ST Listing Manual and those that require the ARC's approval as specified in the general mandate approved by Shareholders ("**IPT Mandate**");

ix. Reviewing the Internal Auditors' program with regard to the complementary roles of the internal and external audit functions; ensuring that there are no unjustified restrictions or limitations to the Internal Auditors' work scope; reviewing the Internal Auditors' reports and ensuring timely response by Management;

x. Reviewing and recommending to the Board for approval the Whistle-blowing Policy, by which employees of the Company and/or external parties may, in confidence, raise concerns about suspected improprieties including financial irregularities;

xi. Reviewing the audit representation letters to be issued by the Company before consideration by the Board; reviewing the contents of the External Auditors' management letters, monitoring the responsiveness of Management to the recommendations made, and ensuring that the External Auditors have direct and unrestricted access to officers of the Company and the Chairman of the ARC;

xii. Reviewing audit fees, the terms of the audit, the nature and extent of non-audit services provided by the External Auditors, and making recommendations to the Board on the proposals to Shareholders on the appointment, re-appointment or removal of the External Auditors; and

xiii. Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit functions.

An ARC Report is submitted to the Board at the end of each financial year, and minutes of the ARC meetings are routinely tabled at Board meetings to keep the Board apprised.

Activities of the ARC

In FY2020 and as in past years, the ARC met with the Internal and External Auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the Auditors. Where relevant, the ARC makes reference to best practices and guidance in the Guidebook for Audit Committee in Singapore; practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority ("**ACRA**"); as well as guidance provided by the Singapore Exchange Regulations ("**SGX RegCo**") via its Regulator's Column and news/notices.

In FY2020, with the guidance provided by the External Auditors and the assistance given by Management, the ARC had reviewed the financial statements to ensure that any significant coronavirus (COVID-19) pandemic impacts were accounted for and treated in compliance to the Singapore Financial Reporting Standards (International) and guidance issued by the accountancy body (i.e. Financial Reporting Bulletin issued by the Institute of Singapore Chartered Accounts ("**ISCA**")).

During FY2020 and in line with the IPT Mandate, the ARC Chairman participated in one meeting of the IPT Review Committee ("**IPT RC**"). The ARC also reviewed the circular resolutions of the Review Committee. The minutes of meeting and circular resolutions of the IPT RC were circulated to the ARC.

Minutes of the ARC and IPT RC meetings are also routinely tabled at Board meetings for the Directors' information. When considering the IPTs, Directors who are interested in the transactions recused themselves from the deliberation and approval process in both the ARC and the Board meetings.

The ARC reviewed the External Auditor's audit plan for FY2020 and agrees with the Auditor's proposed significant areas of focus that impact the financial statements. In the ARC's review of financial statements of the Group for FY2020, it had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements, and also considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the following key audit matters as reported by the External Auditors for FY2020:

(1) Revenue recognition of development properties;

(2) Valuation of development properties; and

(3) Valuation of investment properties and hotel properties

("**Key Audit Matters**")

Audit & Risk Committee's commentary on Key Audit Matters

The ARC discussed the Key Audit Matters for FY2020 with the Management and the External Auditors, Deloitte & Touche LLP ("**Deloitte**"). The ARC concurred with the basis and conclusions included in the Auditors' report with respect to the Key Audit Matters for FY2020. For more information on the Key Audit Matters, please refer to pages 84 to 85 of this Annual Report.

Following the review, the ARC is satisfied that all the aforesaid Key Audit Matters have been properly dealt with and recommended the Board to approve the financial statements. The Board has on 9 March 2021 approved the Audited Financial Statements.

During periodic meetings, Management reported and discussed with the ARC on changes to the accounting standards and accounting issues which have a direct impact on the financial statements. The Directors are regularly invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

In FY2020, the External Auditors briefed the ARC on (i) significant new financial reporting standards impacting the Group; (ii) ISCA's financial reporting bulletins which provide guidance on the treatment of COVID-19 issues; (iii) ACRA's Financial Report Surveillance Programme highlighted issues and shortfalls in selected financial statements reviewed; and (iv) ACRA's guidance on areas of review for financial statements affected by COVID-19.

Whistle-blowing policy

The Group has in place a "Whistle-blowing Policy" ("**Policy**") so as to provide a formal avenue for employees and external parties to raise concerns. The Policy offers reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.

A copy of the Policy has been posted on the Company's Human Resource Intranet and official website encouraging the report of any behaviour or actions that anyone reasonably believes might be suspicious, against any rules/regulations/ accounting standards as well as internal policies. In addition, a Chinese translation of the said policy has been disseminated to the Group's employees in China. A summary of the Policy is presented in the "Other Corporate Governance Matters" section of this Annual Report.

The Policy details the mechanism for which submission of issues or concerns could be made and the means of communication including a dedicated email address, whistle-blowing@tuansing.com and the two committees handling the submissions, namely, the Whistle-blowing Committee and the ARC. The Company treats all information received confidentially and protects the identity and the interests of all whistle-blowers. Anonymous reporting will also be attended to, and anonymity honoured.

All newly recruited employees are briefed on the existence of the Policy, and a reminder is sent to all employees annually in the form of an Annual Declaration by employees requiring them to disclose any instances of conflicts of interest or raising any issues or concerns of possible irregularities of the Company or the Group's affairs. A "nil" return is required even if there is nothing to declare.

It has also been a routine item in the agenda of the periodic ARC meetings to review any entries in the register of whistle-blowing incidents, and progress of investigation, if it remains outstanding. The Policy and its accompanying procedures are periodically reviewed, updated and approved by the ARC to ensure its relevance.

The ARC has explicit authority to investigate any matter including whistle-blowing within its terms of reference. All whistle-blower complaints were reviewed by the ARC to ensure independent and thorough investigation and adequate follow-up. The Company has maintained a whistle-blowing register to record all the whistle-blowing incidents. The contents, including "nil" returns in the register, are reviewed by the ARC during its periodic meetings.

Evaluation of External Auditors

During FY2020 and as in past years, the ARC reviewed the "Professional Services Planning Memorandum" prepared by Deloitte, the independent Auditors, discussed about the terms of engagement, materiality in auditing, significant risks assessment, areas of audit focus, internal control plans and audit quality indicators, before the commencement of their audit work.

In respect of the audit quality indicators, the ARC reviews, in particular, the following areas: audit hours spent, experience of the team, adequacy of training received by the team, results of internal and external inspection of their work, compliance with independence requirement, quality control, staff oversight, and staff attrition rate.

The ARC undertook a review of the independence and objectivity of the External Auditors, their approach of the audit work, their proposed audit fees as well as the non-audit fees awarded to them.

The ARC reviewed and concurred with the nature of non-audit work performed and fees charged by Deloitte and its member firms. A breakdown of the fees paid or payable to Deloitte and its member firms are analysed in the table below (excluding fees paid or payable by the Company's associates, i.e., Gul Technologies Singapore Pte. Ltd. and Pan-West (Private) Limited):

	FY2020		**FY2019**	
	S$	**% of Total Fees**	**S$**	**% of Total Fees**
Audit fees to Deloitte Singapore	**434,000**	**39**	380,000	48
Audit fees to Deloitte member firms outside Singapore	**276,000**	**25**	233,000	29
Total Audit Fees	**710,000**	**64**	613,000	77
Total Non-Audit Fees (both Singapore and member firms)	**404,000**	**36**	181,000	23
Total Fees	**1,114,000**	**100**	794,000	100

For FY2020, the increase in non-audit fees was mainly due to the professional services provided by Deloitte for the Company's MTN programme and potential divestment of Group's assets. The ARC was satisfied that the nature and extent of the non-audit services performed by the External Auditors have not prejudiced their independence and objectivity.

On the recommendation of the ARC, the Board approved the re-appointment of Deloitte as the independent Auditors of the Group at the forthcoming AGM for Shareholders' approval. During FY2020, the Company's associates also engaged Deloitte and its member firms for the audit work. In view of the aforesaid, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the Company's appointment of auditing firms.

The ARC has full access to, and has had the full co-operation of Management and staff. It also has full discretion to invite any Director or any member of Management to attend its meetings.

Provision 10.4
Internal Auditors, reporting line, compliance and function

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal audit. The primary reporting line of the internal audit function, which has been outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PwC**"), is to the ARC, which also decides on the appointment, termination and remuneration of the Internal Auditor. The Internal Auditor has unrestricted access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.

Upon the recommendation by ARC, the Board approved the re-engagement of PwC as the Internal Auditor of the Group in the ensuing year. In FY2020 and as in the past years, the ARC assessed the adequacy of the internal audit function through reviewing of PwC's audit plan submitted at the beginning of the year and the quality of its reports during the year.

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

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

In FY2020, the Internal Auditors audited, *inter alia*, (i) payroll management on the corporate office; (ii) sales and marketing, project management, procurement, cash management and general control environment of selected development project and asset enhancement project; and (iii) follow-up review on IT operations and network security.

Having reviewed the FY2020 audit plan and concluding audit report of PwC, the ARC is satisfied that the Company's internal audit function is adequately resourced to perform the work for the Group for FY2020.

ARC's commentary on the independence, adequacy and effectiveness of the internal audit function

For FY2020, the ARC reviewed the adequacy of the internal audit function to ensure that the internal audits were conducted effectively, and that Management provided the necessary co-operation to enable PwC to perform its function. After having reviewed the PwC reports and remedial actions implemented by Management, the ARC was satisfied that the internal audit functions were independent, effective and adequately resourced.

Provision 10.5
Independent meeting with External and Internal Auditors

During FY2020, the Company's External Auditors and Internal Auditors were invited to attend the ARC meetings. They also met separately with the ARC without the presence of Management.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

The Company believes in treating all Shareholders fairly and equitably by recognising, protecting and facilitating the exercise of Shareholders' rights. As such, it reviews and updates relevant arrangements regularly and embraces effective and fair communication with its Shareholders. It also encourages Shareholders to raise questions and to participate in discussions at general meetings.

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: Fair and equitable treatment of shareholders, enabling them to exercise shareholder rights and communicate their views. Providing shareholders with balanced and understandable assessment of the Company's performance, position and prospects

Provision 11.1
Providing opportunity for Shareholders to participate and vote at general meetings

Shareholders are entitled to attend the general meetings and are given opportunities to participate effectively in, and vote at, the general meetings of the Company.

Shareholders are informed of annual general meetings at least twenty-one days in advance through reports/circulars/letters or notices published in the newspapers, Company announcements via SGXNet and the Company's website. General meetings are usually held at venues within the central business district and which are easily accessible by Shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll, through which procedures are clearly explained by the scrutineers at the beginning of the voting in such general meetings.

An AGM presentation on the performance, position and prospects of the Group are given to Shareholders at the start of the AGM. In addition, a presentation deck accompanies each financial results announcement to give Shareholders and investors a better understanding of the Group's performance. The presentation documents are also announced via SGXNet and available on the Company's corporate website.

In an attempt to facilitate Shareholders' effective participation at AGMs, the Company has done the followings:

i. posted under the "Investor Centre" section of the Company's website, two documents prepared by SGX, titled "An Investor's Guide to Preparing for Annual General Meetings" and "An Investor's Guide to Reading Annual Reports" (in English and Chinese) so as to assist Shareholders in gaining a more comprehensive understanding of the annual reports read and framing pertinent questions at the AGMs; and

ii. ensured that Shareholders are given notice of AGMs twenty-one days in advance.

Pursuant to the provisions in the Company's Constitution, Shareholders who are not "relevant intermediaries" may appoint up to two proxies to attend, speak, and vote on his/her behalf at general meetings. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board ("**CPF**"), are allowed to appoint more than two proxies. This is to facilitate the participation of indirect Shareholders, including CPF investors, in general meetings. Such indirect Shareholders where so appointed as proxies will have the same rights as direct Shareholders to attend, speak and vote at general meetings.

In order to have a valid registration of a proxy, an instrument appointing a proxy must be deposited at a place or places specified in the notice convening the general meetings at least 72 hours before the time appointed for the general meeting.

The Company has been using electronic poll voting for a number of years so as to promote greater transparency in the voting process. Such process includes:

- Registering electronically Shareholders and proxies attending the meeting, and issuing an electronic token to each of them.
- Reviewing the robustness of the system by an appointed scrutineer who is an independent external party prior to the commencement of the meeting.
- Verifying proxies and poll voting information by the appointed scrutineer, ensuring that the polling process is properly carried out.
- Giving instructions on the use of the electronic token for polling.
- Putting each and every resolution to electronic polling.
- Flashing the results of the voting on the screen including the number and the percentage of votes cast for and against.
- Releasing voting results via SGXNet on the same day after the conclusion of the meeting.

In FY2020, due to the unprecedented pandemic crisis and in line with the initiatives implemented by the regulatory bodies (i.e. the Joint Guidance issued by the ACRA, the Monetary Authority of Singapore and the SGX RegCo) the Company successfully conducted a virtual AGM via a "live" webcast for the first time.

The virtual AGM was conducted on 22 April 2020 in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Ministry of Law (the "**Meeting Order**"). The "live" webcast AGM was made available to participating Shareholders who had registered and were assigned a unique link to access the audio and visual streaming.

At the start of the virtual AGM, the CFO gave a presentation on the Group's financial performance for FY2019. This was followed by the Executive Director/CEO's presentation on the Group's businesses. The presentation session ended with a Question & Answer section on replies to address certain substantial questions received from Shareholders before the AGM in accordance with the prescribed guidelines.

The AGM presentation slides together with the results of the poll votes on each resolution tabled at the AGM (including the total number of votes cast for or against each resolution) were announced after the said meeting via SGXNet.

Provision 11.2
Separate resolutions at general meetings

The Board ensures that separate resolutions are proposed for approval on each issue at general meetings. There is no bundling of the resolutions as they are not interdependent nor linked to each other. Detailed explanatory notes on each item of the agenda are also provided to the Notice of AGM in the Annual Report.

Provision 11.3
Attendees at general meetings

In FY2020, due to the COVID-19 safe distancing restrictions imposed by the authorities, only the Board Chairman, the Executive Director/CEO and the CFO attended the virtual AGM in person. All other Directors, KMP and the External Auditors participated by virtual means by accessing the assigned link to the "live" webcast.

Provision 11.4
Absentia voting at general meetings

Provision has been made under Article 76 of the Constitution, allowing for Shareholders to vote in absentia. Examples of absentia voting are voting via mail, electronic mail or facsimile at the general meetings. For purpose of the virtual AGM held in 2020, Shareholders were allowed to send in their votes by mailing the proxy form to the Company's registered office or via electronic mail. Such Shareholders could only appoint the Chairman of the meeting as their proxy to vote on their behalf in accordance with the prescribed guidelines.

Provision 11.5
Minutes of general meetings

The Company prepares minutes of general meetings with details of the proceedings, questions raised by Shareholders, and answers given by the Board and Management and the voting results of each resolution. Minutes of the AGM are published via the Company's website.

Following the virtual AGM held in 2020, the minutes of AGM were announced via SGXNet and posted on the Company's website within the prescribed timeframe (i.e. within one month of the AGM).

Provision 11.6
Dividend Policy

The Company has established a dividend policy which attempts to balance on one hand, the need to conserve cash for working capital and investment for the future, and on the other hand, Shareholders' desire to receive dividends arising from their investments in the Company. The dividend policy is presented in the "Other Corporate Governance Matters" section of this Annual Report.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: Regular communication with shareholders and facilitation of shareholders' participation at general meetings

Provisions 12.1, 12.2 and 12.3
Communication with Shareholders

The Company has an investor relations section in its corporate website: www.tuansing.com under "Investor Centre". The "Investor Centre" contains information on the Company's announcements and publications. There is also a "Stock Information" page which provides up to date information of the Company's current and historical share prices. Shareholders can also access the FAQs posted at "Investor Centre" for frequently asked information about the Company.

Since November 2015, an Investor Relations Policy ("**IR Policy**") has been established, setting out the principles to provide Shareholders and prospective investors with information necessary to make well-informed investment decisions. This IR Policy is published on the Company's website at www.tuansing.com at the "Investor Centre" section.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Company's announcements are as descriptive, detailed and forthcoming as possible. Hence, the Company's results announcements contain much useful information and analysis. In addition, press releases and presentation slides are provided and posted in the Company's website.

An investor relations contact has been provided at "Investor Centre" which stakeholders can use to voice their concerns or feedbacks. In the event that Shareholders or investors make any enquiries to the Company, Management endeavours to respond within two working days.

The Company's investor relations function is led by its General Counsel and the function is primarily outsourced to August Consulting, a public relations consulting firm. They worked closely with the CEO/Executive Director and other senior management to address investor relations enquiries and related activities.

Avenues of communication

The Company communicates with Shareholders and the investment community on a non-selective basis through timely release of announcements to the public via SGXNet and the Company's corporate website. Should an inadvertent disclosure be made to a selected group, the Company will make the same disclosure publicly as soon as is practicable. The Company's website also allows the public to have access to its past years' announcements.

The Company believes in providing forthcoming disclosures, if deemed beneficial to its Shareholders and the general public. In this respect, the Company has been disclosing the Company's broad strategy, business developments and financial performance through appropriate media. For developments that could have a material impact on the share price, the information is despatched as soon as it is available. The Company has been utilising news releases, annual reports, Shareholder circulars, Shareholders' meetings, announcements through SGXNet, webcasts and the Company's website for the purpose of communication.

The planned dates of release of financial results were disclosed twelve months ahead in the annual report of the preceding year. Such dates were confirmed approximately two weeks prior to the actual dates of announcement via SGXNet. Following the lifting of quarterly financial reporting by the SGX-ST, the Company has adopted half-yearly reporting for FY2020.

For FY2020, the financial results were announced within the prescribed timeline. The financial results for the half year ended 30 June 2020 were announced on 30 July 2020. The full-year results were released on 26 February 2021. Each results announcement was accompanied by a press release and a PowerPoint presentation. The 2020 Annual Report will be distributed to Shareholders twenty-one days before the AGM scheduled to be held on 23 April 2021.

General meetings have been and are still the principal forum for dialogue with Shareholders. At AGMs, Shareholders are given a PowerPoint presentation by the CEO and the CFO on the Group's past performance and outlook. Shareholders are invited to raise questions, express any concerns or give suggestions at the AGM. Before the voting of each resolution, Shareholders are also given opportunities to raise queries.

In view of the COVID-19 situation, the Board has decided to take advantage of the extended duration of the Meeting Order (to 30 June 2021) announced by the authorities (in September 2020) and conduct its forthcoming 2021 AGM by "live" webcast. For purpose of the "live" webcast AGM, Shareholders are invited to send in their queries before the closing date as set out in the Company's SGXNet announcement of 31 March 2021 (accompanying the release of the Notice of AGM) on the alternative arrangements relating to the 2021 AGM.

Other communication platforms are used to solicit and understand the views of investors and Shareholders. These include analysts and fund managers' briefings, roadshows and investor conferences attended by Management.

To enhance the process of soliciting inputs from Shareholders and members of the investment community, a "Get In Touch" link and "Feedback and Queries" template are made available at "Investor Centre" for Shareholders to communicate with the Company. The Company also attends to Shareholders' queries made via telephone and email with the contact details listed on the corporate website.

V. MANAGING STAKEHOLDERS RELATIONSHIPS

The Board believes in adopting an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Company are served.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: Managing stakeholder relationships, balancing the needs and interests of material stakeholders for the Company's best interests

Provisions 13.1, 13.2 and 13.3
Managing stakeholder relationships

The Company has appropriate channels in place to identify and engage with its material stakeholders groups. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business.

The Company's approach to stakeholder engagement and materiality assessment can be found under the "Sustainability Report" section of this Annual Report. The Sustainability Report is also available on the Company's corporate website which serves as an useful platform to communicate and engage with all stakeholders.

OTHER CORPORATE GOVERNANCE MATTERS

To maintain a high standard of corporate governance, the Company has in place various policies and practices to be observed by its Directors and employees.

INTERESTED PERSON TRANSACTIONS
Listing Manual Rule 907

The Company has obtained a Shareholders' mandate pursuant to Rule 920 of the SGX–ST Listing Manual ("**IPT Mandate**") at an extraordinary general meeting held on 24 April 2019. Interested Person Transactions ("**IPTs**") are executed on fair terms and at arm's length regardless of their nature and size. When a potential conflict of interest arises, the Director concerned neither take part in the discussions nor exercise any influence over other members of the Board. The Board last revised the IPT policy and procedures in 2019. A Review Committee has been tasked by the Board to assist the ARC in reviewing and approving IPTs exceeding $100,000 but below 3% of the Group's latest audited net tangible assets. For clarity, a separate register of IPTs carried out pursuant to the IPT Mandate is maintained for such purpose. Minutes of the Review Committee meetings are also circulated to the ARC and Board for their information.

For IPTs outside the ambit of the IPT Mandate, a list of IPTs including those less than $100,000 and their aggregate is submitted quarterly/half-yearly to the ARC for its review. For any IPT exceeding $100,000, the ARC's recommendation and the Board's approval must be sought before it is entered into. Where an IPT or its aggregate reached 3% of the Group's latest audited net tangible assets, an immediate announcement is made after the Board's approval. Where an IPT or its aggregate reached 5% of the Group's latest audited net tangible assets, Shareholders' approval will be sought through a general meeting, while the interested Shareholder (and any associate) will abstain from voting. In FY2020, the aforesaid 3% and 5% thresholds were about $33.1 million and $55.1 million respectively based on the Company's audited consolidated balance sheet as at 31 December 2019.

Details of IPTs for FY2020 and FY2019 are presented in the "SGX-ST Listing Manual Requirements" section of this Annual Report.

DEALINGS IN SECURITIES
Listing Manual Rule 1207(19)

The Company has a formal insider trading policy whereby all Directors and employees of the Group are prohibited from dealing in the securities of the Company and its listed subsidiary (i.e. SP Corporation Limited) (collectively the "**listed entities**") while in possession of price-sensitive information and during the period commencing one month before the announcement of the listed entities' full-year results, and two weeks before the announcement of the first three quarters financial results till the day of such announcements. In line with the discontinuation of quarterly reporting, a window closing period of one month before the Company's half year and full year financial result announcements applies. This policy discourages all Directors and employees of the Group from dealing in the listed entities' securities for short-term considerations and reminds them of their obligations under insider trading laws.

CODE OF CONDUCT AND PRACTICES

The Group recognises the importance of maintaining a high level of integrity and professionalism by its Directors and officers in the conduct of the Group's business. Hence, the Company's code of conduct and practices is entailed in the Employees' Handbook. The Handbook is stored electronically in the Company's Intranet and is introduced to all new employees during their induction.

This code enumerates, at the employee level, the standard of acceptable and unacceptable behaviour as well as issues of workplace harassment. On the business front, the code addresses the standard of business behaviour pertaining to the offering and receiving of business courtesies as well as issues of conflicts of interest.

The code of conduct has been strengthened since 2016 with the implementation of the Information Security Policy, Personal Data Protection Policy as well as the Anti-bribery and Anti-corruption Policy.

WHISTLE-BLOWING POLICY

The Company is committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and any legislation relating thereto. In line with this commitment, the Whistle-blowing Policy aims to provide an avenue for employees and external parties to raise concerns and offer assurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

While the Whistle-blowing Policy is meant to protect genuine whistle-blowers from any unfair treatment as a result of their report, it strictly prohibits frivolous and bogus complaints. The policy is also not a route for taking up personal grievances.

There may be circumstances where there is insufficient evidence for the Whistle-blowing Committee ("**WBC**") to proceed with the investigation, particularly in situations of anonymous reporting or in cases where the reliability and/or credibility of the reported concern is questionable.

A mechanism for the submission of issues/concerns has been established. This includes a dedicated email address allowing whistle-blowers to contact the WBC and the ARC Chairman directly, and in confidence so that his/her identity will be protected from reprisals within the limits of the law.

Assisted by the WBC, the ARC addresses issues/concerns raised and arranges for investigation and/or follow-up of appropriate action and reports to the Board accordingly. Should the ARC or WBC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to appropriate external professional advice. Where appropriate or required, a report will be made to the relevant governmental authorities for further investigation.

➢ ***Whistle-blowing Committee***

The WBC consists of:

- CEO;
- CFO; and
- Group Company Secretary.

The Board believes that the earlier an issue/concern is raised, the easier it would be for the Group to take the necessary action as appropriate.

During FY2020, there was no incident reported to the WBC.

DIVIDEND POLICY

The Company's priority is to achieve long-term capital growth for the benefit of Shareholders. Most of its profits, when made, shall therefore be retained for investment into the future.

Tuan Sing recognises, however, the desire of some of our Shareholders to receive income out of their investments in the Company. Tuan Sing therefore strives to distribute, year after year and when its cash flow permits, an appropriate sum of dividend so that its medium-term dividend yield would be better than the first quartile of the benchmarked group of Real Estate Development and Holding Companies. For the avoidance of doubt, the first quartile is defined as the middle number between the smallest number and the median of the data set.

The actual dividend payout shall be recommended by the Board at the end of each year, and tabled at the AGM of the Company for Shareholders' approval. The Board may, at its absolute discretion, consider recommending a special dividend to commemorate the Company having achieved exceptional operational performance in a particular year or in a major investment sale.

The Tuan Sing Holdings Limited Scrip Dividend Scheme (the "**Scheme**") shall be an integral and important component of the dividend policy, so that Shareholders who opt for it may grow with the Company.

The Scheme was announced on 18 December 2009, and allows Shareholders of the Company who are entitled to dividends to elect to receive either cash or an allotment of ordinary shares in the Company credited as fully-paid, in lieu of the cash amount of the dividend to which the Scheme applies. The Scheme will provide Shareholders with greater flexibility in meeting their investment objectives.

No transaction costs will be incurred by Shareholders when electing to invest in the Company through the Scheme. Through the issuance of ordinary shares pursuant to the Scheme, the Company benefits from greater share liquidity in the market and conservation of cash, which could be used to strengthen the Company's working capital.

Full details of the Tuan Sing Holdings Limited Scrip Dividend Scheme Statement are available on the Company's website at www.tuansing.com.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

The information required under Rule 720(6) and Appendix 7.4.1 of the SGX-ST Listing Manual in respect of Director seeking re-election at the 51st Annual General Meeting is set out below.

Name of Director and appointment	**CHENG HONG KOK** **Non-Executive & Independent Director**
Date of appointment	15 August 2017
Date of last re-appointment (if applicable)	19 April 2018
Age	78
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the Nominating Committee's recommendation for the re-appointment of Mr Cheng Hong Kok. Refer to pages 65 and 66 of the Corporate Governance Report on the process for selection, appointment and re-appointment of Directors.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	Chairman of Remuneration Committee Member of Nominating Committee
Professional qualifications	Refer to "Directors' Profile" on page 11 of this Annual Report.
Working experience and occupation(s) during the past 10 years	Refer to "Directors' Profile" on page 11 of this Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Except as disclosed under Provision 2.1 of the Corporate Governance Report on page 63, there is no such relationship to be disclosed.
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer.	Yes
Other Principal Commitments including directorships • Past (for the last 5 years)	Independent Director of Far East Orchard Limited (listed on SGX-ST)
Other Principal Commitments including directorships • Present	Refer to "Directors' Profile" on page 11 of this Annual Report.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Mr Cheng's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

STATUTORY REPORTS
AND ACCOUNTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Directors of the Company present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

In the opinion of the Directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 88 to 171 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

1 DIRECTORS

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

Mr Richard Eu Yee Ming
Mr William Nursalim alias William Liem
Mr Cheng Hong Kok
Mr Choo Teow Huat Albert
Ms Michelle Liem Mei Fung

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company or of related corporations as recorded in the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act (the "**Act**") except as follows:

	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
Names of Directors and companies in which interests are held	**As at 31 December 2020**	**As at 1 January 2020**	**As at 31 December 2020**	**As at 1 January 2020**
The Company (Ordinary Shares)				
Ms Michelle Liem Mei Fung	–	–	629,064,529[(1)(2)]	628,814,529[(1)]
Mr William Nursalim alias William Liem	–	–	628,814,529[(1)]	628,814,529[(1)]
The Company				
S$150 million 3-year 6% per annum Notes due 2020 pursuant to the S$900,000,000 Multicurrency Medium Term Note Programme ("**MTN Programme**")				
Mr William Nursalim alias William Liem	–[(3)]	$500,000	–	–
Mr Choo Teow Huat Albert	–	–	–[(3)]	$250,000
S$65 million 2-year 7.75% per annum Notes due 2022 pursuant to the MTN Programme				
Mr William Nursalim alias William Liem	$750,000	–	–	–
Subsidiary				
SP Corporation Limited (Ordinary Shares)				
Ms Michelle Liem Mei Fung	–	–	28,146,319[(1)]	28,146,319[(1)]
Mr William Nursalim alias William Liem	–	–	28,146,319[(1)]	28,146,319[(1)]

Note

(1) By virtue of interest in Nuri Holdings (S) Pte Ltd.
(2) Ms Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.
(3) The S$150 million 3-year 6% per annum Notes due 2020 pursuant to the MTN Programme were redeemed in full.

By virtue of Section 7 of the Act, Ms Michelle Liem Mei Fung and Mr William Nursalim alias William Liem are deemed to have an interest in the Company and in all the related corporations of the Company.

There was no change in any of the above-mentioned Directors' interests between the end of the financial year and 21 January 2021.

4 SHARE OPTIONS

During the financial year, there were no options granted to take up unissued shares of the Company or any corporation in the Group.

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT AND RISK COMMITTEE

The members of the Audit & Risk Committee at the date of this statement are as follows:

Choo Teow Huat Albert	(Chairman, Non-Executive and Independent Director)
Richard Eu Yee Ming	(Non-Executive and Independent Director)
Michelle Liem Mei Fung	(Non-Executive and Non-Independent Director)

The Audit and Risk Committee performed functions specified in Section 201B (5) of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Singapore Code of Corporate Governance.

The Audit and Risk Committee met four times during the financial year ended 31 December 2020 and had reviewed, *inter alia*, the followings with the executive Director, external and internal auditors of the Company where relevant:

(a) the external and internal audit plans; the scope of the internal audit procedures and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the consolidated financial statements of the Group and the financial statements of the Company before their submission to the Directors of the Company and the external auditors' report on those financial statements;

(d) the half-yearly and annual announcements on the results and financial positions of the Company and the Group;

(e) the interested person transactions as specified under Chapter 9 of the SGX-ST Listing Manual Rules;

(f) the co-operation and assistance given by the management to the Group's external and internal auditors; and

(g) the re-appointment of the external and internal auditors of the Group.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as the external auditors of the Group at the forthcoming Annual General Meeting of the Company.

6 EXTERNAL AUDITORS

Deloitte & Touche LLP have expressed their willingness to accept re-appointment.

On Behalf of the Directors

Mr Richard Eu Yee Ming
Chairman

Mr William Nursalim alias William Liem
Executive Director/Chief Executive Officer

9 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tuan Sing Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 88 to 171.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition of development properties

The Group recognises revenue based on the stage of completion for the sale of development properties under development on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprises one or more performance obligations, determination of whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition for these development properties requires estimate by management.

The stage of completion is measured by reference to certifications of the value of work performed to date by third party quantity surveyors as compared to the estimated total construction costs of the development project as approved by management. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total construction costs will impact the stage of completion, and consequentially the revenue recognised.

Our audit performed and responses thereon

We read the sales and purchase agreements of development properties and discussed with management to understand the relevant terms of the contracts and the basis of management's identification of performance obligations to determine whether the criteria for recognising revenue over time were met. We performed procedures to evaluate the design and implementation of the relevant controls put in place by the Group in respect of revenue recognition from the development properties.

We also reviewed management's estimated total construction cost for each of the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year which may impact the estimated total construction cost. In addition, we also used the value of the work performed to date as provided by third party quantity surveyors, compared to the estimated total construction cost and performed arithmetic computations of the stage of completion and revenue to be recognised for the year.

We found management's basis of identifying performance obligations and the basis of revenue recognition for these development properties to be appropriate. We also found that the key assumptions applied by management for estimated total construction costs to be reasonable based on supportable information available.

Further disclosures are made in Note 28 to the financial statements.

Valuation of development properties

The Group has residential properties under development and completed properties for sale which are mainly located in Singapore. These development properties are stated at the lower of cost and net realisable values.

The determination of the estimated net realisable value of these development properties is dependent upon the Group's expectations of future selling prices. Weakening market conditions and slow take up rate of development properties may impact and create downward pressure on the selling prices of these properties. There is a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold.

Key Audit Matters (cont'd)
Valuation of development properties (cont'd)
Our audit performed and responses thereon
We discussed with and evaluated management's basis used in their assessment in determining whether the Group's properties under development and completed properties for sale are impaired and the amount of impairment to be recorded if any, based on the Group's estimated selling prices of these properties, by comparing where available, to recently transacted prices for the same project and prices of past sales of comparable properties in the vicinity. In addition, we made reference to valuation performed by professional external valuers engaged by the Group. We also performed sensitivity analysis on the estimated selling prices used by management in their assessment and considered the adequacy of the disclosures in respect of the impairment losses, if any, presented in the financial statements for these properties.

We found management's estimates to be reasonable based on supportable information available, and that management had applied their knowledge of the business in determining the estimated selling prices of the respective properties, by taking into consideration the selling prices of recent sales of the respective properties and that of comparable properties, and expectations of the property market conditions. We found that the Group had appropriately recorded the impairment loss in profit or loss and the related disclosures to be appropriate.

Further disclosures are made in Note 10 to the financial statements.

Valuation of investment properties and hotel properties
The Group has investment and hotel properties stated at fair value, determined based on professional external valuers engaged by the Group.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and the underlying assumptions used, which includes price per square metre of market comparables used; capitalisation rates; price per square metre of gross / net lettable area and value per room for hotel properties. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon
We read the terms of engagement of the external valuers engaged and also considered the objectivity and independence of the external valuers including their qualifications and competency.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective investment and hotel properties, taking into account the profile and type of these properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks or comparables where available and considered whether these assumptions are consistent with the current market environment. We have also engaged our internal valuation specialists to assist in reviewing the valuation reports issued by external independent professional valuers for the Group's major investment and hotel properties by assessing whether the valuation methodology and key assumptions adopted is reasonable.

Some of the external valuers highlighted that given the unprecedented set of circumstances on which to base a judgment, less certainty and higher degree of caution should be attached to their valuation than would normally be the case. Due to the unknown future impact that the Coronavirus Disease ("COVID-19") pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found the external valuers to have the appropriate level of qualifications and experience, and that the valuation methodologies adopted were in line with generally accepted market practices for similar properties. The key assumptions used were within reasonable range, taking into account historical rates and available industry data for comparable markets and properties. We also found that the related disclosures in the financial statements to be appropriate.

Further disclosures on the investment properties and hotel properties are found in Notes 14 and 12 to the financial statements respectively.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Company and Strategy, 5-Year Financial Highlights, Corporate Stewardship, Management Discussion and Analysis, Corporate Governance Report, Sustainability Report and Shareholding Statistics reports, which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Information Other than the Financial Statements and Auditor's Report Thereon (cont'd)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Kee Cheng Kong, Michael.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

9 March 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		31 December 2020 $'000	31 December 2019 $'000 (restated)	31 December 2020 $'000	31 December 2019 $'000 (restated)
ASSETS					
Current assets					
Cash and bank balances	5	**274,392**	172,274	**50,188**	37,558
Trade and other receivables	6	**55,816**	70,424	**506**	408
Contract assets	7	**46,966**	29,974	**–**	–
Contract costs	8	**2,855**	1,295	**–**	–
Amounts due from subsidiaries	20	**–**	–	**281,333**	378,149
Inventories	9	**2,146**	2,370	**–**	–
Development properties	10,45	**303,815**	344,611	**–**	–
		685,990	620,948	**332,027**	416,115
Assets classified as held for sale	11	**410,943**	–	**–**	–
Total current assets		**1,096,933**	620,948	**332,027**	416,115
Non-current assets					
Property, plant and equipment	12,45	**407,590**	412,712	**3,091**	2,386
Right-of-use assets	13	**266**	250	**9,557**	1,060
Investment properties	14	**1,452,351**	1,778,168	**498**	498
Investments in subsidiaries	15,45	**–**	–	**755,923**	759,284
Investments in equity accounted investees	16	**152,547**	137,863	**–**	–
Financial asset at fair value through other comprehensive income	17	**29,343**	30,916	**–**	–
Deferred tax assets	23	**1,721**	2,047	**–**	–
Trade and other receivables	6	**2,915**	14,433	**–**	–
Other non-current assets		**5**	5	**–**	–
Total non-current assets		**2,046,738**	2,376,394	**769,069**	763,228
Total assets		**3,143,671**	2,997,342	**1,101,096**	1,179,343
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	18	**210,130**	281,062	**–**	149,763
Lease liabilities	13	**54**	63	**1,940**	907
Trade and other payables	19	**153,604**	109,045	**21,047**	31,674
Amounts due to subsidiaries	20	**–**	–	**417,614**	401,438
Contract liabilities	22	**–**	1,536	**–**	–
Income tax payable		**3,776**	4,148	**–**	–
		376,564	395,854	**440,601**	583,782
Liabilities directly associated with assets classified as held for sale	11	**298,483**	–	**–**	–
Total current liabilities		**666,047**	395,854	**440,601**	583,782
Non-current liabilities					
Loans and borrowings	18	**1,254,823**	1,430,270	**63,795**	–
Lease liabilities	13	**84**	52	**7,533**	153
Derivative financial instruments	35	**2,038**	939	**–**	–
Deferred tax liabilities	23	**46,859**	50,805	**–**	–
Other non-current liabilities	19	**322**	349	**–**	–
Total non-current liabilities		**1,304,126**	1,482,415	**71,328**	153
Capital, reserves and non-controlling interests					
Share capital	24	**176,234**	175,234	**176,234**	175,234
Treasury shares	25	**(3,891)**	(2,955)	**(3,891)**	(2,955)
Reserves	26,45	**987,724**	932,684	**416,824**	423,129
Equity attributable to owners of the Company		**1,160,067**	1,104,963	**589,167**	595,408
Non-controlling interests		**13,431**	14,110	**–**	–
Total equity		**1,173,498**	1,119,073	**589,167**	595,408
Total liabilities and equity		**3,143,671**	2,997,342	**1,101,096**	1,179,343

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group	
		31 December 2020 $'000	**31 December 2019 $'000**
Revenue	28	**196,817**	310,689
Cost of sales		**(148,240)**	(239,153)
Gross profit		**48,577**	71,536
Other operating income		**28,505**	5,520
Distribution costs		**(5,931)**	(6,833)
Administrative expenses		**(33,469)**	(29,151)
Other operating expenses		**(5,658)**	(1,313)
Share of results of equity accounted investees	16	**25,645**	21,561
Interest income	29	**4,833**	5,836
Finance costs	30	**(47,803)**	(58,325)
Profit before tax and fair value adjustments		**14,699**	8,831
Fair value adjustments	31	**45,188**	33,207
Profit before tax	32	**59,887**	42,038
Income tax expenses	33	**(1,356)**	(9,359)
Profit for the year		**58,531**	32,679
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	35	**(27,263)**	4,292
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	35	**8,179**	(1,288)
Fair value loss on investments in equity instruments designated as at FVTOCI	35	**(1,573)**	–
		(20,657)	3,004
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	35	**26,938**	(12,953)
Share of exchange differences on translation of equity accounted investees	35	**(2,516)**	(1,131)
Cash flow hedges	35	**(1,027)**	(939)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	35	**308**	282
		23,703	(14,741)
Other comprehensive income / (loss) for the year, net of tax	35	**3,046**	(11,737)
Total comprehensive income for the year		**61,577**	20,942
Profit attributable to:			
Owners of the Company		**59,009**	33,213
Non-controlling interests		**(478)**	(534)
		58,531	32,679
Total comprehensive income attributable to:			
Owners of the Company		**62,146**	21,504
Non-controlling interests		**(569)**	(562)
		61,577	20,942
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	34	**5.0**	2.8
Excluding fair value adjustments	34	**1.5**	0.4

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Operating activities			
Profit before tax		**59,887**	42,038
Adjustments for:			
Fair value gain	31	**(45,188)**	(33,207)
Share of results of equity accounted investees	16	**(25,645)**	(21,561)
Write-back of allowance for diminution in value for development properties, net	10	**(199)**	(328)
Depreciation of property, plant and equipment	12	**9,199**	8,024
Depreciation of right-of-use assets	13	**81**	26
Amortisation of contract costs	8	**3,472**	2,607
Allowance / (Write-back) of allowance for doubtful trade and other receivables, net	6	**746**	(53)
Bad debts written off	6	**25**	429
Write-back of recognised corporate guarantee no longer required	16	**–**	(346)
Net (gain) / loss on disposal of property, plant and equipment	32	**(5)**	14
Plant and equipment written off		**14**	–
Shares of results in a joint venture	16	**5**	–
Net loss on disposal of an investment property	11	**–**	48
Reversal of accruals for development costs previously capitalised	32	**(8,744)**	–
Rent concessions		**(74)**	–
Interest income	29	**(4,833)**	(5,836)
Finance costs	30	**47,803**	58,325
Operating cash flows before movements in working capital		**36,544**	50,180
Development properties		**40,751**	10,197
Inventories		**266**	400
Trade and other receivables		**8,584**	(7,310)
Contract costs		**(5,032)**	(3,489)
Contract assets		**(16,992)**	(14,523)
Contract liabilities		**(1,536)**	943
Trade and other payables		**7,845**	(18,507)
Cash generated from operations		**70,430**	17,891
Interest received		**5,225**	8,198
Income tax paid		**(6,530)**	(5,599)
Net cash from operating activities		**69,125**	20,490
Investing activities			
Purchase of property, plant and equipment	12	**(5,555)**	(7,103)
Proceeds from disposal of property, plant and equipment		**42**	44
Proceeds from sale of an investment property		**–**	41,992
Additions to investment properties		**(8,280)**	(6,920)
Deposits collected from planned divestment of a subsidiary	11	**50,000**	–
Loan to related parties	21	**–**	(5,000)
Proceeds from repayment of loan by a related party		**21,500**	–
Investment in an equity accounted investee	16	**(5)**	–
Acquisition of subsidiaries	37	**–**	(4,677)
Dividend received from an equity accounted investee	16	**9,352**	–
Acquisition of financial asset designated at FVTOCI		**–**	(25,396)
Net cash from / (used in) investing activities		**67,054**	(7,060)
Financing activities			
Proceeds from loans and borrowings		**238,658**	687,268
Repayment of loans and borrowings		**(218,527)**	(589,206)
Repayment of lease liabilities	13	**(82)**	(25)
Interest paid		**(49,032)**	(58,901)
Bank deposits pledged as securities for bank facilities		**5,941**	(18,482)
Dividend paid to shareholders	27	**(6,104)**	(9,383)
Purchase of treasury shares	25	**(936)**	(1,432)
Acquisition of non-controlling interests of a subsidiary		**(112)**	–
Net cash (used in) / from financing activities		**(30,194)**	9,839
Net increase in cash and cash equivalents		**105,985**	23,269
Cash and cash equivalents at the beginning of the year	5	**88,986**	66,567
Foreign currency translation adjustments		**3,427**	(850)
Cash and cash equivalents at the end of the year	5	**198,398**	88,986

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 January 2020		**175,234**	**(2,955)**	**(62,652)**	**142,155**	**–**	**184,924**	**668,257**	**1,104,963**	**14,110**	**1,119,073**
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	59,009	59,009	(478)	58,531
Exchange differences on translation of foreign operations	35	–	–	24,513	–	–	–	–	24,513	(91)	24,422
Revaluation of properties	35	–	–	–	(27,263)	–	–	–	(27,263)	–	(27,263)
Cash flow hedges	35	–	–	–	–	–	(1,027)	–	(1,027)	–	(1,027)
Fair value loss on investments in equity instruments designated as at FVTOCI	35	–	–	–	–	(1,573)	–	–	(1,573)	–	(1,573)
Income tax adjustments relating to other comprehensive income	35	–	–	–	8,179	–	308		8,487	–	8,487
Other comprehensive income / (loss) for the year, net of tax		–	–	24,513	(19,084)	(1,573)	(719)	–	3,137	(91)	3,046
Total		–	–	24,513	(19,084)	(1,573)	(719)	59,009	62,146	(569)	61,577
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		–	–	–	–	–	9,624	(9,624)	–	–	–
Effects of acquiring non-controlling interests of a subsidiary	15	–	–	–	(70)	–	68	–	(2)	(110)	(112)
Issue of shares under the Scrip Dividend Scheme	24	1,000	–	–	–	–	–	–	1,000	–	1,000
Repurchase of shares	25	–	(936)	–	–	–	–	–	(936)	–	(936)
Dividend paid to shareholders:											
- Cash	27	–	–	–	–	–	–	(6,104)	(6,104)	–	(6,104)
- Share	27	–	–	–	–	–	–	(1,000)	(1,000)	–	(1,000)
Total		1,000	(936)	–	(70)	–	9,692	(16,728)	(7,042)	(110)	(7,152)
At 31 December 2020		**176,234**	**(3,891)**	**(38,139)**	**123,001**	**(1,573)**	**193,897**	**710,538**	**1,160,067**	**13,431**	**1,173,498**

Details of "Other capital reserves" are disclosed in Note 26.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group										
At 1 January 2019		173,945	(1,523)	(48,596)	139,151	156,909	668,471	1,088,357	14,672	1,103,029
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	33,213	33,213	(534)	32,679
Exchange differences on translation of foreign operations	35	–	–	(14,056)	–	–	–	(14,056)	(28)	(14,084)
Revaluation of properties	35	–	–	–	4,292	–	–	4,292	–	4,292
Cash flow hedges	35	–	–	–	–	(939)	–	(939)	–	(939)
Income tax adjustments relating to other comprehensive income	35	–	–	–	(1,288)	282	–	(1,006)	–	(1,006)
Other comprehensive (loss)/income for the year, net of tax		–	–	(14,056)	3,004	(657)	–	(11,709)	(28)	(11,737)
Total		–	–	(14,056)	3,004	(657)	33,213	21,504	(562)	20,942
Transactions with owners, recognised directly in equity										
Transfer from revenue reserve to other capital reserves		–	–	–	–	22,755	(22,755)	–	–	–
Discount on investment in equity instrument designated as at FVTOCI		–	–	–	–	5,520	–	5,520	–	5,520
Discount on acquisition of a subsidiary		–	–	–	–	397	–	397	–	397
Issue of shares under the Scrip Dividend Scheme	24	1,289	–	–	–	–	–	1,289	–	1,289
Repurchase of shares	25	–	(1,432)	–	–	–	–	(1,432)	–	(1,432)
Dividend paid to shareholders:										
- Cash	27	–	–	–	–	–	(9,383)	(9,383)	–	(9,383)
- Share	27	–	–	–	–	–	(1,289)	(1,289)	–	(1,289)
Total		1,289	(1,432)	–	–	28,672	(33,427)	(4,898)	–	(4,898)
At 31 December 2019		175,234	(2,955)	(62,652)	142,155	184,924	668,257	1,104,963	14,110	1,119,073

Details of "Other capital reserves" are disclosed in Note 26.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Other capital reserve# $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 January 2020		**175,234**	**(2,955)**	**101,264**	**321,865**	**595,408**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**–**	**799**	**799**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**1,000**	**–**	**–**	**–**	**1,000**
Dividend paid to shareholders						
- Cash	27	**–**	**–**	**–**	**(6,104)**	**(6,104)**
- Share	27	**–**	**–**	**–**	**(1,000)**	**(1,000)**
Repurchase of shares	25	**–**	**(936)**	**–**	**–**	**(936)**
Total		**1,000**	**(936)**	**–**	**(7,104)**	**(7,040)**
At 31 December 2020		**176,234**	**(3,891)**	**101,264**	**315,560**	**589,167**
At 1 January 2019		173,945	(1,523)	101,264	324,548	598,234
Adjustment for deemed investment in subsidiaries previously liquidated	45	–	–	–	(1,476)	(1,476)
At 1 January 2019 (restated)		173,945	(1,523)	101,264	323,072	596,758
Profit for the year, representing total comprehensive income for the year		–	–	–	9,465	9,465
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	1,289	–	–	–	1,289
Dividend paid to shareholders						
- Cash	27	–	–	–	(9,383)	(9,383)
- Share	27	–	–	–	(1,289)	(1,289)
Repurchase of shares	25	–	(1,432)	–	–	(1,432)
Total		1,289	(1,432)	–	(10,672)	(10,815)
At 31 December 2019 (restated)		175,234	(2,955)	101,264	321,865	595,408

Details of "Other capital reserves" are disclosed in Note 26.

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

1 General

Tuan Sing Holdings Limited (Registration number: 196900130M) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries and associates are disclosed in Notes 41 and 42 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 9 March 2021.

2 Summary of significant accounting policies

(a) Basis of accounting

The financial statements have been 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 Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

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 these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *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 entity 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 unobservable inputs for the asset or liability.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- 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 Company 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 Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- Potential voting rights held by the Company, other vote holders or other parties;

- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the Company 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.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company 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 profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Business combinations (cont'd)
Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year from acquisition date.

Associates and joint venture (equity accounted investees)
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating 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 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 of and assets and liabilities of associates or joint venture 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 SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, investment in associates or joint venture are 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 associates or joint venture. When the Group's share of losses of an associate or a joint venture exceed the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or 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 associates 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 joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition 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 investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired (Note 2(f)).

The requirements of SFRS(I) 1-28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *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 SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Associates and joint venture (equity accounted investees) (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associates or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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

When the Group reduces its ownership interest in an associate or 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.

Where the 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.

The Group applies SFRS(I) 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying SFRS(I) 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by SFRS(I) 1-28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with SFRS(I) 1-28).

(c) Foreign currency transactions and translation

Functional and presentation currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (i.e. its functional currency).

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("SGD") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to the functional currency at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

2 Summary of significant accounting policies (cont'd)

(c) Foreign currency transactions and translation (cont'd)

Foreign currency translation
For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Net investment in foreign operations
On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

(d) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Classification of financial assets (cont'd)

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

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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 assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), 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 income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "interest income" line item.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

The Group has designated all investments in equity instrument that are not held for trading as at FVTOCI on initial recognition.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Equity instruments designated as at FVTOCI (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 40(e).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date.

Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income / (expense)" line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other operating income / (expense)" line item;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income / (expense)" line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL 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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Impairment of financial assets (cont'd)

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-month 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.

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-month 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.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- An actual or expected significant deterioration in the operating results of the debtor;

- Significant increases in credit risk on other financial instruments of the same debtor; and

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped based on the nature, size and industry of the debtors. Balances from related parties are assessed for expected credit on an individual basis.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Measurement and recognition of expected credit losses (cont'd)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Financial liabilities at FVTPL (cont'd)
Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 40(e).

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. 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.

Derivative financial instruments
The Group enters into interest rate swap contracts to manage its exposure to interest rate risks. Further details of derivative financial instruments are disclosed in Note 35.

Derivatives are initially recognised at fair value at the date the derivative contracts are 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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Derivative financial instruments (cont'd)
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.

Hedge accounting
The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Offsetting arrangements
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available as of the date of the reporting rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(e) Property, plant and equipment

Measurement
Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost (or at restated amounts, see below) less any subsequent accumulated depreciation and accumulated impairment losses.

Cost includes professional fees and for qualifying assets, borrowing cost, capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2 Summary of significant accounting policies (cont'd)

(e) Property, plant and equipment (cont'd)

Revaluation

Certain land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising from the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than properties under construction and freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

	Useful lives
Building on freehold land	50 years
Leasehold land, buildings and improvements	Over the remaining lease periods ranging 3 to 99 years
Plant and equipment	1 to 15 years
Motor vehicles	5 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

(f) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2 Summary of significant accounting policies (cont'd)

(g) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and non-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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units ("CGU"), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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 assessments 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 (or CGU) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(h) Investment properties

Investment properties comprise completed properties and properties under construction held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from development property to investment property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use with fair value gain or loss recognised in profit or loss. For a transfer from investment property to owner occupied property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment Note 2(e) up to the date of change in use.

(i) Development properties

Development properties comprise properties in the course of development and completed properties held for sale in the ordinary course of business.

Completed properties held for sale are stated at the lower of cost and estimated net realisable value. Cost is determined by apportionment of the total land cost and development costs capitalised attributable to properties. Net realisable value takes into account the estimated selling price, less cost to be incurred in marketing and selling, and the expected costs to completion, where appropriate.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project.

When losses are expected, full allowance are recognised as expenses immediately based on best estimates of net realisable value and estimated costs to completion.

Lands held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

The Group's policy for revenue recognition in relation to development properties is described under "Revenue recognition" Note 2(n).

2 Summary of significant accounting policies (cont'd)

(i) Development properties (cont'd)

Costs attributable to the construction of showflat are capitalised as prepayment and disclosed under trade and other receivables when incurred and are recognised in the profit or loss in the period when the development properties are launched for sale.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and direct labour costs where applicable and those overheads that have been incurred in bringing the inventories 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. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(k) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents in the consolidated statement of cash flows exclude encumbered fixed deposits and bank balances.

(l) Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

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 on the same basis as the lease income.

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.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of SFRS(I) 9, recognising an allowance for ECL on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a 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 term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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. The incremental borrowing rate is determined by obtaining interest rate from external financing sources and make certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

2 Summary of significant accounting policies (cont'd)

(l) Leases (cont'd)

<u>The Group as lessee</u> *(cont'd)*

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company has applied the amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions*. The Company applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

2 Summary of significant accounting policies (cont'd)

(m) 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.

(n) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods
- Sale of residential properties
- Revenue from hotel operations
- Revenue from services rendered
- Rental income
- Interest income
- Dividend income

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.

Sale of goods

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customers do not have a right of return.

Sale of residential properties

The Group constructs and sells residential properties under long-term contracts with customers.

Under the terms of the contracts for sale of residential properties in Singapore, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is recognised based on the stage of completion of construction. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects as approved by management. Management considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract. For development properties under construction, the Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party surveyor and an invoice for the related milestone payment. For completed development properties, the Group is entitled to invoice customers in accordance with the payment schedule in the sales contract.

If the value of the goods transferred exceed the milestone payments, a contract asset is recognised. If the milestone payment exceeds the revenue recognised to date, a contract liability is recognised.

When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

2 Summary of significant accounting policies (cont'd)

(n) Revenue recognition (cont'd)

Revenue from hotel operations

Revenue from operations of a hotel is recognised from the following major sources: hotel stays, valet parking services and sales of food and beverages.

Provision of hotel stays and valet parking services are recognised as performance obligations satisfied over time. Progress towards complete satisfaction of these performance obligations is measured based on the proportion of the total duration of stay that has elapsed at the end of the reporting period. Payment for hotel stays and valet parking services sold to corporates are due from the customer at the end of the duration of stay. Payment for such services sold to individual customers are due from the customer prior to the stay. A contract asset is recognised for time which has elapsed representing the Group's right to consideration for the services performed to date, except for short durations of service where the effect would be immaterial.

Revenue from sales of food and beverages are recognised when control of the goods has transferred, being at the point in time when the food and beverages are consumed. This is also the point where the Group is entitled to payment.

The Group sells hotel packages to customers. The hotel packages offer combined goods and services. These goods and services are considered distinct as they are regularly supplied by the Group to customers on a stand-alone basis. These are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on their stand-alone selling prices. Payment of the transaction price is due immediately when the customer purchases the hotel package.

Revenue from services rendered

The Group provides services to lessees of its investment properties and property management services. Such services are recognised as a performance obligation satisfied over time. Revenue of recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Payment for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

Rental income

The Group's policy for recognition of revenue from operating leases is described above in Note 2(l).

Interest income

The Group's policy for recognition of interest income is described above in Note 2(d).

Dividend income

Dividends on investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(o) 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.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends are deducted from shareholders' equity and recorded as a liability when declared payable. Proposed dividends which are subject to shareholders' approval are not deducted from equity and are not recorded as liabilities.

(q) Employee benefits

Retirement benefit obligations

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognised any related restructuring costs.

2 Summary of significant accounting policies (cont'd)

(q) Employee benefits (cont'd)

Employees' leave entitlement

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

(r) Income tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss 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 Company and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognised on the difference 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. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or when 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. Except for investment properties that are measured using the fair value model, 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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

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 either in other comprehensive income or directly in equity, or where they arise from the initial accounting for business combination. In 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 Summary of significant accounting policies (cont'd)

(s) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(t) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. 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.

(u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer ("CEO"), who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's CEO to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

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 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.

Critical judgements in applying the Group's accounting policies

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

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of 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:

Stage of completion for revenue recognition

The Group recognises contract revenue in Note 28 based on the stage of completion for the sale of development properties in Singapore where the Group has enforceable rights to payment for performance completed to date. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the total estimated construction costs of the development projects as approved by management.

Significant judgements are required to estimate the total construction costs which include estimation for variation works and any other claims from contractors and sub-contractors. In making the judgements, the Group relies on past experience and the work of third party quantity surveyors. The valuation of development properties and provisions for foreseeable losses, if any, are therefore subject to uncertainty in respect of variation works and estimation of future costs. The Group adopts a prudent approach in evaluating these uncertainties.

The Group's revenue recognised based on the stage of completion are disclosed in Note 28 to the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Allowance for diminution in value for development properties

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value, assessed on an individual property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

During the year, a net write-back of allowance for diminution in value of $199,000 (2019 : write-back of allowance for diminution in value of $328,000) was made on Singapore development properties, taking into account with reference to actual and past sales of the respective properties and that of comparable properties, location and market conditions.

The carrying amounts of development properties and allowance for diminution in value are disclosed in Note 10.

Fair value measurement and valuation processes

The Group carries its hotel properties and investment properties at fair value based on independent professional valuations.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income method, income capitalisation method and discounted cash flow method) which involve certain estimates and significant unobservable inputs which are disclosed in Notes 12 and 14. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The income method capitalises an income stream into a present value using single-year capitalisation rates. Capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.The valuation reports are prepared in accordance with recognised appraisal and valuation standards, and have included a material valuation uncertainty clause, where applicable, due to the disruption to the market at that date caused by the COVID-19 outbreak. The inclusion of this clause indicates that there is substantially more uncertainty than normal and therefore a higher likelihood that the assumptions upon which the external valuers have based their valuations prove to be inaccurate. The carrying amounts of the Group's investment properties were current as at 31 December 2020 only and may change significantly after the balance sheet date as the future impact of the COVID-19 outbreak remains unknown.

Information relating to the valuation techniques and inputs used in determining the fair value of hotel properties and investment properties are disclosed in Notes 12 and 14 respectively to the financial statements.

Deferred tax liabilities arising from changes in the carrying amount of investment in Grand Hotel Group

The Group's interest in Grand Hotel Group ("GHG") is held by TSH Australia Holdings Pte Ltd ("TAHAUD"), a wholly-owned subsidiary of the Company, through Tuan Sing (Australia) Trust ("TSAT") and Tuan Sing Real Estate Trust ("TSRET"). GHG comprises of the Grand Hotel Trust ("GHT") and its controlled entities and Grand Hotel Company Pty Ltd ("GHC") and its controlled entities. The units in GHT are 'stapled' to the shares of GHC. GHT is not liable for tax under the Australian tax legislation provided the taxable income (including any assessable component of capital gains from sale of investment assets) is fully distributed to unit holders in each year.

TAHAUD is subject to income taxes in the Australian jurisdiction. The Group has estimated deferred tax liability arising from changes in the carrying amount of its investments in GHG amounting to A$33,121,000 (2019 : A$43,594,000) or equivalent to $33,446,000 (2019 : $40,882,000) (Note 23). In estimating this amount, the Group considers the taxable gains to be the excess of Group's share of the fair value of net assets of GHG over the tax cost base of the securities in GHG held by the Group.

Future actual tax liability when incurred and payable will differ from this estimate to the extent that the future realisation of values from the investment in GHG differs from the amount of fair value of the assets currently estimated. It would similarly be affected by any change in tax losses and tax base which have yet to be agreed with the Australian tax authorities.

Loss allowance for receivables and refundable trade deposit

Loss allowance for aged trade receivables and refundable trade deposit are based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer, ongoing dealings with them and forward-looking macro-economic information. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional loss allowance may be required.

The carrying amount of trade and other receivables are disclosed in Note 6 to the financial statements.

4 Segment information

Products and services from which reportable segments derive their revenue

For management purpose, the Group is organised into strategic business units based on their products and services. The Group's principal business operating units, during and at the end of the reporting period, are Property, Hotels Investment, Industrial Services and Other Investments. Accordingly, the Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	Principal activities
Property	Property development and investment and provision of construction management services in Singapore, Australia, China and Indonesia.
Hotels Investment	Investment in hotels in Melbourne and Perth, Australia, managed by hotel operators.
Industrial Services	Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia.
Other Investments	Investment in GulTech, a printed circuit boards manufacturer with plants in China.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment after allocation of central administrative costs and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

Information regarding each of the Group's reportable segments is presented below.

Segment revenues and results

	Property	Hotels Investment[3]	Industrial Services	Other Investments[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2020							
Revenue							
External revenue	126,818	32,454	37,365	–	180	–	196,817
Inter-segment revenue	3,131	374	–	–	21,120	(24,625)	–
	129,949	32,828	37,365	–	21,300	(24,625)	196,817
Results							
Profit before tax and fair value adjustments	20,548	(17,012)	1,584	24,732	(2,295)	(12,858)	14,699
Fair value adjustments	47,385	(2,308)	–	111	–	–	45,188
Profit before tax	67,933	(19,320)	1,584	24,843	(2,295)	(12,858)	59,887
Income tax expenses	(1,943)	496	(196)	–	287	–	(1,356)
Profit for the year	65,990	(18,824)	1,388	24,843	(2,008)	(12,858)	58,531
Profit attributable to:							
Owners of the Company	66,743	(18,824)	1,113	24,843	(2,008)	(12,858)	59,009
Non-controlling interests	(753)	–	275	–	–	–	(478)
Profit for the year	65,990	(18,824)	1,388	24,843	(2,008)	(12,858)	58,531

4 Segment information (cont'd)

Segment revenues and results (cont'd)

	Property[4]	Hotels Investment[3]	Industrial Services[4]	Other Investments[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2019							
Revenue							
External revenue	107,879	101,238	101,390	–	182	–	310,689
Inter-segment revenue	1,144	522	–	–	20,736	(22,402)	–
	109,023	101,760	101,390	–	20,918	(22,402)	310,689
Results							
Profit before tax and fair value adjustments	(2,344)	3,867	3,051	21,832	4,509	(22,084)	8,831
Fair value adjustments	33,307	–	–	(100)	–	–	33,207
Profit before tax	30,963	3,867	3,051	21,732	4,509	(22,084)	42,038
Income tax expenses	(4,270)	(433)	(502)	–	(4,154)	–	(9,359)
Profit for the year	26,693	3,434	2,549	21,732	355	(22,084)	32,679
Profit attributable to:							
Owners of the Company	27,724	3,434	2,052	21,732	355	(22,084)	33,213
Non-controlling interests	(1,031)	–	497	–	–	–	(534)
Profit for the year	26,693	3,434	2,549	21,732	355	(22,084)	32,679

Notes:

1. No revenue is reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.
2. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at Group-level upon consolidation.
3. Results of GHG's commercial, retail and car park components, which are currently leased out to various tenants, are included in the Property Segment.
4. Comparative was adjusted for reclassification of a subsidiary from Property to Industrial segment to reflect actual segment it belongs.

4 Segment information (cont'd)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
31 December 2020						
Assets						
Segment assets	2,412,874	418,660	74,164	–	54,362	2,960,060
Deferred tax assets	–	1,641	80	–	–	1,721
Financial asset at fair value through other comprehensive income	29,343	–	–	–	–	29,343
Investments in equity accounted investees	15,115	–	–	137,432	–	152,547
Total assets	2,457,332	420,301	74,244	137,432	54,362	3,143,671
Liabilities						
Segment liabilities	(420,329)	(16,173)	(8,091)	(5,119)	(4,873)	(454,585)
Loans and borrowings	(1,185,442)	(215,716)	–	–	(63,795)	(1,464,953)
Income tax payable and deferred tax liabilities	(8,096)	(3,652)	(712)	–	(38,175)	(50,635)
Total liabilities	(1,613,867)	(235,541)	(8,803)	(5,119)	(106,843)	(1,970,173)
Net assets/ (liabilities)	843,465	184,760	65,441	132,313	(52,481)	1,173,498
Other information						
Capital expenditure	304	3,418	137	–	1,696	5,555
Depreciation of property, plant and equipment	405	7,781	232	–	781	9,199
Depreciation of right-of-use assets	8	45	28	–	–	81
Write back of allowance for diminution in value for development properties	199	–	–	–	–	199
Revaluation deficit on properties (in other comprehensive income)	–	27,263	–	–	–	27,263
Revaluation deficit on properties (in profit and loss)	–	2,308	–	–	–	2,308
Fair value gain on investment properties	47,385	–	–	–	–	47,385
Fair value gain on financial instruments	–	–	–	111	–	111

4 Segment information (cont'd)

Segment assets, liabilities and other segment information (cont'd)

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
31 December 2019						
Assets						
Segment assets	2,290,605	420,215	74,507	–	41,189	2,826,516
Deferred tax assets	–	2,047	–	–	–	2,047
Financial asset at fair value through other comprehensive income	30,916	–	–	–	–	30,916
Investments in equity accounted investees	14,355	–	–	123,508	–	137,863
Total assets	2,335,876	422,262	74,507	123,508	41,189	2,997,342
Liabilities						
Segment liabilities	(77,384)	(17,928)	(3,509)	(5,023)	(8,140)	(111,984)
Loans and borrowings	(1,357,723)	(198,722)	(5,125)	–	(149,762)	(1,711,332)
Income tax payable and deferred tax liabilities	(7,550)	(189)	(633)	–	(46,581)	(54,953)
Total liabilities	(1,442,657)	(216,839)	(9,267)	(5,023)	(204,483)	(1,878,269)
Net assets/ (liabilities)	893,219	205,423	65,240	118,485	(163,294)	1,119,073
Other information						
Capital expenditure	686	3,643	110	–	2,664	7,103
Depreciation of property, plant and equipment	164	7,268	248	–	344	8,024
Depreciation of right-of-use assets	9	–	17	–	–	26
Write back of allowance for diminution in value for development properties	328	–	–	–	–	328
Write-back of recognised corporate guarantee no longer required	–	–	–	346	–	346
Revaluation gain on properties (in other comprehensive income)	–	4,292	–	–	–	4,292
Fair value gain on investment properties	33,307	–	–	–	–	33,307
Fair value loss on financial instruments	–	–	–	(100)	–	(100)

Note:

1. No capital expenditure and depreciation are reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Australia, China, Malaysia, Indonesia and other ASEAN countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets other than the investment in equity accounted investees, deferred tax assets, financial asset at FVTOCI and trade and other receivables are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2020 $'000	2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore	**135,878**	160,974	**1,160,183**	1,531,278
Australia	**48,477**	118,724	**667,879**	635,259
China	**3,930**	19,510	**27,617**	20,194
Malaysia	**7,932**	8,314	**4,336**	4,387
Indonesia	**600**	3,167	**197**	17
	196,817	310,689	**1,860,212**	2,191,135

4 Segment information (cont'd)

Other segment information

Included in the Group revenue of $196.8 million (2019 : $310.7 million) were sales of approximately $19.7 million (2019 : $77.1 million) to two customers from the Industrial Services segment that contributed 10% or more to the Group's revenue.

5 Cash and bank balances

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Cash at banks and on hand	**127,607**	49,344	**20,498**	16,718
Fixed deposits	**117,587**	111,582	**29,690**	20,840
Amounts held under the Housing Developers (Project Account) Rules	**29,198**	11,348	**–**	–
	274,392	172,274	**50,188**	37,558
Cash and bank balances included in assets classified as held for sale (Note 11)	**4,801**	–	**–**	–
	279,193	172,274	**50,188**	37,558

Cash and bank balances comprise cash and fixed deposits held by the Group which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Deposits earned interest ranging from 0.03% to 1.9% per annum (2019 : 0.6% to 2.6% per annum) and for tenures ranging from 7 days to 1 year (2019 : 7 days to 2 years).

Withdrawals of amounts held under the project accounts are restricted to payments for expenditure incurred on development properties and are subject to the provisions in the Housing Developers (Project Account) Rules in Singapore.

The carrying amounts of the cash and bank balances approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and bank balances are disclosed under Note 40 to the financial statements.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statement of financial position)	**274,392**	172,274
Cash and bank balances included in assets classified as held for sale (Note 11)	**4,801**	–
	279,193	172,274
Encumbered fixed deposits and bank balances	**(80,795)**	(83,288)
	198,398	88,986

As at 31 December 2020, the Group had cash and cash equivalents placed with banks in China amounting to $83,816,000 (2019 : $78,815,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China. Of this amount, $66,720,000 (2019 : $63,123,000) were fixed deposits ranging from 7 days to 6 months (2019 : 2 months to 2 years) and were classified as current on the basis that these deposits are used to secure a facility in Singapore which could be cancelled at short notice by the borrower and the sum of these deposits can be released without significant penalty and changes in value.

As at 31 December 2020, cash and bank balances amounting to $95,386,000 (2019 : $84,321,000) were pledged to banks to secure credit facilities.

6 Trade and other receivables

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000	Company 31 December 2020 $'000	Company 31 December 2019 $'000
Trade					
Trade debtors		**16,456**	17,455	**–**	–
Less: Loss allowance		**(945)**	(748)	**–**	–
		15,511	16,707	**–**	–
Amounts due from related parties (a)	21	**15,629**	21,720	**–**	–
Less: non-current portion	21	**(2,915)**	(9,346)	**–**	–
Total trade receivables - current		**28,225**	29,081	**–**	–
Non-trade					
Deposits		**2,588**	952	**75**	73
Prepayments (b)		**5,235**	5,445	**298**	289
Grant receivable (c)		**446**	–	**138**	–
Interest receivables		**355**	722	**3**	14
Sundry debtors		**1,171**	3,379	**7**	37
Tax recoverable		**3,543**	16	**–**	–
		13,338	10,514	**521**	413
Less: Loss allowance		**(169)**	(126)	**(72)**	(72)
		13,169	10,388	**449**	341
Amount due from related parties	21	**14,413**	36,042	**57**	67
Amount due from joint venture	16	**20**	–	**–**	–
Less: Loss allowance	16	**(11)**	–	**–**	–
		27,591	46,430	**506**	408
Less: non-current portion	21	**–**	(5,087)	**–**	–
Total non-trade receivables - current		**27,591**	41,343	**506**	408
Total trade and other receivables - current		**55,816**	70,424	**506**	408
Total trade and other receivables - non-current		**2,915**	14,433	**–**	–

(a) Included in the carrying amount of amounts due from related parties – trade of the Group as at 31 December 2020 were unbilled revenue of $260,000 (2019 : $240,000) relating to rent-free period given to related party lessees.

(b) Included in the prepayment of the Group as at 31 December 2020 was cost of $989,000 (2019 : nil) attributable to the construction of showflat for development properties.

(c) Included in the grant receivable of the Group and the Company as at 31 December 2020 were Job Support Scheme ("JSS") payouts receivable of $375,000 and $138,000 respectively as part of the Singapore Government's measures to support business during the period of economic uncertainty impacted by COVID-19.

Analysis of trade receivables
Trade receivables are non-interest bearing and are generally on 7 to 180 days (2019 : 7 to 180 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

6 Trade and other receivables (cont'd)

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates of 8% (2019 : 8%) per annum in accordance with the billing terms and the remaining are non-interest bearing. The trade amounts due from related parties are generally on 90 to 180 days (2019 : 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

For purpose of impairment assessment, the amounts due from related parties is considered to have low credit risk as the timing of payment is controlled by the ultimate holding company taking into account cash flow management within the ultimate holding company's group of companies and there has been no significant increase in the risk of default on the amounts due from related parties since initial recognition. Accordingly, for the purpose of impairment assessment for the amounts due from related parties, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the trade amounts due from related parties as well as the loss upon default. Management determines the trade amounts due from related parties are subject to immaterial credit loss.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2019	1,021
Amounts written off	(199)
Change in loss allowance due to new trade receivables originated	(53)
Exchange difference on consolidation	(21)
Balance as at 31 December 2019	748
Amounts written off	(451)
Change in loss allowance due to new trade receivables originated	602
Exchange difference on consolidation	46
Balance as at 31 December 2020	**945**

The following table shows the movement in ECL that has been recognised for other receivables:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2019	127
Exchange difference on consolidation	(1)
Balance as at 31 December 2019	126
Amounts written off	–
Change in loss allowance due to new trade receivables originated	52
Exchange difference on consolidation	2
Balance as at 31 December 2020	**180**
Company	
Balance as at 31 December 2019 and 31 December 2020	**(72)**

6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Not past due	**14,530**	10,978
< 3 months	**927**	8,988
3 months to 6 months	**121**	2,703
6 months to 12 months	**1,909**	11,228
> 12 months	**13,653**	4,530
	31,140	38,427

Details of collateral

As at 31 December 2020, trade and other receivables amounting to $12,221,000 (2019 : $11,989,000) included in the above balances were mortgaged to banks to secure certain credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

7 Contract assets

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Sales contracts	**46,966**	29,974

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the residential industry. None of the amounts due from customers at the end of the reporting period is past due. As there was no historical credit loss experience by the Group, the ECL is assessed by management to be insignificant.

8 Contract costs

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Costs to obtain contracts	**2,855**	1,295

Costs to obtain contracts relate to commission and legal fees paid to intermediaries as a result of obtaining residential property sales contracts.

These costs are amortised over the period of construction. Amortisation amounting to $3,472,000 (2019 : $2,607,000) was recognised as part of the cost of sales recognised in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Raw materials	**737**	681
Work-in-progress	**788**	933
Finished goods	**621**	756
At cost	**2,146**	2,370

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2020 and 31 December 2019.

Details of collateral
As at 31 December 2020, inventories amounting to $2,146,000 (2019 : $2,370,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

10 Development properties

	Group	
	31 December 2020 $'000	**31 December 2019 $'000 (Restated)**
Properties in the course of development	**283,042**	313,011
Land held for future development	**7,219**	6,844
	290,261	319,855
Completed properties held for sale	**13,554**	24,756
	303,815	344,611
The above comprises:		
Properties in the course of development in Singapore	**229,694**	262,103
Properties in the course of development in Indonesia	**53,348**	50,908
Land held for future development in China	**7,219**	6,844
Completed properties held for sale in Singapore	**13,173**	23,212
Completed properties held for sale in China	**381**	1,544
	303,815	344,611

There were two apartment units transferred to investment properties during the year due to change in use as these units were leased out to third parties. The carrying amount of these completed development properties of $1,544,000 were classified as property, plant and equipment in 2019 (Note 12) but should have remained and classified under development properties in 2019. Hence, the comparatives have been reclassified to what it should have been.

During the year, the Group has transferred properties amounting to $1,951,000 (2019 : $1,873,000) from development properties to investment properties (Note 14) due to change in use as these development properties were leased out to third parties.

Development properties comprise properties in the course of development; land held for future development or held for sale and completed properties held for sale. These properties have operating cycles longer than one year. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle.

For the year ended 31 December 2019, the completed properties held for sale in Singapore included a residential unit held on behalf of a related party (Party B) as the balance consideration for the acquisition of land in Batam which was completed on 7 June 2018 (Note 21). Such balance consideration was partially settled in cash through the sale of this unit during the year. Under the terms and conditions of the agreements, Party B will not hold the Group liable for any loss suffered should the Group fail to achieve the selling price stipulated in the agreement, provided that Party B has agreed to the relevant sale.

10 Development properties (cont'd)

Properties in the course of development and land held for future development or sale

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Land cost	**265,534**	294,036
Development cost incurred to-date	**17,827**	24,291
Others	**14,119**	8,372
	297,480	326,699
Less: Allowance for diminution in value	**(7,219)**	(6,844)
	290,261	319,855

Completed properties held for sale

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Completed properties, at cost	**14,053**	25,455
Less: Allowance for diminution in value	**(499)**	(699)
	13,554	24,756

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions. During the year, a net write-back in allowance for diminution in value for development properties of $199,000 (2019 : $328,000) is included in "other operating expenses / cost of sales" in profit or loss (Note 32).

	Note	Group	
		2020 $'000	2019 $'000
Movements in allowance for diminution in value			
At 1 January		**(7,543)**	(8,051)
Exchange difference on consolidation		**(374)**	180
Allowance made during the year	32	**(13)**	(58)
Write-back during the year	32	**212**	386
At 31 December		**(7,718)**	(7,543)

Land in Fuzhou Jin'an District, Fuzhou, Fujian Province, China

Included in the development properties is a carrying amount of $7,219,000 (2019 : $6,844,000) relating to a land parcel acquired in 2009 in Fuzhou, China with an expired certificate for the construction site planning. The Group has applied to the relevant authorities for its renewal since 2013. According to the court judgement issued on 21 July 2020, it was affirmed that the legal title of the land belongs to the Group. The local authority attempted to compulsorily acquire the land and lost the case in two court hearings in 2019 and 2020. There is no further work on the land as it is pending resolution of certain development matters with the relevant government authorities.

An allowance of $7,219,000 (2019 : $6,844,000) was made based on management's best estimate on net realisable value of the development site.

Details of collateral

As at 31 December 2020, development properties amounting to $229,694,000 (2019 : $262,103,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

10 Development properties (cont'd)

List of development properties

As at 31 December 2020, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq. m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Properties in the course of development							
Kandis Residence, Jalan Kandis, Singapore	Condominium of 130 units (114 units booked/sold)	Dillenia Land Pte. Ltd.	99 years from 2016	7,046	10,850	2021	100%
Mont Botanik Residence, Jalan Remaja Singapore	Condominium of 108 units (77 units booked/sold)	Episcia Land Pte. Ltd.	Freehold	4,047	8,546	2022	100%
Peak Residence, 333 Thomson Road Singapore	Condominium of 90 units	TSRC Novena Pte. Ltd.	Freehold	5,331	8,209	2023	70%
Balmoral @ Opus Bay, Batam Land (I) Indonesia	Apartments of 559 units	PT Goodworth Investments	30 years from 2004	5,564	31,830	2025	90%
Cluny @ Opus Bay, Batam Land (I) Indonesia	Villas of 277 units	PT Goodworth Investments	30 years from 2004	186,886	76,716	2023 (Phase 1)	90%
Batam Land (I), Indonesia[(a)]	Proposed integrated mix-development	PT Goodworth Investments	30 years from 2004	657,299	*	*	90%
Batam Land (II), Indonesia	Proposed residential development	PT Titian Damai Mandiri	30 years from 2019	401,229	*	*	100%
Land held for future development							
Land in Jin-an District, Fuzhou Fujian Province, China	Residential	Fujian Ji'Xing Real Estate Development Co., Ltd	70 years from 1994	163,740	**	**	100%
Completed properties held for sale							
Lakeside Ville Phase III, Qingpu District, Shanghai China	172 units of apartments, townhouses and 8 units of commercial units (1 apartment unit left unsold)	Habitat Properties (Shanghai) Ltd	70 years from 1997	35,643	62,330	2010	100%
Sennett Residence, Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and three shop units (330 units booked/sold)	Clerodendrum Land Pte. Ltd.	99 years from 2011	8,664	33,328	2016	100%

* Subject to relevant authorities' approval.
** Pending renewal of expired certificate for construction site planning.
(a) Excluding Balmoral @ Opus Bay and Cluny @ Opus Bay

11 Assets classified as held for sale

On 6 November 2020, Group's wholly-owned subsidiary, Robinson Point Limited ("RPL"), entered into a Sale and Purchase Agreement ("SPA") to dispose 100% of the issued shares in the capital of 39 Robinson Road Pte. Ltd. which owns Robinson Point, for a consideration of $500,000,000. The consideration is subject to adjustments based, *inter alia*, on the net asset value of 39 Robinson Road Pte. Ltd. as at the date of completion. The divestment is expected to complete in June 2021, subject to a number of conditions precedent. Deposits amounting to $50,000,000 were collected from the buyer and included in deposits received as at 31 December 2020 (Note 19). The operations are included in the Group's property segment for segment reporting purpose (Note 4).

The proceeds from the divestment are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these assets as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale as at 31 December 2020 are as follows:

	2020 **$'000**
Cash and bank balances	**4,801**
Trade and other receivables	**1,142**
Investment property[1]	**405,000**
	410,943
Trade and other payables	**4,779**
Income tax payable	**1,006**
Bank loans[2]	**292,698**
	298,483
Net assets of disposed group	**112,460**

(1) For investment property held for sale valued by an independent valuer, the valuer has considered the comparison, income capitalisation and discounted cash flow approaches in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are disclosed in Note 14.

As at 31 December 2020, the investment property is mortgaged to a bank to secure credit facilities.

(2) The bank loan is repayable semi-annually by an amount equivalent to 50% of the rental income in excess of property maintenance expenses and property tax for the period. The bank loan bears annual interest rate based on a margin of 1.15% (2019 : 1.15%) per annum plus SWAP rate (2019 : SWAP).

The bank loan is secured by a first legal mortgage on the investment property.

12 Property, plant and equipment

	Note	Building and freehold land	Leasehold land, buildings and improvements	Plant and equipment	Motor vehicles	Total
		$'000	$'000	$'000	$'000	$'000
Group						
Cost or valuation:						
At 1 January 2020		**389,278**	**8,140**	**28,146**	**504**	**426,068**
Exchange differences on consolidation		**29,653**	**239**	**2,757**	**3**	**32,652**
Additions		**–**	**79**	**5,476**	**–**	**5,555**
Disposals		**–**	**–**	**(254)**	**–**	**(254)**
Write-offs		**–**	**–**	**(9,895)**	**–**	**(9,895)**
Revaluation		**(33,797)**	**–**	**–**	**–**	**(33,797)**
Reclassified to investment properties	14	**–**	**–**	**(2,285)**	**–**	**(2,285)**
At 31 December 2020		**385,134**	**8,458**	**23,945**	**507**	**418,044**
At 1 January 2019		402,688	7,201	29,382	526	439,797
Exchange differences on consolidation		(14,776)	(84)	(1,721)	(2)	(16,583)
Additions		269	–	6,834	–	7,103
Disposals		–	(71)	(60)	(17)	(148)
Write-offs		–	–	(4,091)	–	(4,091)
Revaluation		1,026	–	–	–	1,026
Reclassification		71	–	(68)	(3)	–
Transfer from development properties following change in use	10,45	–	2,638	–	–	2,638
Reclassified to investment properties	14	–	–	(2,130)	–	(2,130)
At 31 December 2019		389,278	9,684	28,146	504	427,612
Adjustment for transfer from development properties following change of use	45	–	(1,544)	–	–	(1,544)
At 31 December 2019 (restated)		389,278	8,140	28,146	504	426,068
Comprising						
At 31 December 2020		**809**	**8,458**	**23,945**	**507**	**33,719**
At cost		**384,325**	**–**	**–**	**–**	**384,325**
At valuation		**385,134**	**8,458**	**23,945**	**507**	**418,044**
At 31 December 2019 (restated):		809	8,140	28,146	504	37,599
At cost		388,469	–	–	–	388,469
At valuation		389,278	8,140	28,146	504	426,068
Accumulated depreciation:						
At 1 January 2020		**–**	**499**	**9,655**	**370**	**10,524**
Exchange differences on consolidation		**225**	**27**	**1,812**	**13**	**2,077**
Depreciation	32	**4,001**	**129**	**5,049**	**20**	**9,199**
Disposals		**–**	**–**	**(217)**	**–**	**(217)**
Write-offs		**–**	**–**	**(9,881)**	**–**	**(9,881)**
Revaluation		**(4,226)**	**–**	**–**	**–**	**(4,226)**
At 31 December 2020		**–**	**655**	**6,418**	**403**	**7,476**
At 1 January 2019		–	453	10,281	356	11,090
Exchange differences on consolidation		(38)	(13)	(1,091)	(2)	(1,144)
Depreciation	32	3,304	81	4,608	31	8,024
Disposals		–	(22)	(52)	(15)	(89)
Write-offs		–	–	(4,091)	–	(4,091)
Revaluation		(3,266)	–	–	–	(3,266)
At 31 December 2019		–	499	9,655	370	10,524

12 Property, plant and equipment (cont'd)

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)						
Accumulated impairment:						
At 1 January 2020		**–**	**2,832**	**–**	**–**	**2,832**
Exchange differences on consolidation		**–**	**146**	**–**	**–**	**146**
At 31 December 2020		**–**	**2,978**	**–**	**–**	**2,978**
At 1 January 2019		–	2,902	–	–	2,902
Exchange differences on consolidation		–	(70)	–	–	(70)
At 31 December 2019		–	2,832	–	–	2,832
Carrying amount:						
At 31 December 2020		**385,134**	**4,825**	**17,527**	**104**	**407,590**
At 31 December 2019 (restated)		389,278	4,809	18,491	134	412,712

	Plant and equipment $'000
Company	
Cost:	
At 1 January 2020	**2,780**
Additions	**1,493**
Disposals	**(4)**
Write-offs	**(14)**
At 31 December 2020	**4,255**
At 1 January 2019	117
Additions	2,663
At 31 December 2019	2,780
Accumulated depreciation:	
At 1 January 2020	**394**
Depreciation	**781**
Disposals	**(4)**
Write-offs	**(7)**
At 31 December 2020	**1,164**
At 1 January 2019	50
Depreciation	344
At 31 December 2019	394
Carrying amount:	
At 31 December 2020	**3,091**
At 31 December 2019	2,386

Included in building and freehold land is freehold land with a carrying amount of $207,535,000 (2019 : $209,773,000) which is not subject to depreciation.

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting period to determine whether there is any indication that those assets have suffered impairment loss. No impairment loss was made in 2020 and 2019 as a result of such assessment.

12 Property, plant and equipment (cont'd)

Details of collateral

As at 31 December 2020, property, plant and equipment amounting to $401,964,000 (2019 : $407,942,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

Fair value measurement of hotel properties

The Group's hotel properties (including freehold land and buildings) are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulative depreciation and subsequent accumulative impairment loss. The fair value measurement is based on the valuation carried out by independent valuers, who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations. The valuation conforms to International Valuation Standards.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2020 and 2019, the fair value measurement of the Group's hotel properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Based on the valuation, revaluation loss amounting to $27,263,000 (2019 : revaluation gain amounting to $4,292,000) was recognised in other comprehensive income (Note 35). The revaluation loss is charged against related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same property. Revaluation loss of $2,308,000 which exceeded the balance accumulated in the revaluation reserve of the same property was recognised in profit or loss during the year (Note 31).

As at 31 December 2020, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $328,841,000 (2019 : $308,416,000) for the Group.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020			
Grand Hyatt Melbourne	Capitalisation Approach	Capitalisation rate[1]	4.75%
121-131 Collins Street Melbourne, Victoria[a]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	5.5% - 6.5% 4.5% - 5.5%
Hyatt Regency Perth	Capitalisation Approach	Capitalisation rate[1]	5.0%
87-123 Adelaide Terrace East Perth Western Australia[a]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	5.5% - 7.5% 4.25% - 6.25%
2019			
Grand Hyatt Melbourne 121-131 Collins Street	Direct Comparison Capitalisation Approach	Value per room Capitalisation rate[1]	$260,400 - $465,300 5.25%
Melbourne, Victoria[b]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	7.25% - 8.25% 4.75% - 5.75%
Hyatt Regency Perth 87-123 Adelaide Terrace	Direct Comparison Capitalisation Approach	Value per room Capitalisation rate[1]	$150,500 - $433,300 5.00%
East Perth Western Australia[b]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	7.25% - 8.25% 4.75% - 5.75%

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.
(a) The property valuation was performed by CBRE Valuation Pty Limited.
(b) The property valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd.

12 Property, plant and equipment (cont'd)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2020 and 2019 included in property, plant and equipment are set out below. The non-hotel properties within the complexes are accounted for under investment properties (Note 14).

Name of Property	Description	Tenure	Land area (sq. m)	Group's effective equity interest	31 December 2020 A$'000[1]	31 December 2019 A$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Australia								
Grand Hyatt Melbourne Australia	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The Property is of 34 levels featuring one of Melbourne's largest 5-star hotels, complete with retail/commercial space. The carrying value of the retail/commercial space has been disclosed as investment property (Note 14).	Freehold	5,776	100%	347,000	379,500	350,401	355,895
Hyatt Regency Perth Australia	By Swan River and within walking distance from the central business district. The Property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The carrying value of the office, retail and parking complex has been disclosed as investment property (Note 14).	Freehold	22,754	100%	45,000	49,000	45,441	45,952
					392,000	428,500	395,842	401,847

[1] Figures in A$ are for information.

13 Leases (Group as a lessee)

The Group leases several assets including office premises, accommodation for staff, office equipment and motor vehicles. The leases have varying terms and renewal rights. The average lease term is between 3 to 84 years (2019 : 0.5 to 84 years) and rentals are generally fixed for the same periods.

The Group does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

Right-of-use assets

	Note	Leasehold land $'000	Leasehold building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost:						
At 1 January 2020		**219**	**22**	**86**	**25**	**352**
Additions		**–**	**63**	**40**	**–**	**103**
Disposals		**–**	**(22)**	**(6)**	**–**	**(28)**
Exchange differences on consolidation		**–**	**–**	**5**	**2**	**7**
At 31 December 2020		**219**	**63**	**125**	**27**	**434**
At 1 January 2019		219	23	19	–	261
Additions		–	4	67	25	96
Disposals		–	(4)	–	–	(4)
Exchange differences on consolidation		–	(1)	–	–	(1)
At 31 December 2019		219	22	86	25	352

13 Leases (Group as a lessee) (cont'd)

Right-of-use assets (cont'd)

	Note	Leasehold land $'000	Leasehold building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)						
Accumulated depreciation:						
At 1 January 2020		**83**	**11**	**8**	**–**	**102**
Depreciation	32	**3**	**19**	**33**	**26**	**81**
Disposals		**–**	**(14)**	**(4)**	**–**	**(18)**
Exchange differences on consolidation		**–**	**–**	**2**	**1**	**3**
At 31 December 2020		**86**	**16**	**39**	**27**	**168**
At 1 January 2019		80	–	–	–	80
Depreciation		3	15	8	–	26
Disposals		–	(4)	–	–	(4)
At 31 December 2019		83	11	8	–	102
Carrying amount:						
At 31 December 2020		**133**	**47**	**86**	**–**	**266**
At 31 December 2019		136	11	78	25	250

The Company leases office premises and office equipment. The average lease term is between 14 months to 5.7 years (2019 : average lease term was 14 months) and rentals are fixed for the same periods. The Company does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

	Leasehold building $'000	Plant and equipment $'000	Total $'000
Company			
Cost:			
At 1 January 2020	**1,060**	**–**	**1,060**
Additions	**11,425**	**39**	**11,464**
As at 31 December 2020	**12,485**	**39**	**12,524**
Accumulated depreciation:			
At 1 January 2020	**–**	**–**	**–**
Depreciation	**2,961**	**6**	**2,967**
At 31 December 2020	**2,961**	**6**	**2,967**
Carrying amount:			
At 31 December 2020	**9,524**	**33**	**9,557**
At 31 December 2019	1,060	–	1,060

13 Leases (Group as a lessee) (cont'd)

Lease liabilities

	Group	
	2020	2019
	$'000	$'000
Amounts due for settlement within 12 months (shown under current liabilities)	**54**	63
Amounts due for settlement after 12 months	**84**	52
	138	115
Maturity analysis:		
Not later than 1 year	**54**	63
Later than 1 year and not later than 5 years	**84**	52
	138	115

	Company	
	2020	2019
	$'000	$'000
Amounts due for settlement within 12 months (shown under current liabilities)	**1,940**	907
Amounts due for settlement after 12 months	**7,533**	153
	9,473	1,060
Maturity analysis:		
Not later than 1 year	**1,940**	907
Later than 1 year and not later than 5 years	**7,533**	153
	9,473	1,060

The Group and the Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

At 31 December 2020, the Group and the Company are committed to $22,000 and $8,000 respectively for short-term leases. As at 31 December 2019, the Group was committed to $284,000 for short term leases. The Company did not have any short term leases commitment as at 31 December 2019.

None of the leases in which the Group or the Company is the lessee contain variable lease payment terms. The total cash outflow for leases of the Group and the Company amounted to $82,000 and $3,091,000 respectively (2019 : $25,000 and nil) during the year.

14 Investment properties

	Note	Completed investment properties $'000
Group		
At 1 January 2020		**1,778,168**
Exchange differences on consolidation		**19,282**
Additions		**8,280**
Net gain from fair value adjustments	31	**47,385**
Property transferred from development properties following change in use	10	**1,951**
Property reclassified from property, plant and equipment	12	**2,285**
Classified as held for sale	11	**(405,000)**
At 31 December 2020		**1,452,351**
At 1 January 2019		1,742,662
Exchange differences on consolidation		(8,724)
Additions		6,920
Net gain from fair value adjustments	31	33,307
Property transferred from development properties following change in use	10	1,873
Property reclassified from property, plant and equipment	12	2,130
At 31 December 2019		1,778,168

14 Investment properties (cont'd)

	Note	Completed investment properties $'000
Company		
At 31 December 2020		**498**
At 31 December 2019		498

	Group	
	2020 $'000	**2019 $'000**
Represented by:		
Completed investment properties in Singapore	**1,160,910**	1,532,690
Completed investment properties in Australia	**270,021**	231,468
Completed investment properties in China	**21,420**	14,010
	1,452,351	1,778,168

Fair value adjustments

The Group's investment properties are stated at fair value as at 31 December 2020 and 2019, based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, a net fair value gain amounting to $47,385,000 (2019 : $33,307,000) was recognised in profit or loss (Note 31).

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2020 and 2019, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020			
Singapore			
Robinson Point[(a)] (classified as assets held for sale) 39 Robinson Road	Comparison Method	Price per square metre of lettable area[(1)]	$17,000 - $37,900
Singapore	Income Capitalisation Method	Net income margin*[(1)] Capitalisation rate[(2)]	78% 2.6%
	Discounted Cash Flow Method	Discount rate[(2)] Terminal yield rate[(2)]	6% 2.85%
The Oxley[(a)] 9 Oxley Rise #01-00, #02-00, #03-00	Comparison Method	Price per square metre of strata floor area[(1)]	$19,500 - $35,600
Singapore	Income Method	Net income margin*[(1)] Capitalisation rate[(2)]	80% - 85% 3%
L&Y Building[(b)] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$6,600 - $9,100
Far East Finance Building[(c)] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$28,000 - $35,000

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020 (cont'd)			
Singapore (cont'd)			
Link@896[c] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Office: \$16,000 - \$18,800 Retail: \$19,600 - \$52,700
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	67% - 74% 3.5%
18 Robinson[c] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate [2] Terminal yield rate[2]	6.25% - 6.75% 3.1% - 3.6%
	Direct Comparison Method	Price per square metre of lettable area[1]	\$23,200 - \$40,300
Shop unit #01-30 & #01-32 within Sennett Residence[d] 39 Pheng Geck Avenue Singapore	Comparison Method	Price per square metre of strata floor area[1]	\$19,600 - \$23,400
Australia			
Commercial Centre & Carpark (being part of the Hyatt Regency complex)[e]	Capitalisation Method	Capitalisation rate[2]	8%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	7.5% 8%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5% Carpark: 5%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.5% Carpark: 7%
		Terminal yield rate[2]	Retail: 5.25% Carpark: 5.25%
25 George Parade Melbourne[f]	Capitalisation Method	Capitalisation rate[2]	3%
	Comparison Method	Land value rate[1] Building value rate[1]	\$27,700 - \$30,300 \$32,800 - \$33,900
China			
No. 2950 ChunShen Road Shanghai, China[g]	Comparison Method	Price per square metre of gross floor area[1]	\$6,100 - \$7,700
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	7.0% 5.0%
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu District, Shanghai, China[g]	Comparison Method	Price per square metre of gross floor area[1]	Aboveground: \$6,600 - \$7,700 Basement: \$1,100 - \$1,400
	Discounted Cash Flow Method	Discount rate[2]	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate[2]	Aboveground: 4.5% Basement: 4.5%

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020 (cont'd)			
China (cont'd)			
Underground Carpark at Lane 558, Baochun Road, Minhang District, Shanghai, China [g]	Comparison Method	Sale price per car park lot	S$57,100 - S$61,200
Unit #201 No. 363 Lakeside Ville Phase III, Qingpu District, Shanghai, China[h]	Comparison Method	Price per square metre of gross floor area[1]	$10,000 - $12,200
Unit #1102 No. 391 Lakeside Ville Phase III, Qingpu District, Shanghai, China[h]	Comparison Method	Price per square metre of gross floor area[1]	$9,500 - $12,200
2019			
Singapore			
Robinson Point[a] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[1]	$26,200 - $30,900
	Income Method	Net income margin*[1] Capitalisation rate[2]	75% to 85% 3.0% to 3.5%
The Oxley[a] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[1]	$22,500 - $35,600
	Income Method	Net income margin*[1] Capitalisation rate[2]	70% to 80% 3.0% to 3.5%
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin, Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$6,300 - $7,500 $6,400 - $7,500 (ground floor)
Far East Finance Building[c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$9,700 - $35,600
Link@896[c] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Retail: $27,000 - $37,700 Office: $13,000 - $20,400
18 Robinson[c] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	77% 3.1%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	6.5% 3.35%
	Direct Comparison Method	Price per square metre of lettable area[1]	$23,600 - $30,900
Australia			
Commercial Centre & Carpark (being part of the Hyatt Regency complex)[e]	Capitalisation Method	Capitalisation rate[2]	7.75%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	8.00% - 8.50% 7.75% - 8.25%

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2019 (cont'd)			
Australia (cont'd)			
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5.00% Carpark: 5.25%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.00% - 6.50% Carpark: 6.50% - 7.00%
		Terminal yield rate[2]	Retail: 5.25% - 5.75% Carpark: 5.25% - 5.75%
China			
No. 2950 ChunShen Road Shanghai, China[g]	Direct Comparison Method	Price per square metre of gross floor area[1]	$3,000 - $3,800
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 80%
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu District, Shanghai, China[g]	Direct Comparison Method	Price per square metre of gross floor area[1]	$5,800 - $6,500 $880 - $1,270 (basement)
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 75% - 80%
Underground Carpark at Lane 558, Baochun Road, Minhang District, Shanghai, China[g]	Direct Comparison Method	Sale price per car park lot	$47,300 - $49,510

Notes:

* Net income margin = net property income/annual gross rental income.

\# Total development cost includes construction cost, professional fees, interest cost, land holding cost and other development related cost.

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

(2) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

(a) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years.

(b) The property valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd. The 2019 valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd.

(c) The property valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd for both years.

(d) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. Following the change in use of the leasehold properties which were previously held for sale in Singapore, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.

(e) The property valuation was performed by CBRE Valuations Pty Limited. The 2019 valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd.

(f) The property valuation was performed by CBRE Valuations Pty Limited. The site was acquired in December 2020.

(g) The property valuation was performed by Beijing Colliers International Real Estate Valuation Co., Ltd. The 2019 valuation was performed by Shanghai Orient Real Estate Appraisal Co. Ltd.

(h) The property valuation was performed by Beijing Colliers International Real Estate Valuation Co., Ltd. Following the change in use of the leasehold properties which were previously held for sale in China, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $50,186,000 (2019 : $41,033,000) (Note 28). Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,383,000 (2019 : $13,357,000). Information on operating lease commitments is disclosed in Note 38 to the financial statements.

Details of collateral

As at 31 December 2020, investment properties amounting to $1,429,341,000 (2019 : $1,764,158,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

14 Investment properties (cont'd)

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2020 and 2019 are as follows:

Name of property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	31 December 2020 $'000	31 December 2019 $'000
Singapore						
Robinson Point[(a)] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	–	374,400
18 Robinson 18 Robinson Road Singapore	A 28-storey commercial building comprising office tower, retail podium, sky terrace and an automated guided vehicular car parking system	999-years from 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 485M, 488P)	17,786	100%	**681,500**	681,500
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	2,557	100%	**65,000**	64,700
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,100	100%	**14,820**	14,090
Far East Finance Building #11-01/02 14 Robinson Road Singapore	1 strata unit (floor) within a 13-storey commercial building and a basement	999 years from 1884	284	100%	**10,000**	10,000
Link@896 896 Dunearn Road Singapore	A 5-storey commercial building comprising retail and office units	Estate in Fee Simple (Lot 1182K), Estate in Fee Simple and 999 years from 7 May 1879 (Lot 1185L), Estate in Perpetuity (Lot 99907P), 999 years from 7 May 1879 (Lot 99891X)	17,973	100%	**388,000**	388,000
Sennett Residence 39 Pheng Geck Avenue Singapore	2 Shop Units (#01-30 & #01-32)	99 years from 2011	61	100%	**1,590**	–
					1,160,910	1,532,690
Asset classified as held for sale:						
Robinson Point[(a)] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	**405,000**	–
					1,565,910	1,532,690

(a) The carrying amount of Robinson Point has been classified as asset held for sale as at 31 December 2020 (Note 11).

14 Investment properties (cont'd)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	31 December 2020 A$'000[1]	31 December 2019 A$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Australia								
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	4 Collins St. retail shops consisting of 2 floors each, a bar & function room. A further 7 retail areas in and around Russell St. with 4-levels of basement car park	Freehold	3,024	100%	**161,000**	155,400	**162,578**	145,734
Commercial Centre & Carpark (being part of the Perth Hyatt Regency complex)	A 3-level commercial building and plaza level shops and suites with 2-levels of basement car park	Freehold	19,064	100%	**101,800**	91,420	**102,798**	85,734
25 George Parade Melbourne	A single storey commercial building	Freehold	135	100%	**4,600**	–	**4,645**	–
					267,400	246,820	**270,021**	231,468

Name of property	Description	Tenure	Estimated lettable/ gross floor area (sq. m)	Group's effective equity interest	31 December 2020 RMB'000[1]	31 December 2019 RMB'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
China								
No. 2950 Chun Shen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**33,100**	31,960	**6,752**	6,181
Lakeside Ville Phase III, Qingpu district Shanghai, China	6 shop units and basement commercial spaces	70 years from 1997	3,896	100%	**26,800**	26,730	**5,467**	5,170
Lane 558, Baochun Road, Minhang district, Shanghai, China	Underground carpark	61 years from 2005	2,403	100%	**13,900**	13,750	**2,836**	2,659
No. 363 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 201	70 years from 1997	200	100%	**11,000**	–	**2,244**	–
No. 391 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 1102	70 years from 1997	434	100%	**20,200**	–	**4,121**	–
					105,000	72,440	**21,420**	14,010

[1] Figures in A$ and RMB are for information only.

15 Investments in subsidiaries

	Company	
	31 December 2020 $'000	31 December 2019 $'000 (Restated)
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**585,139**	585,027
Loan to a subsidiary	**80,000**	80,000
Deemed investment arising from financial guarantees	**95,892**	94,463
	877,007	875,466
Less: Allowance for impairment	**(121,084)**	(116,182)
	755,923	759,284
Fair value of investment in a subsidiary for which there are published price quotations	**13,932**	14,214

Details of the Company's significant subsidiaries are disclosed in Note 41 to the financial statements.

Financial guarantees
The Company provided guarantees to banks for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with SFRS(I) 9 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $14,876,000 (2019 : $22,730,000) is disclosed under the Company's non-trade payables in Note 19 to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be additional investment in subsidiaries.

Movements in allowance for impairment

	Company	
	2020 $'000	2019 $'000
Allowance for impairment		
At 1 January	**(116,182)**	(119,284)
Allowance for impairment	**(5,007)**	(873)
Reversal of impairment	**105**	3,975
	(4,902)	3,102
At 31 December	**(121,084)**	(116,182)

During the year, impairment loss amounting to $5,007,000 (2019 : $873,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts after taking into account the current financial position of the subsidiaries. In addition, there was a reversal of impairment amounting to $105,000 (2019 : $3,975,000) in relation to certain subsidiaries due to increase in their recoverable amounts.

Loan to a subsidiary
Loan to a subsidiary refers to unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. These advances bear interest rate at 4.1% per annum (2019 : 6.1% per annum).

15 Investments in subsidiaries (cont'd)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2020 and 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries 2020	2019
Property development, property investment and provision of construction management services	Singapore, China, Australia and Indonesia	**38**	36
Investment in hotels in Australia	Australia	**4**	4
Investment holding: Owning investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a Retailer of golf-related products	Singapore, China and Malaysia	**3**	3
Administration of loyalty programme	Singapore	**1**	–
Manufacture and sale of polypropylene woven bags	Malaysia	**1**[(a)]	–
		47	43

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2020 and 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries 2020	2019
Trading and marketing of selected industrial commodities	Singapore, Malaysia, Hong Kong	**10**	10
Property development	Singapore, Indonesia	**8**	5
Manufacture and sale of polypropylene woven bags	Malaysia	**–**[(a)]	1
		18	16

(a) On 10 September 2020, the Group completed the acquisition of the remaining 2.1% equity interest in Hypak Sdn. Bhd ("Hypak"). Following the acquisition, Hypak is now a wholly-owned subsidiary of the Group. The effects of acquiring the non-controlling interests have been recognised directly in the statement of changes in equity.

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group is disclosed below:

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests		Net profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	2019	2020	2019	2020	2019
				$'000	$'000	$'000	$'000
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**276**	496	**11,239**	11,043
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(652)**	(929)	**(1,335)**	(684)
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments	Singapore & Indonesia	**10%**	10%	**(133)**	(98)	**3,134**	3,278
Individually immaterial subsidiaries with non-controlling interests	Various			**31**	(3)	**393**	473
				(478)	(534)	**13,431**	14,110

15 Investments in subsidiaries (cont'd)

Non-wholly owned subsidiaries (cont'd)

The summarised financial information of SP Corporation Limited and its subsidiaries on a 100% basis is set out below:

	2020 $'000	2019 $'000
Current assets	**60,945**	54,711
Non-current assets	**3,614**	9,467
Current liabilities	**(7,267)**	(8,378)
Non-current liabilities	**(558)**	(54)
Equity attributable to owners	**56,734**	55,746
Revenue for the year	**29,432**	93,076
Expenses for the year	**(28,037)**	(90,573)
Net profit for the year	**1,395**	2,503
Other comprehensive income for the year	**(407)**	(200)
Total comprehensive income for the year	**988**	2,303
Net cash inflow / (outflow) from operating activities	**11,948**	(9,523)
Net cash inflow from investing activities	**21,476**	19
Net cash (outflow) / inflow from financing activities	**(5,047)**	5,157
Net cash inflow / (outflow) for the year	**28,377**	(4,347)

16 Investments in equity accounted investees

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Unquoted equity shares, at cost	**87,132**	87,127
Exchange differences on consolidation	**(120)**	2,034
Share of post-acquisition results and reserves, net of dividends and distributions received	**65,535**	48,702
	152,547	137,863

Equity accounted investees

Associates

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Pan-West (Private) Limited ("Pan-West") and Sanya Summer Real Estate Co. Ltd ("SSRE"). Details of the Group's significant associates are disclosed in Note 42 to the financial statements.

The Group's share of net assets and total comprehensive income of its associates is set out below:

	Note	Group	
		2020 $'000	2019 $'000
Share of net assets			
At 1 January		**137,863**	117,914
Exchange differences on consolidation		**(1,720)**	(1,512)
Share of total comprehensive income (refer to below)		**25,756**	21,461
Dividends		**(9,352)**	–
At 31 December		**152,547**	137,863
Share of total comprehensive income			
Share of results before fair value adjustments		**25,645**	21,561
Share of fair value gain / (loss) on financial instruments	31	**111**	(100)
Share of total comprehensive income for the year		**25,756**	21,461

Details of asset revaluation reserve and cash flow hedging account are disclosed in Note 26 to the financial statements. Share of capital commitments is disclosed in Note 38 to the financial statements.

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Associates (cont'd)
GulTech
The summarised financial information of GulTech on a 100% basis is set out below:

	31 December 2020 US$'000[1]	31 December 2019 US$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Current assets	**218,401**	219,867	**291,172**	298,096
Non-current assets	**148,630**	134,493	**198,153**	182,345
Current liabilities	**(133,501)**	(147,404)	**(177,984)**	(199,850)
Non-current liabilities	**(1,774)**	(2,154)	**(2,366)**	(2,921)
Equity attributable to owners	**231,756**	204,802	**308,975**	277,670
Revenue for the year	**361,501**	316,261	**498,980**	431,506
Net profit for the year	**41,993**	35,524	**57,963**	48,469

[1] Figures in US$ are for information.

SSRE
The summarised financial information of Sanya Summer Real Estate on a 100% basis is set out below:

	31 December 2020 RMB'000[1]	31 December 2019 RMB'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Current assets	**949,307**	769,452	**193,659**	148,812
Non-current assets	**361**	521	**74**	101
Current liabilities	**(142,963)**	(100,759)	**(29,165)**	(19,487)
Non-current liabilities	**(245,176)**	(105,988)	**(50,016)**	(20,498)
Equity attributable to owners	**561,529**	563,226	**114,552**	108,928
Net loss for the year	**(1,697)**	(6,284)	**(339)**	(1,242)

[1] Figures in RMB are for information.

Pan-West
The Group had recognised its share of losses of $4,998,000 (2019 : $4,998,000) (Note 19) being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Other than the aforementioned corporate guarantees, the Group had no other commitments in relation to Pan-West.

The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment. Accordingly, the Group's nominal additional share of accumulated losses of Pan-West amounting to $8,701,000 (2019 : $8,398,000) as at the end of the year was not recognised.

Joint venture
Greenwillow-AREI Partners Pte Ltd ("GAP")
GAP was an indirect wholly-owned subsidiary incorporated in 2019. During the year, GAP increased its paid-up share capital from $100 to $10,000 by the allotment of 4,900 shares to a wholly-owned subsidiary of the Group and 5,000 shares to a joint venture partner. Following the additional shares allotment, the Group has 50% interest in the ownership and voting rights in GAP that is held through a wholly-owned subsidiary. GAP is a strategic venture in the business of managing a portfolio of properties focused on retail businesses in Indonesia. The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

The Group has ceased recognising GAP's losses after the Group's share of losses during the year of $16,000 exceeded the Group's cost of investment of $5,000. Accordingly, allowance for impairment loss of $11,000 has been made for amount due from GAP.

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Joint venture (cont'd)
Greenwillow-AREI Partners Pte Ltd ("GAP") (cont'd)
The Group's share of net assets and total comprehensive income of its joint venture is set out below:

	Note	31 December 2020 $'000
Net liabilities		**(22)**
Share of net assets		
At 1 January		**–**
Cost of initial recognition		**5**
Share of total comprehensive loss		**(5)**
At 31 December		**–**
Amount due from Joint Venture		
Amount due from joint venture (non-trade)	6	**20**
Allowance for impairment loss	6	**(11)**
Presented in trade and other receivables		**9**

The non-trade amount due from joint venture was unsecured, interest-free, and repayable on demand.

17 Financial asset at fair value through other comprehensive income

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Investment in equity instrument designated at FVTOCI:		
Unquoted equity shares	**29,343**	30,916

The investment in unquoted equity investment represents a 2.26% investment in an investment holding company which owns a subsidiary in the property development business. The investee is a related party which is controlled by the majority shareholder of the Group. The fair value of the investment as at 31 December 2020 was determined by reference to the fair value of the underlying assets and the valuation was carried out by an independent valuer. Based on the valuation, a fair value loss amounting to $1,573,000 was recognised in other comprehensive income (Note 35). As at 31 December 2019, the Group's share of the fair value of the underlying assets was higher than the consideration paid at acquisition which was completed in October 2019. A discount on acquisition amounting to $5,520,000 was recognised directly in the equity in the previous year.

The investment is held for long-term strategic purpose and is not held for trading. Accordingly, management has elected to designate the investment as at FVTOCI as the management believes that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising the performance potential in the long run.

As at 31 December 2020 and 2019, the fair value measurement of the Group's financial asset at fair value through other comprehensive income is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 31 December 2019 are as follows:

Financial assets	Fair value as at 2020 Net assets ($'000)	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Financial asset at FVTOCI - Investments in unlisted shares	**29,343**	Income approach	Revenue growth rate[1]	6% - 8%

[1] Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

17 Financial asset at fair value through other comprehensive income (cont'd)

Financial assets	Fair value as at 2019 Net assets ($'000)	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Financial asset at FVTOCI - Investments in unlisted shares	30,916	Income approach	Revenue growth rate[1]	8%

[1] Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

18 Loans and borrowings

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Short-term borrowings				
Bank loans	**210,130**	126,175	**–**	–
Notes issued under unsecured MTN Programme	**–**	149,763	**–**	149,763
Bills payable	**–**	5,124		–
	210,130	281,062	**–**	149,763
Long-term borrowings				
Bank loans	**992,092**	1,231,927	**–**	–
Notes issued under secured MTN Programme	**198,936**	198,343	**–**	–
Notes issued under unsecured MTN Programme	**63,795**	–	**63,795**	–
	1,254,823	1,430,270	**63,795**	–
Total borrowings	**1,464,953**	1,711,332	**63,795**	149,763
Represented by:				
Interest-bearing liabilities	**1,470,996**	1,719,063	**65,000**	150,000
Capitalised interest costs	**(6,043)**	(7,731)	**(1,205)**	(237)
	1,464,953	1,711,332	**63,795**	149,763
Security profile				
Secured borrowings				
Current	**210,030**	131,299	**–**	–
Non-current	**1,186,128**	1,430,270	**–**	–
	1,396,158	1,561,569	**–**	–
Unsecured borrowings				
Current	**100**	149,763	**–**	149,763
Non-current	**68,695**	–	**63,795**	–
	68,795	149,763	**63,795**	149,763
Total borrowings	**1,464,953**	1,711,332	**63,795**	149,763

Multicurrency Medium Term Note Programme
The Company has in place a S$900 million Multicurrency Medium Term Note Programme ("MTN Programme") under which it can issue notes in series or tranches and may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Series II of S$150 million were issued on 5 June 2017. These are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrear and had matured and been redeemed on 5 June 2020. Series III of S$65 million were issued on 19 May 2020. These are of two years duration, unsecured, bear a fixed interest rate of 7.75% per annum payable semi-annually in arrear and will mature on 19 May 2022. At the end of the reporting period, the fair value of the notes approximate the respective carrying amounts.

The Company's wholly owned subsidiary, Superluck Properties Pte Ltd ("Superluck"), has on 13 October 2019, established a S$500 million secured multicurrency medium term note programme, unconditionally and irrevocably guaranteed by the Company. Superluck has issued Series I of S$200 million on 18 October 2019. These are of three years duration, secured, bear a fixed rate of 2.80% per annum payable semi-annually in arrear and will mature on 18 October 2022. At the end of the reporting period, the fair value of the secured notes approximate the respective carrying amounts.

18 Loans and borrowings (cont'd)

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and bank balances (Note 5), trade and other receivables (Note 6), inventories (Note 9), development properties (Note 10), property, plant and equipment (Note 12), investment properties (Note 14) and covered by corporate guarantees (Note 39).

Interest rate profile

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Security profile				
Loans and borrowings				
Fixed rate	**367,141**	348,106	**63,795**	149,763
Variable rate	**1,097,812**	1,363,226	**–**	–
	1,464,953	1,711,332	**63,795**	149,763

The Group's exposure to fair value interest rate risk as at 31 December 2020 is disclosed in Note 40(b) to the financial statements.

Fair value

The fair value of the current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period because these are short term in nature. The fair value of the non-current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in Notes 40(a) and 40(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 2 January 2022 to 18 November 2025 (2019 : 11 January 2021 to 25 March 2024). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 40(d) to the financial statements.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2020 $'000	Financing cash flow[i] $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes[ii] $'000	31 December 2020 $'000
Group						
Bank loans[1]	**1,711,332**	**20,131**	**–**	**25,462**	**726**	**1,757,651**
Lease liabilities	**115**	**(82)**	**103**	**7**	**(5)**	**138**

[1] Includes borrowing of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 31 December 2020.

	1 January 2019 $'000	Financing cash flow[i] $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes[ii] $'000	31 December 2019 $'000
Group						
Bank loans	1,630,441	98,062	–	(12,717)	(4,454)	1,711,332
Lease liabilities	42	(25)	96	–	2	115

[i] The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.
[ii] Other changes include interest accruals and payments.

19 Trade and other payables

		Group		Company	
	Note	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Trade					
Trade payables		**20,917**	15,466	**–**	–
Amounts due to related parties	21	**–**	668	**–**	–
Total trade payables - current		**20,917**	16,134	**–**	–
Non-trade					
Other creditors		**31,602**	30,901	**791**	828
Other provisions		**3,686**	4,559	**–**	–
Advanced billings		**7,172**	10,362	**–**	–
Deposits received	11	**50,000**	–	**–**	–
Accrued operating expenses		**33,318**	36,170	**4,569**	4,200
Accrued interest expenses		**4,717**	6,676	**593**	666
Financial guarantees to subsidiaries	15	**–**	–	**14,876**	22,730
Deferred grant income		**321**	–	**218**	–
Amounts due to related parties	21	**2,193**	4,592	**–**	3,250
		133,009	93,260	**21,047**	31,674
Less non- current portion		**(322)**	(349)	**–**	–
Total non-trade payables - current		**132,687**	92,911	**21,047**	31,674
Total trade and other payables - current		**153,604**	109,045	**21,047**	31,674
Total trade and other payables - non-current		**322**	349	**–**	–

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 7 to 90 days (2019 : 7 to 90 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities (Note 40(d)).

Included in other creditors of the Group is a financial guarantee of $4,998,000 (2019 : $4,998,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary.

The deferred grant income relates to the wage support for local employees under the JSS from the Singapore Government. Grant income amounting to $1,719,000 has been recognised in the profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the JSS grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing April 2020.

The carrying amount of trade and other payables approximate their fair values at the end of the reporting periods. Further details regarding the contractual and effective interest rates, maturity dates and foreign currency denomination are disclosed in Note 40 to the financial statements.

20 Amounts due from / (to) subsidiaries

	Company	
	31 December 2020 $'000	31 December 2019 $'000
Amounts due from subsidiaries - non-trade	**305,609**	402,402
Less: Allowance for impairment	**(24,276)**	(24,253)
	281,333	378,149
Amounts due to subsidiaries - non-trade	**(417,614)**	(401,438)
Movement in allowance for impairment		
At 1 January	**(24,253)**	(24,264)
Allowance made	**(23)**	(713)
Allowance written back	**–**	724
At 31 December	**(24,276)**	(24,253)

20 Amounts due from / (to) subsidiaries (cont'd)

Amounts due from / (to) subsidiaries are unsecured and are repayable on demand. Interest is charged at 2.1% (2019 : 3.1%) per annum on interest-bearing advances.

For purpose of impairment assessment, amounts due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Group and there has been no significant increase in the risk of default on the amounts due from subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management has assessed the expected credit losses to be insignificant other than the amounts provided for.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from subsidiaries.

During the year, allowance for impairment of $23,000 (2019 : $713,000) was made for amounts due from a subsidiary. The above assessment is after taking into account the current financial position of the subsidiary, and the allowance was due to decrease in net asset value of the underlying interest as at the reporting date. In 2019, allowance written back of $724,000 was made for subsidiaries due to an increase in net asset value of the underlying interest as at the reporting date.

21 Amounts due from / (to) related parties

	Note	Group		Company	
		31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Amounts due from:					
Other related parties					
Other related parties, trade	(a)	**12,714**	12,374	**–**	–
Other related parties, trade (Non-current)	(a)	**2,915**	9,346	**–**	–
Other related parties, non-trade:					
- Loan to a related party (Non-current)	(c)	**–**	5,087	**–**	–
- Loan to a related party	(c)	**5,463**	–	**–**	–
- Loan to a related party	(a)	**–**	21,500	**–**	–
- Refundable trade deposit with a related party	(b)	**7,999**	8,135	**–**	–
- Others		**951**	1,320	**57**	67
Total		**30,042**	57,762	**57**	67
Presented as:					
Amounts due from related parties, trade	6	**15,629**	21,720	**–**	–
Amounts due from related parties, non-trade	6	**14,413**	36,042	**57**	67
		30,042	57,762	**57**	67
Amounts due to:					
Other related parties					
Other related parties, trade		**–**	(668)	**–**	–
Other related parties, non-trade	(d)	**(2,193)**	(4,592)	**–**	(3,250)
Total		**(2,193)**	(5,260)	**–**	(3,250)
Presented as:					
Amounts due to related parties, trade	19	**–**	(668)	**–**	–
Amounts due to related parties, non-trade	19	**(2,193)**	(4,592)	**–**	(3,250)
		(2,193)	(5,260)	**–**	(3,250)

21 Amounts due from / (to) related parties

Amounts due from / (to) other related parties

a) Included in the trade and other receivables of SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group, as at 31 December 2020 were:

(i) An amount of $8.7 million due from a related party, of which $8.0 million is secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $18.4 million (2019 : $20 million). In 2020, the repayment agreement was revised with the related party to make quarterly repayments amounting $5.8 million over two years from 31 December 2020. Accordingly, an amount of $2.9 million due from this related party expected to be repaid after one year from 31 December 2020 has been classified as non-current as at that date. The remaining unsecured trade receivable amounting to $0.7 million (2019 : $0.3 million) is expected to be repaid within one year from the end of the reporting period and has been classified as current. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

(ii) An amount of $6.4 million due from another related party which had signed a revised repayment agreement during the year to make quarterly repayments and fully settle the outstanding balance within one year from 31 December 2020. Accordingly, this amount of $6.4 million has been classified as current. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

As at 31 December 2019, SP Corp provided a loan amounting $21,500,000 to a related party with repayment being one year from 24 September 2019. Interest was charged at fixed rate of 7.5% per annum. The loan and all accrued interest were repaid in full during the year.

b) Refundable trade deposit relates to a deposit of US$6,000,000 or equivalent to $7,999,000 (2019 : $8,135,000) placed by SP Corp, with a related party which owns a coal mine (Party A) to secure coal allocations. The deposit is secured by a corporate guarantee issued by the immediate holding company of Party A which is also a related party and also owns a coal mine.

The deposit is repayable within one year and subject to annual renewal by mutual agreement between the two parties. It bears an effective interest rate of 4.53% (2019 : 6.24%) per annum.

c) Loan of $5.0 million to a related party is provided by a wholly-owned subsidiary of the Group. The loan is repayable within two years from the date of disbursement on 8 October 2019 and carries fixed rate of 7.5% per annum. The loan and accrued interest shall be repaid in full on repayment date in cash, or in other repayment method as otherwise agreed between the parties. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

d) Included in the non-trade amounts due to related parties as at 31 December 2019 was an amount payable of $3,250,000 to a related party in respect of the acquisition of land in Batam. The consideration payable was partially settled in cash through the sale of unit held on behalf during the year (Note 10). The remaining balance consideration of $500,000, being the shortfall in the selling prices achieved for the units held on behalf, was recognised as other income to the profit or loss during the year.

The trade and non-trade amounts due from / (to) other related parties were unsecured, interest-free, and repayable on demand unless otherwise stated.

22 Contract liabilities

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Contract liabilities	–	1,536

Contract liability mainly represents amounts of consideration billed to purchasers of the Group's development properties in advance of the stage of completion of construction.

23 Deferred tax assets and liabilities

Deferred tax at the end of the reporting period consists of the following:

	Group	
	31 December 2020	31 December 2019
	$'000	$'000
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**164**	140
Deferred development costs	**2,121**	1,546
Revaluation of properties	**4,331**	2,827
Foreign income not remitted and which will be subject to tax if remitted in the future	**44,689**	49,630
Unutilised tax losses	**(5,967)**	(4,793)
Others	**(200)**	(592)
	45,138	48,758
Represented by:		
Deferred tax assets	**(1,721)**	(2,047)
Deferred tax liabilities	**46,859**	50,805
	45,138	48,758

Deferred tax assets and liabilities are netted off when there is a legally enforceable right to offset and when the deferred income taxes relate to the same tax authorities.

Deferred tax assets and liabilities recognised by the Group and the movements thereon during the current and prior reporting periods are as following:

	Note	Accelerated tax depreciation	Deferred development costs	Revaluation of properties	Foreign income not remitted	Unutilised tax losses	Others	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
At 1 January 2020		**140**	**1,546**	**2,827**	**49,630**	**(4,793)**	**(592)**	**48,758**
Exchange differences on consolidation		**–**	**–**	**183**	**3,577**	**(160)**	**(70)**	**3,530**
Charged / (Credited) to profit or loss	33	**24**	**575**	**1,321**	**(31)**	**(1,014)**	**462**	**1,337**
Credited to other comprehensive income	35	**–**	**–**	**–**	**(8,487)**	**–**	**–**	**(8,487)**
At 31 December 2020		**164**	**2,121**	**4,331**	**44,689**	**(5,967)**	**(200)**	**45,138**
At 1 January 2019		106	283	1,353	47,107	(3,297)	(614)	44,938
Exchange differences on consolidation		–	–	(68)	(1,660)	8	50	(1,670)
Charged / (Credited) to profit or loss	33	34	1,263	1,542	3,177	(1,504)	(28)	4,484
Charged to other comprehensive income	35	–	–	–	1,006	–	–	1,006
At 31 December 2019		140	1,546	2,827	49,630	(4,793)	(592)	48,758

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $33,446,000 (31 December 2019 : $40,882,000) on account of a provision made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

Deferred tax liabilities not recognised

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $306,000 (31 December 2019 : $303,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

23 Deferred tax assets and liabilities (cont'd)

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $37,700,000 (31 December 2019 : $34,996,000) and capital allowances of $37,871,000 (31 December 2019 : $5,011,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset has been recognised due to the unpredictability of the relevant future profit streams.

24 Share capital

	Group and Company			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Number of shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,186,249**	1,186,406	**175,234**	173,945
Issued under Scrip Dividend Scheme	**4,713**	3,748	**1,000**	1,289
Shares bought back and held as treasury shares	**(3,472)**	(3,905)	**–**	–
At 31 December	**1,187,490**	1,186,249	**176,234**	175,234

The Company has a single class of ordinary shares. All issued shares carry one vote per share and are entitled to receive dividend as and when declared by the Company. The ordinary shares are fully paid and have no par value.

Issue of shares

During the year, the Company allotted and issued 4,713,000 (2019 : 3,748,000) ordinary shares at an issue price of 21.2 cents (2019 : 34.4 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.6 cent per share for the financial year ended 31 December 2019 (0.6 cent per share for the financial year ended 31 December 2018).

25 Treasury shares

	Group and Company			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Number of shares ('000)		$'000	$'000
At the beginning of the year	**8,288**	4,383	**2,955**	1,523
Repurchased during the year	**3,472**	3,905	**936**	1,432
At the end of the year	**11,760**	8,288	**3,891**	2,955

During the year, the Company acquired 3,472,000 (2019 : 3,905,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $936,000 (2019 : $1,432,000) and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

26 Reserves

	Group		Company	
	31 December 2020 $'000	31December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000 (Restated)
Asset revaluation reserve	**123,001**	142,155	**–**	–
Foreign currency translation account	**(38,139)**	(62,652)	**–**	–
Other capital reserves:				
- Capital reserves	**195,987**	186,295	**101,264**	101,264
- Cash flow hedging account	**(2,090)**	(1,371)	**–**	–
	193,897	184,924	**101,264**	101,264
Investment revaluation reserve	**(1,573)**	–	**–**	–
Revenue reserve	**710,538**	668,257	**315,560**	321,865
	987,724	932,684	**416,824**	423,129

26 Reserves (cont'd)

Asset revaluation reserve
Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of property, plant and equipment which are held for the purpose of production or supply of goods and services.

Foreign currency translation account
Foreign currency translation account comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company, i.e. SGD; as well as from the translation of monetary items which form part of the Group's net investment in foreign operations at the end of the reporting period.

Other capital reserves
Capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech and distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

Investment revaluation reserve
Investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI.

Revenue reserve
Revenue reserve is used to record the balance of amounts available for distributions as defined by regulatory requirements. This is distributable to shareholders as dividend.

27 Dividend

	Group and Company	
	31 December 2020 $'000	31 December 2019 $'000
Tax-exempt one-tier first and final dividend and special dividend paid in respect of the previous year		
Cash	**6,104**	9,383
Share	**1,000**	1,289
	7,104	10,672

The Directors proposed a tax exempt one-tier first and final dividend of 0.6 cent per share (2019 : 0.6 cent per share) total amounting to $7,125,000 (2019 : $7,117,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, to be paid in respect of the financial year ended 31 December 2020.

28 Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 4).

A disaggregation of the Group's revenue for the year, is as follows:

	Note	Group	
		31 December 2020 $'000	31 December 2019 $'000
Segment Revenue			
Revenue from contracts with customers:			
Sale of products		**37,364**	101,378
Sale of development properties		**74,567**	65,362
Hotel operations and related income		**32,454**	101,238
Services rendered		**771**	191
Others		**1,475**	1,487
		146,631	269,656
Rental income from investment properties	14	**50,186**	41,033
		196,817	310,689

28 Revenue (cont'd)

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000
At a point of time:			
Sale of products		**37,364**	101,378
Sale of completed development properties		**10,850**	11,892
Hotel operations – food and beverages		**10,193**	31,008
Over time:			
Sale of development properties under construction		**63,717**	53,470
Hotel operations – room sales and other income		**22,261**	70,230
Services rendered		**771**	191
Others		**1,475**	1,487
		146,631	269,656

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is an amount of $63,717,000 (2019 : $53,470,000) whereby the revenue is recognised based on the percentage of completion method.

As at 31 December 2020, the transaction price allocated to performance obligations that are partially satisfied amounted to $55,842,000 (2019 : $27,404,000). Management expects this amount to be recognised as revenue during the next financial period.

In 2020, the Group received property tax rebate and cash grant from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. Consequently, the Group recognised government grant income of $3,583,000 in the profit or loss as other income. The Group is required to fully pass on the property tax rebate received from the Singapore Government to the tenants in the form of waiver of contractual rent and a government grant expense of $2,396,000 has been recorded as operating expenses in profit or loss for the year (Note 32).

The Group is required to waive up to two months of contractual rent for eligible tenants of its investment properties under the Rental Relief Framework as mandated by the Singapore Government. Consequently, the Group recognised variable lease payment amounting to $3,494,000 as a reduction to income in profit or loss during the year and offset the obligation for rental reliefs against the lease receivable. This amount is offset by the property tax rebate and cash grant from the Singapore Government amounting to $2,396,000 which is included in the government grant income (Note 32).

29 Interest income

	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Interest income on bank deposits	**1,948**	2,237
Interest income from debtors	**69**	188
Interest income from related parties	**2,816**	3,411
	4,833	5,836

30 Finance costs

	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Interest expense on loans and borrowings	**42,884**	55,454
Amortisation of capitalised finance costs	**4,913**	2,869
Interest expense on lease liabilities	**6**	2
	47,803	58,325

31 Fair value adjustments

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Fair value gain / (loss) from:			
Subsidiaries		**45,077**	33,307
Share of an equity accounted investee	16	**111**	(100)
		45,188	33,207
Represented by:			
Fair value adjustments in respect of:			
- investment properties		**47,385**	33,307
- property, plant and equipment		**(2,308)**	–
- financial instruments	16	**111**	(100)
		45,188	33,207

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
31 December 2020				
Fair value gain on investment properties				
Subsidiaries	14	**47,385**	**(4,332)**	**43,053**
Revaluation deficit on property, plant and equipment				
Subsidiaries	12	**(2,308)**	**692**	**(1,616)**
Fair value gain on financial instruments				
Share of an equity accounted investee	16	**111**	**–**	**111**
		45,188	**(3,640)**	**41,548**
31 December 2019				
Fair value gain on investment properties				
Subsidiaries	14	33,307	(4,297)	29,010
Fair value loss on financial instruments				
Share of an equity accounted investee	16	(100)	–	(100)
		33,207	(4,297)	28,910

During the year, revaluation deficit of $2,308,000 on property, plant and equipment was recognised in the profit or loss, representing the revaluation loss that has exceeded the balance accumulated in the asset revaluation reserve of the same property.

32 Profit before tax

Other than as disclosed elsewhere in these financial statements, profit before tax for the year has been arrived at after charging/(crediting) the following:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**9,199**	8,024
Depreciation of right-of-use assets [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**81**	26
Net (gain)/loss on disposal of property, plant and equipment [included in other operating (income) / expenses]	**(5)**	14
Write-back of allowance for diminution in value for development properties, net [included in other operating (income) / expenses / cost of sales]	**(199)**	(328)
Allowance / (Write-back) of allowance for doubtful trade and other receivables, net [included in other operating (income) / expenses]	**746**	(53)
Bad debts written off [included in other operating expenses]	**25**	429
Foreign exchange (loss) / gain, net [included in other operating expenses]	**(421)**	334
Expenses relating to short term leases [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**284**	293
Net loss on disposal of an investment property [included in other operating expenses]	**–**	48
Write-back of recognised corporate guarantee no longer required [included in other operating income]	**–**	(346)
Cost of inventories recognised as an expense	**35,834**	98,389
Restructuring costs [included in other operating expenses]	**1,144**	–
Rent concessions [included in other operating income]	**(74)**	–
Government grant income [included in other operating income]	**(17,356)**	–
Government grant expense [included in other operating expense]	**2,396**	–
Reversal of accruals for development costs previously capitalised(1) [included in other operating expense]	**(8,744)**	–
Auditors' remuneration(2)		
Audit fees:		
- Auditors of the Company	**434**	380
- Other auditors	**276**	233
Non-audit fees:		
- Auditors of the Company	**400**	177
- Other auditors	**4**	4

32 Profit before tax (cont'd)

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Directors' remuneration		
Of the Company:		
- Salaries and wages	**1,977**	1,988
Of the subsidiaries:		
- Salaries and wages	**531**	1,042
- Defined contribution plans	**25**	26
	2,533	3,056
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	**16,602**	13,897
- Defined contribution plans	**1,440**	1,115
- Others	**390**	74
	18,432	15,086

(1) Following the settlement of the final account of 18 Robinson's construction works, there was a reversal of accruals amounting to $8,744,000 during the year for development costs previously capitalised as part of the investment property under redevelopment. The reversal arose from the finalisation of content of work including variation orders and certain contracted works no longer required with the main contractor. 18 Robinson obtained its temporary occupation permit in January 2019.

(2) The Audit and Risk Committee has reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the auditors

33 Income tax expenses

	Note	Group	
		31 December 2020 $'000	31 December 2019 $'000
Current income tax:			
- Singapore		**1,357**	1,467
- Foreign		**(1,024)**	2,420
- (Over)/Under provision in prior years		**(421)**	918
		(88)	4,805
Withholding tax expense		**107**	70
Deferred tax	23	**1,337**	4,484
		1,356	9,359

Singapore income tax is calculated at 17% (2019 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

33 Income tax expenses (cont'd)

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Profit before income tax	**59,887**	42,038
Income tax calculated at 17% (2019 : 17%)	**10,181**	7,146
Adjustments:		
Share of results of an equity-accounted investee	**(4,357)**	(3,665)
Expenses not deductible for tax purposes	**4,600**	4,243
Tax losses not recognised as deferred tax assets	**2,368**	681
Tax losses not available for set-off against future income	**2,057**	3,351
Different tax rates of subsidiaries operating in other jurisdictions	**(654)**	2,945
Income that is not subject to tax	**(11,934)**	(6,110)
Utilisation of tax losses and capital allowance previously not recognised	**(530)**	(143)
(Over)/Under provision in prior years	**(421)**	918
Withholding tax expense	**107**	70
Others	**(61)**	(77)
	1,356	9,359

34 Earnings per share

Analysis of the Group's profit from operations and fair value adjustments are as follows:

	Note	Group		
		Before fair value adjustments $'000	Fair value adjustments $'000	After fair value adjustments $'000
31 December 2020				
Profit before tax		**14,699**	**45,188**	**59,887**
Income tax benefit / (expenses)	31, 33	**2,284**	**(3,640)**	**(1,356)**
Profit for the year		**16,983**	**41,548**	**58,531**
Less:				
Non-controlling interests		**(478)**	**–**	**(478)**
Profit attributable to owners of the Company		**17,461**	**41,548**	**59,009**
31 December 2019				
Profit before tax		8,831	33,207	42,038
Income tax expenses	31, 33	(5,062)	(4,297)	(9,359)
Profit for the year		3,769	28,910	32,679
Less:				
Non-controlling interests		(534)	–	(534)
Profit attributable to owners of the Company		4,303	28,910	33,213

34 Earnings per share (cont'd)

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Profit attributable to owners of the Company		
Before fair value adjustments	**17,461**	4,303
Fair value adjustments	**41,548**	28,910
After fair value adjustments	**59,009**	33,213
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**5.0**	2.8
Excluding fair value adjustments	**1.5**	0.4
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,186,580**	1,186,095

There is no dilutive ordinary share in 2020 and 2019.

35 Other comprehensive income

	Note	Group		
		Before tax $'000	Deferred tax $'000	After tax $'000
2020				
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**(27,263)**	**8,179**	**(19,084)**
Fair value loss on investments in equity instruments designated as FVTOCI	17	**(1,573)**	**–**	**(1,573)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**26,938**	**–**	**26,938**
Share of exchange differences on translation of equity accounted investees		**(2,516)**	**–**	**(2,516)**
Cash flow hedges		**(1,027)**	**308**	**(719)**
		(5,441)	**8,487**	**3,046**
2019				
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	4,292	(1,288)	3,004
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(12,953)	–	(12,953)
Share of exchange differences on translation of equity accounted investees		(1,131)	–	(1,131)
Cash flow hedges		(939)	282	(657)
		(10,731)	(1,006)	(11,737)

35 Other comprehensive income (cont'd)

During the year, the Group entered into certain interest rate swap contracts to hedge its interest rate risk exposures. Derivatives that are designated and effective as hedging instruments are carried at fair value.

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Derivatives that are designated and effective as hedging instruments carried at fair value	**2,038**	939

The Group used interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with notional principal amount of A$177 million have fixed interest payments at a weighted average fixed rate of 1.19% per annum for periods up until January 2022 and have a floating interest rate of 3-month Bank Bill Swap Bid Rate.

All of the Group's interest rate swaps are designated and effective as cash flow hedges and the fair value change of these interest rate swaps, amounting to $1,027,000 (2019 : $939,000) has been recognised in other comprehensive income during the year.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	31 December 2020 per annum	31 December 2019 per annum	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Group						
3 month	**1.19%**	1.19%	**178,735**	165,991	**2,038**	939

36 Significant related party transactions

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the major shareholder, associates and the Directors of the Company and their associates:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Transactions with major shareholder		
Sale of products and services rendered	**3,656**	16,190
Rental income	**2,028**	1,905
Interest income	**2,816**	3,411
Purchase of products and services	**(25,792)**	(78,496)
Purchase of property, plant and equipment	**(203)**	–
Transactions with associates		
Management fee income	**180**	180
Transactions with Directors of the Company and their associates		
MTN interest expense	**(93)**	(158)
Transactions with key management personnel of the Group		
MTN interest expense	**(24)**	–

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related party transactions with major shareholder refer to transactions with the companies in which the shareholders of Nuri and their family members have a controlling interest in. The related party transactions are entered into in the normal course of business based on terms agreed between the parties.

One of the Group's subsidiary, SP Resources International Pte Ltd, is reliant on two related parties for the supply of 100% (2019 : 100%) of its coal. In addition, the Group supplies 100% (2019 : 100%) of its rubber products to two customers (2019 : one customer) who are related parties.

36 Significant related party transactions (cont'd)

At the end of the reporting year, the Group had commitments to lease certain commercial properties to Nuri and a related party of the Group. These non-cancellable operating leases have remaining lease terms of 2 months to 79 months (2019 : 2 months to 91 months). Future minimum lease receivables under these leases not recognised as receivables at the end of each reporting period were as follows:

Commitment with related parties

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Commitment with major shareholder		
Operating leases:		
- Within one year	**672**	630
- Year 2	**419**	386
- Year 3	**432**	398
- Year 4	**445**	409
- Year 5	**458**	422
- After five years	**752**	1,147
	3,178	3,392

Remuneration of Directors and key management personnel

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Short-term benefits and fees	**3,507**	4,081
Post-employment benefits (defined contribution plan)	**77**	80
	3,584	4,161

37 Acquisition of subsidiary

On 8 April 2019, the Group completed the acquisition of the entire issued share capital of PT Titian Damai Mandiri ("TDM") for a cash consideration of S$5.0 million. PT Titian Damai Mandiri is the legal and beneficial owner of a 40 hectares of land in Batam (Note 10).

	Group
	31 December 2019 $'000
Consideration transferred	
Cash	4,998
Assets acquired and liabilities assumed:	
Current assets	
Development properties	5,074
Cash and cash equivalents	321
Net assets acquired and liabilities assumed	5,395
Discount on acquisition	
Consideration transferred	4,998
Less: Fair value of identifiable net assets acquired	(5,395)
Discount on acquisition	(397)
Net cash outflow arising on acquisition	
Consideration transferred	4,998
Less: Cash and cash equivalent acquired	(321)
Net cash outflow on acquisition	4,677

38 Commitments

Capital commitments

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**50,715**	23,676
Capital expenditure contracted for but not provided in the financial statements	**61**	6,721
Share of commitments of equity-accounted investees		
- Capital expenditure contracted for but not provided in the financial statements	**8,781**	6,970

Operating lease commitments - where the Group is a lessor

The Group enters into commercial property leases on its investment property portfolio, consisting of commercial and industrial buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. As at the end of the reporting period, these non-cancellable leases had remaining lease terms of between 1 month and 5.25 years (2019 : 1 month and 7 years).

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with a constant increase in value over the years. The Group did not identify any indications that this situation will change.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of each reporting period but not recognised as receivables were as follows:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Year 1	**36,191**	38,174
Year 2	**31,309**	28,642
Year 3	**22,801**	21,409
Year 4	**13,650**	9,195
Year 5	**9,300**	5,469
Year 6 and onwards	**247**	1,947
Total	**113,498**	104,836

39 Contingent liabilities

	Company	
	31 December 2020 $'000	31 December 2019 $'000
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**1,248,113**	1,140,426

The Group recognised a financial guarantee of $4,998,000 (2019 : $4,998,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary (Note 16).

40 Financial risk management

Financial risk management policies and objectives

The Group has documented financial risk management policies approved by the Board of Directors. The policies consist of guidelines and rules to identify and manage periodically significant risks that might affect the achievement of business objectives, outputs, projects or operating processes at the Group, subsidiary or business unit level. Guidelines and rules are reviewed annually by the Group to ensure that they remain relevant. The Group's overall risk management program seeks to minimise potentially adverse effects on financial performance of the Group.

The Group's risk management process is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile. The key risks relating to financial management include foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing cash in excess of short-term operational requirement.

40 Financial risk management (cont'd)

Factors behind financial risks

The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise potentially adverse effects arising from the unpredictability of the financial markets on the Group's financial performance.

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in Notes 40(a) and 40(b) to the financial statements.

Natural hedging is preferred by matching assets and liabilities of the same currency. Derivative financial instruments are only used where it is necessary to reduce the Group's exposure to fluctuations in foreign exchange and interest rates or to comply with covenants imposed by banks. While these financial instruments are subject to risk of change in market rates subsequent to their acquisition, such changes are generally offset by opposite effects on the items being hedged. The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no major change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analyses indicated in Notes 40(a) and 40(b) to the financial statements.

Categories of financial instruments

The table below sets out the financial instruments at the end of the reporting year:

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Financial assets				
Financial assets at FVTOCI	**29,343**	30,916	**–**	–
Financial assets at amortised cost	**371,311**	281,644	**331,729**	415,826
	400,654	312,560	**331,729**	415,826
Financial liabilities				
Financial liabilities at amortised cost	**1,561,386**	1,810,364	**487,362**	560,145
Financial guarantee contracts	**–**	–	**14,876**	22,730
Lease liabilities	**138**	115	**9,473**	1,060
	1,561,524	1,810,479	**511,711**	583,935
Derivative financial instruments	**2,038**	939	**–**	–
	1,563,562	1,811,418	**511,711**	583,935

(a) Currency risk

The Group's subsidiaries operate mainly in Singapore, Australia, China, Malaysia and Indonesia. As for its associates, GulTech operates mainly in China and Singapore, Pan-West operates mainly in Singapore, SSRE operates in China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore dollar ("SGD"), Australian dollar ("AUD"), United States dollar ("USD"), Malaysian Ringgit ("MYR") and Indonesian Rupiah ("IDR"). Currency risk arises when transactions are denominated in foreign currencies.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations mainly in Australia and China. As far as possible, the Group relies on natural hedges of matching foreign assets and liabilities of the same currency.

The Group does not enter into currency options and does not use forward foreign exchange contracts for speculative trading purposes.

40 Financial risk management (cont'd)

(a) Currency risk (cont'd)

Currency risk exposure

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies were as follows:

	SGD $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2020				
Financial assets				
Cash and bank balances	**163**	**41**	**38,026**	**140**
Trade and other receivables	**27**	**–**	**3**	**29**
	190	**41**	**38,029**	**169**
Financial liabilities				
Trade and other payables	**(336)**	**(255)**	**–**	**(104)**
Net financial (liabilities)/assets	**(146)**	**(214)**	**38,029**	**65**
Net currency exposure	**(146)**	**(214)**	**38,029**	**65**
At 31 December 2019				
Financial assets				
Cash and bank balances	63	47	35,059	114
Trade and other receivables	50	–	14	333
	113	47	35,073	447
Financial liabilities				
Trade and other payables	(310)	(19)	–	(61)
Net financial (liabilities)/assets	(197)	28	35,073	386
Net currency exposure	(197)	28	35,073	386

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency were as follows:

	31 December 2020		31 December 2019	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Cash and bank balances	**38,026**	–	**35,059**	–
Amounts due from subsidiaries	**–**	11	**–**	43
	38,026	11	**35,059**	43
Financial liabilities				
Amounts due to subsidiaries	**(37,298)**	–	**(34,639)**	–
Net financial assets	**728**	11	**420**	43
Net currency exposure	**728**	11	**420**	43

Sensitivity analysis for currency risk

The following table details the sensitivity to a 10% increase/decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss and/or equity.

40 Financial risk management (cont'd)

(a) Currency risk (cont'd)

Sensitivity analysis for currency risk (cont'd)

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit or loss may increase (decrease) by:

	SGD		USD	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Profit or Loss	**15**	20	**21**	(3)
Company				
Profit or Loss	**–**	–	**–**	–

	AUD		Others	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Profit or Loss	**(3,803)**	(3,507)	**(7)**	(39)
Company				
Profit or Loss	**(73)**	(42)	**(1)**	(4)

The strengthening of the relevant foreign currency against the functional currency of each Group entity at the end of the reporting year would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(b) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument may fluctuate because of changes in interest rates in the market.

The Group's exposure to interest rate risk arises mainly from bank borrowings. The Group aims to optimise net interest cost and to reduce volatility in the finance cost. The Group borrows mainly variable rate debts with varying tenures. A summary of the Group's interest-bearing financial instruments is disclosed in Note 40(d) to these financial statements.

Other than those disclosed in Note 35, the Group does not use derivative financial instruments to hedge fluctuations in interest rates for its borrowings.

Sensitivity analysis for interest rate risk

The sensitivity analysis below is based on the exposure to interest rates for non-derivative instruments at the end of the reporting year and assumes that the change took place at the beginning of the financial year and was held constant throughout the reporting year. The magnitude represents the Group's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $10,477,000 (2019 : decrease or increase by $13,262,000).

The Company's profit or loss was not affected by changes in interest rates as the Company did not have any borrowings or inter-company loans that are at variable rates.

(c) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from such defaults. Credit risk on cash and bank balances and derivative financial instrument is limited as these balances are placed with or transacted with institutions of repute. The Group manages these risks by monitoring credit worthiness and limiting the aggregate use to any individual counterparty. The Group does not expect to incur material credit losses on its financial instruments.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

40 Financial risk management (cont'd)

(c) Overview of the Group's exposure to credit risk (cont'd)

The Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The assessment of the credit quality and exposure to credit risk of the Group's trade and other receivables have been disclosed in Note 6. The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
31 December 2020						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**32,085**	**(945)**	**31,140**
Other receivables	6	In default	Lifetime ECL – credit impaired	**5,531**	**(180)**	**5,351**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**46,966**	**–**	**46,966**
Refundable trade deposit with a related party	21	Performing	12-month ECL	**7,999**	**–**	**7,999**
Loans to a related party	21	Performing	12-month ECL	**5,463**	**–**	**5,463**
					(1,125)	
31 December 2019						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	39,175	(748)	38,427
Other receivables	6	In default	Lifetime ECL – credit impaired	6,373	(126)	6,247
Contract assets	7	(i)	Lifetime ECL (simplified approach)	29,974	–	29,974
Refundable trade deposit with related party	21	Performing	12-month ECL	8,135	–	8,135
Loans to related parties	21	Performing	12-month ECL	26,587	–	26,587
					(874)	

40 Financial risk management (cont'd)

(c) Overview of the Group's exposure to credit risk (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company						
31 December 2020						
Other receivables	6	In default	Lifetime ECL – credit impaired	**280**	**(72)**	**208**
Amount due from subsidiaries	20	Performing	12-month ECL	**305,609**	**(24,276)**	**281,333**
					(24,348)	
31 December 2019						
Other receivables	6	In default	Lifetime ECL – credit impaired	191	(72)	119
Amount due from subsidiaries	20	Performing	12-month ECL	402,402	(24,253)	378,149
					(24,325)	

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 6 includes further details on the loss allowance for these receivables.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

With respect to trade and other receivables at the end of the reporting year, trade amounts due from related parties includes an amount of $14,360,000 (2019 : $20,315,000) which comprised of 2 (2019 : 2) major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2020.

The credit risk for trade receivables after loss allowance for doubtful receivables was as follows:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
By geographical area		
Singapore	**12,709**	19,543
Australia	**4,282**	3,437
China (Including Hong Kong)	**3,601**	3,431
Malaysia	**1,834**	2,131
Indonesia	**8,696**	9,591
United States of America (USA)	**18**	279
Others	**–**	15
	31,140	38,427
By type of customers		
Related parties	**15,629**	21,720
Non-related parties	**15,511**	16,707
	31,140	38,427
By industry sector		
Property	**4,871**	5,089
Hotels investment	**3,265**	3,232
Industrial services	**23,004**	30,106
	31,140	38,427

40 Financial risk management (cont'd)

(d) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and borrowings with different tenures. Due to the dynamic nature of the businesses the Group is in, the Group aims at maintaining flexibility in funding and keeping adequate committed credit facilities available.

As at 31 December 2020, the Company's current liabilities exceed its current assets by $108,574,000 (31 December 2019 : $167,667,000). The directors are satisfied that the Company is able to refinance the loans that are due and it will not affect its ability to continue as a going concern within the next 12 months.

Analysis for liquidity and interest risk - non-derivative financial liabilities
The following tables detail the effective annual interest rates and the remaining contractual maturity for non-derivative financial liabilities at the end of the reporting year.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents possible future cash flow attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2020							
Non-interest bearing	**–**	**96,110**	**322**	**–**	**–**	**–**	**96,432**
Lease liabilities (Fixed rate)	**2.0 - 3.3**	**59**	**63**	**25**	**–**	**(9)**	**138**
Fixed interest rate instruments	**2.0 - 7.75**	**13,108**	**374,458**	**3,794**	**–**	**(24,219)**	**367,141**
Variable interest rate Instruments	**2.0**	**219,922**	**532,166**	**360,808**	**–**	**(15,083)**	**1,097,813**
		329,199	**907,009**	**364,627**	**–**	**(39,311)**	**1,561,524**
31 December 2019							
Non-interest bearing	–	98,683	349	–	–	–	99,032
Fixed interest rate instruments	2.8 - 6.0	159,525	5,652	204,449	–	(21,405)	348,221
Variable interest rate instruments	2.6 - 3.1	157,598	116,605	1,156,181	–	(67,158)	1,363,226
		415,806	122,606	1,360,630	–	(88,563)	1,810,479
Company							
31 December 2020							
Non-interest bearing	**–**	**423,300**	**–**	**–**	**–**	**–**	**423,300**
Other provision (Fixed rate)	**2.8**	**–**	**–**	**307**	**–**	**(40)**	**267**
Lease liabilities (Fixed rate)	**2.0 - 2.8**	**2,173**	**1,989**	**5,963**	**–**	**(652)**	**9,473**
Fixed interest rate instruments	**7.75**	**5,037**	**66,905**	**–**	**–**	**(8,147)**	**63,795**
Financial guarantee contracts	**–**	**14,876**	**–**	**–**	**–**	**–**	**14,876**
		445,386	**68,894**	**6,270**	**–**	**(8,839)**	**511,711**
31 December 2019							
Non-interest bearing	–	411,442	–	–	–	–	411,442
Fixed interest rate instruments	6.0	153,847	–	–	–	(4,084)	149,763
Financial guarantee contracts	–	22,730	–	–	–	–	22,730
		588,019	–	–	–	(4,084)	583,935

40 Financial risk management (cont'd)

(d) Liquidity risk (cont'd)

At the end of the reporting year, the maximum amount that the Company could be forced to settle under the financial guarantee contracts if the full guaranteed amounts is claimed by the counterparty to the guarantee is $1,248,113,000 (2019 : $1,140,426,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

As at the end of the reporting year, the Group's total obligation on guarantees in connection with Pan-West's bank facilities amounted to $4,998,000 (2019 : $4,998,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

Analysis for liquidity and interest risk - non-derivative financial assets

The following tables detail the effective annual interest rates and the expected maturity for non-derivative financial assets at the end of the reporting year. The tables 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 and the Company anticipate that the cash flow will occur in a different year. 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 assets on the statements of financial position.

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2020							
Non-interest bearing	**–**	**174,059**	**–**	**4**	**9**	**–**	**174,072**
Variable interest rate instruments	**0.2 - 4.5**	**50,368**	**–**	**–**	**–**	**(220)**	**50,148**
Fixed interest rate instruments	**0.03 - 7.5**	**144,889**	**2,974**	**–**	**–**	**(772)**	**147,091**
		369,316	**2,974**	**4**	**9**	**(992)**	**371,311**
31 December 2019							
Non-interest bearing	–	95,886	4	21	9	–	95,920
Variable interest rate instruments	0.2 - 6.2	37,335	–	–	–	(299)	37,036
Fixed interest rate instruments	0.8 - 7.5	127,607	23,157	–	–	(2,076)	148,688
		260,828	23,161	21	9	(2,375)	281,644
Company							
31 December 2020							
Non-interest bearing	**–**	**331,729**	**–**	**–**	**–**	**–**	**331,729**
31 December 2019							
Non-interest bearing	–	415,826	–	–	–	–	415,826

(e) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, provisions and other liabilities approximated their respective fair values due to their relative short-term maturity. The fair value of financial assets at FVTOCI is disclosed in Note 17.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and

- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

40 Financial risk management (cont'd)

(e) Fair value of financial assets and financial liabilities (cont'd)

The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2. The valuation technique and key input is future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

At the end of each reporting year, the Group's FVTOCI was measured based on Level 3. The fair value of the investment as at 31 December 2020 was determined by reference to the fair value of underlying assets and the valuation was carried out by an independent valuer.

Reconciliation of Level 3 fair value measurement:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Balance as at beginning of the year	**30,916**	–
Addition	**–**	30,916
Fair value loss	**(1,573)**	–
Balance as at end of the year	**29,343**	30,916

(f) Capital risk

In managing capital, the Group's objectives are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to provide appropriate returns to shareholders and benefits for other stakeholders through pricing its products and services at levels commensurate with the level of risks it is exposed to.

The capital structure of the Group consists of loans and borrowings disclosed in Note 18, issued capital, reserves and retained earnings disclosed in Notes 24 and 26 to the financial statements.

In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group's overall strategy remains unchanged from the prior years.

The Group monitors capital risks through measuring the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in Note 18, less cash and bank balances as disclosed in Note 5 to the financial statements.

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Total borrowings	**1,464,953**	1,711,332
Total equity	**1,173,498**	1,119,073
Gross gearing (times)	**1.25**	1.53
Net borrowings	**1,190,561**	1,539,058
Total equity	**1,173,498**	1,119,073
Net gearing (times)	**1.01**	1.38

The gross gearing of 1.25 times excludes the borrowings of 39 Robinson Road Pte Ltd which is classified as liabilities associated with assets held for sale. Had we included the borrowings of 39 Robinson Road Pte Ltd, the gross gearing would have been 1.50 times as at 31 December 2020.

40 Financial risk management (cont'd)

(g) Equity price risk management

The Group is exposed to equity risks arising from equity investment classified as FVTOCI. Equity investment measured at FVTOCI is held for strategic rather than trading purposes. The Group does not actively trade such investment. Further details of this equity investment can be found in Note 17.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. In respect of equity investment at FVTOCI, if equity price had been 10% higher/lower while all other variables were held constant, the Group's asset revaluation reserve would increase/decrease by approximately $2.9 million.

41 Listing of significant subsidiaries

Information relating to the significant subsidiaries is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest and voting power held by the Group 31 December 2020 %	31 December 2019 %
Significant subsidiaries directly held by the Company					
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Dillenia Land Pte. Ltd.		Property development	Singapore	**100**	100
Episcia Land Pte. Ltd.		Property development	Singapore	**100**	100
Gerbera Land Pte. Ltd.		Property development	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
SP Corporation Limited		Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	**80.2**	80.2
SP Global Hong Kong Limited	(i)	Investment holding	Hong Kong	**80.2**	80.2
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(ii)	Property development	Indonesia	**90**	90
PT Titian Damai Mandiri	(ii)	Property development	Indonesia	**100**	100

All subsidiaries in Singapore are audited by Deloitte & Touche LLP, Singapore.

(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
(ii) Analytical review performed for purpose of consolidation.

42 Listing of significant associates

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions.

Information relating to the significant associates is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest and voting power held by the Group	
				31 December 2020	31 December 2019
				%	%
Gul Technologies Singapore Pte. Ltd.	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5
Sanya Summer Real Estate Co. Ltd	(ii),(iii)	Property Developer	China	**7.8**	7.8

(i) Audited by Deloitte & Touche LLP, Singapore
(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited
(iii) The Group has significant influence via representation on the board of directors, and participation in policy-making processes

43 Adoption of new and revised standards

On 1 January 2020, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

COVID-19-Related Rent Concessions Amendment to SFRS(I) 16

In May 2020, the ASC issued COVID-19-Related Rent Concessions (Amendment to SFRS(I) 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Company has applied the amendment to SFRS(I) 16 (as issued by the ASC in May 2020) in advance of its effective date.

Impact on accounting for changes in lease payments applying the exemption

The Company has applied the practical expedient retrospectively to all rent concessions that meet the conditions in SFRS(I) 16:46B, and has not restated prior period figures.

The Company has benefited from a one-month waiver of lease payments on a lease of office space. The waiver of lease payments of $21,000 has been accounted for as a rental relief from landlord under other income in profit or loss.

The Company has benefited from a 2-month waiver of lease payments on buildings. The waiver of lease payments of $53,000 has been accounted for as a rental relief from landlord under other income in profit or loss.

44 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements that are relevant to the Group and the Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2021

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

As discussed in Note 43, the Company has early adopted the Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions, which was effective for annual periods beginning on or after 1 June 2020.

45 Reclassification and comparative figures

(a) The carrying amount of a certain completed development property amounting to $1,544,000 classified as property, plant and equipment in 2019 should remain as development properties at 2019 as there was no change in use. Hence, the comparative has been reclassified.

	Group	
	31 December 2019	
	As previously reported	**As reclassified**
	$'000	**$'000**
Property, plant and equipment	414,256	412,712
Transfer from development properties following change in use under property, plant and equipment (Note 12)	2,638	1,094
Development properties	343,067	344,611

(b) The Company had de-recognised the deemed investments amounting to $1,476,000 arising from financial guarantees granted to certain subsidiaries that were liquidated prior to 1 January 2019, resulting in the following restatement made to prior year's financial statements:

	Company	
	31 December 2019	
	As previously reported	**As restated**
	$'000	**$'000**
Investments in subsidiaries	760,760	759,284
Reserves	424,605	423,129

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SGX-ST LISTING MANUAL REQUIREMENTS

INTERESTED PERSON TRANSACTIONS

– Listing Manual Rule 907

Interested person transactions (excluding transactions less than $100,000) during the financial year ended 31 December 2020 are set out below.

Name of interested persons	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
		31.12.2020	**31.12.2019[(1)]**	**31.12.2020**	**31.12.2019[(2)]**
		$'000	**$'000**	**$'000**	**$'000**
Nuri Holdings (S) Pte Ltd and associates	Nuri Holdings (S) Pte Ltd is the Company's major shareholder and controlling shareholder.				
Rendering of corporate support to interested persons		**–**	100	**1,366**	125
Rendering of corporate support from interested persons		**–**	33	**540**	99
Lease to an interested person		**–**	1,533	**1,533**	–
Michelle Liem Mei Fung and Tan Enk Ee and associates	Michelle Liem Mei Fung and Tan Enk Ee are deemed controlling shareholders of the Company.				
Rendering of corporate support to an interested person		**–**	285	**311**	46
Rendering of corporate support from interested persons		**–**	–	**750**	971
Equity investment in an interested person		**–**	25,639	**–**	–
William Nursalim alias William Liem and associates	William Nursalim alias William Liem is the Executive Director / Chief Executive Officer and a deemed controlling shareholder of the Company.				
Interest expenses for Series III unsecured Notes subscribed by interested person		**116**	–	**–**	–
William Nursalim alias William Liem and Liem Mei Kim and associates	William Nursalim alias William Liem is the Executive Director / Chief Executive Officer and a deemed controlling shareholder of the Company. Liem Mei Kim is a sister of William Nursalim alias William Liem.				
Loan to an interested person[(3)]		**–**	–	**–**	5,000
Interest income from loan to an interested person[(3)]		**–**	–	**664**	87

SGX-ST LISTING MANUAL REQUIREMENTS

31 DECEMBER 2020

Name of interested persons	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
		31.12.2020	31.12.2019[(1)]	31.12.2020	31.12.2019[(2)]
		$'000	$'000	$'000	$'000
Michelle Liem Mei Fung and associates	Michelle Liem Mei Fung is a deemed controlling shareholder of the Company.				
Acquisition of an Indonesian subsidiary from interested person		–	4,860	–	–
Aggregated interested person transactions		**116**	32,450	**5,164**	6,328

Annotations

(1) Period from 1 January 2019 to 31 December 2019.

(2) For the period from 24 April 2019 (date of Interested Person Transactions Mandate obtained approval from shareholders) to 31 December 2019.

(3) The Company's wholly owned subsidiary, TSHI Holdings Pte. Ltd. ("**TSHI**") has on 8 October 2019, entered into a loan agreement with PT Senimba Bay Resort ("**SBR**") as borrower and Trego Holdings Inc ("**Trego**") as pledgor to provide a loan of S$5 million ("**Loan**") to SBR. The deemed controlling shareholders of SBR are William Nursalim alias William Liem and his sister, Liem Mei Kim. Trego has pledged its shares in SBR to TSHI as a continuing security for the full and punctual performance of SBR's obligations under the Loan which is repayable within two years at the fixed rate of 7.5% per annum. The loan and accrued interest shall be repaid in full on repayment date in cash, or in other repayment method as otherwise agreed between the parties.

MATERIAL CONTRACTS

– Listing Manual Rule 1207(8)

Save as disclosed above and those disclosed separately by the Company's listed subsidiary, SP Corporation Limited in its 2020 annual report, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of the Chief Executive Officer, Directors or controlling shareholders, which were either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

AUDITORS

– Listing Manual Rule 1207(6)

The aggregate amount of fees paid to the external auditors, broken down into audit and non-audit services are presented under Note 32 to the financial statements for the financial year ended 31 December 2020. The Audit and Risk Committee had reviewed the non-audit services provided by the external auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the external auditors.

The Board of Directors and the Audit and Risk Committee, having reviewed the adequacy of the resources and experience of Deloitte & Touche LLP, the audit engagement partner assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712 and 715 of the SGX-ST Listing Manual.

SHAREHOLDING STATISTICS

AS AT 3 MARCH 2021

SHARE CAPITAL

Issued and fully paid-up capital (including treasury shares)	:	$176,233,502.05
Issued and fully paid-up capital (excluding treasury shares)	:	$172,316,019.72
Number of issued shares (including treasury shares)	:	1,199,249,882
Number of issued shares (excluding treasury shares)	:	1,187,409,882
Number/percentage of treasury shares	:	11,840,000 (1.00%)(1)
Number/percentage of shares for subsidiary holdings(2)	:	Nil (0%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share, the Company cannot exercise any voting rights in respect of the shares held by it as treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares(3)	%
1 - 99	313	2.11	15,039	0.00
100 - 1,000	1,152	7.77	676,580	0.06
1,001 - 10,000	7,795	52.56	41,682,571	3.51
10,001 - 1,000,000	5,533	37.30	251,837,035	21.21
1,000,001 & above	39	0.26	893,213,657	75.22
TOTAL	**14,832**	**100.00**	**1,187,424,882**	**100.00**

TWENTY LARGEST SHAREHOLDERS

as shown in the Register of Members and Depository Register

No.	Name of Shareholders	No. of Shares	%
1	UOB NOMINEES (2006) PRIVATE LIMITED	628,581,792	52.94
2	DBS NOMINEES PTE LTD	86,226,164	7.26
3	CITIBANK NOMINEES SINGAPORE PTE LTD	36,534,954	3.08
4	SING INVESTMENTS & FINANCE NOMINEES (PTE) LTD	28,700,000	2.42
5	RAFFLES NOMINEES (PTE) LIMITED	18,092,573	1.52
6	PHILLIP SECURITIES PTE LTD	11,673,118	0.98
7	LOW CHENG LUM	7,584,047	0.64
8	UNITED OVERSEAS BANK NOMINEES PTE LTD	6,437,187	0.54
9	OCBC SECURITIES PRIVATE LTD	6,362,015	0.54
10	UOB KAY HIAN PTE LTD	4,931,511	0.42
11	LAMIPAK KMP PTE LTD	4,382,393	0.37
12	MAYBANK KIM ENG SECURITIES PTE.LTD	3,954,963	0.33
13	TAN THIAN HWEE	3,859,960	0.33
14	OCBC NOMINEES SINGAPORE PTE LTD	3,715,391	0.31
15	LOW JUNRUI (LIU JUNRUI)	3,570,062	0.30
16	CHIAM HOCK POH	2,981,399	0.25
17	POH CHOO BIN	2,846,500	0.24
18	LEH BEE HOE	2,754,372	0.23
19	DBS VICKERS SECURITIES (S) PTE LTD	2,286,086	0.19
20	YEE LAT SHING	2,144,740	0.18
	TOTAL	867,619,227	**73.07**

Notes:

(1) Percentage is calculated based on total issued and paid-up shares (excluding treasury shares).

(2) "Subsidiary holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

(3) The number of shares is based on report provided by The Central Depository (Pte) Limited which includes 15,000 shares repurchased by the Company on 1 March 2021.

SHAREHOLDING STATISTICS

AS AT 3 MARCH 2021

SUBSTANTIAL SHAREHOLDERS

as shown in the Register of Substantial Shareholders

Name	No. of Shares (Direct Interest)	%[1]	No. of Shares (Deemed Interest)	%[1]
Nuri Holdings (S) Pte Ltd	628,814,529	52.96	–	–
Michelle Liem Mei Fung[2][3]	–	–	629,064,529	52.98
William Nursalim alias William Liem[2]	–	–	628,814,529	52.96
Dr Tan Enk Ee[2]	–	–	628,814,529	52.96
Koh Wee Meng[4]	69,457,000	5.85	1,600,000	0.13

Notes:

(1) Percentages are calculated based on 1,187,409,882 issued shares (excluding treasury shares) as at 3 March 2021. Percentage figures have been rounded to 2 decimal places.

(2) By virtue of interest in Nuri Holdings (S) Pte Ltd.

(3) Ms Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.

(4) Mr Koh Wee Meng, spouse of Mdm Lim Wan Looi, is deemed interested in his spouse's direct interest of 0.13% in the Company.

SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 3 March 2021, approximately 40.99% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of Tuan Sing Holdings Limited (the "**Company**") will be convened and held by electronic means on Friday, 23 April 2021 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2020 ("**FY2020**") and the Auditor's Report thereon. **Ordinary Resolution 1**

2. To approve a first and final one-tier tax exempt dividend of 0.6 cent per ordinary share for FY2020. **Ordinary Resolution 2**

3. To approve the payment of S$439,664 as Directors' fees for FY2020. (FY2019: S$608,900). **Ordinary Resolution 3**

4. To re-elect Mr Cheng Hong Kok, a Director who will retire by rotation pursuant to Article 105 of the Constitution of the Company and who, being eligible, offers himself for re-election. **Ordinary Resolution 4**

5. To note the retirement of Mr Albert Choo Teow Huat. Upon his retirement, Mr Choo will cease to be the Chairman of the Audit and Risk Committee and the Nominating Committee, as well as a member of the Remuneration Committee.

6. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Ordinary Resolution 5**

SPECIAL BUSINESS:

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

7. **Authority to allot and issue shares up to ten per centum (10%) of the issued shares** **Ordinary Resolution 6**

That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

and, in paragraph (1) above and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

NOTICE OF ANNUAL GENERAL MEETING

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. **Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme** **Ordinary Resolution 7**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.

9. **The Proposed Renewal of Share Purchase Mandate** **Ordinary Resolution 8**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) of Shares (each an "**On-Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchase(s) of Shares (each an "**Off-Market Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which the purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the last five market days on which the Shares are transacted on the SGX-ST immediately preceding the day of the On-Market Purchase by the Company or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted, in accordance with the Listing Manual of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the On-Market Purchase was made or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be;

NOTICE OF ANNUAL GENERAL MEETING

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of an On-Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares; and

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

10. **The Proposed Renewal of Interested Person Transactions Mandate** **Ordinary Resolution 9**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix A to the Company's Letter to Shareholders dated 31 March 2021 (the "**Appendix A**"), with any party who is of the classes of interested persons described in the Appendix A, provided that such transactions are carried out in the ordinary course of business and on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for interested person transactions as set out in Appendix A (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Independent Directors for the purpose of the IPT Mandate be and are authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

By Order of the Board

Tan Sock Kiang
Group Company Secretary

31 March 2021
Singapore

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON BUSINESSES TO BE TRANSACTED:

Ordinary Resolution 1 – is to receive and adopt the Directors' Statement and the Audited Financial Statements for FY2020 and the Auditor's Report thereon which can be found under "Statutory Reports and Accounts" in the Company's 2020 Annual Report.

Ordinary Resolution 2 – is to approve a first and final one-tier tax exempt dividend of 0.6 cent per ordinary share in respect of FY2020 (the "**Proposed Dividend**"). The Tuan Sing Holdings Limited Scrip Dividend Scheme is applicable if the Proposed Dividend is approved.

Under the Tuan Sing Holdings Limited Scrip Dividend Scheme, shareholders entitled to dividends may elect to receive either cash or an allotment of ordinary shares of the Company, credited as fully paid, *in lieu* of cash amount of the Proposed Dividend. Shareholders who elect to receive the Proposed Dividend in scrip, the issue price for the new shares to be allotted shall be set at not more than 10% discount to the average of the last dealt prices of Tuan Sing shares for each market day from the ex-dividend date to the record date.

Ordinary Resolution 3 – is to approve the payment of Directors' fees of S$439,664 for FY2020, for services rendered by the Directors on the Board and on various Board Committees. The framework for the proposed Directors' fees is set out in the "Corporate Governance Report" of the Company's 2020 Annual Report.

Ordinary Resolution 4 – Mr Cheng Hong Kok will, upon re-election, continue to serve as the Chairman of the Remuneration Committee and a member of the Nominating Committee. He is considered an Independent and Non-Executive Director. The detailed information on Mr Cheng (including information as set out in Appendix 7.4.1 of the SGX-ST Listing Manual can be found under "Directors' Profile" and "Additional Information On Director Seeking Re-election" in the Company's 2020 Annual Report.

Ordinary Resolution 5 – is to re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. The Company has complied with Rule 713(1) of the SGX-ST Listing Manual by ensuring that the audit partner is not in charge of more than five consecutive years of audits. The current audit partner, Mr Michael Kee Cheng Kong was appointed in FY2020.

Ordinary Resolution 6 - is to empower the Directors to issue shares in the capital of the Company up to an amount not exceeding in aggregate 10% of the issued shares in the capital of the Company. This 10% limit is lower than the limit allowed under the SGX-ST Listing Manual. The Company is seeking a lower limit as it believes that this is adequate for the time being and will review the limit annually. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time that this Resolution is passed after adjusting for any subsequent consolidation or subdivision of shares.

Ordinary Resolution 7 - is to authorise the Directors to issue shares in the Company pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme to participating shareholders who, in respect of that qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Ordinary Resolution 8 - is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use its internal sources of funds or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of profits or capital, the price at which such ordinary shares were purchased or acquired and whether the shares purchased or acquired are held as treasury shares or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for FY2020, based on certain assumptions, are set out in paragraph 2.7 of the Letter to Shareholders dated 31 March 2021 (the "**Letter**"). Please refer to the Letter for more details.

Ordinary Resolution 9 – is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the SGX-ST Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix A to the Letter. Please refer to the Letter for more details.

NOTES

(1) The 51st Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL https://www.investor.tuansing.com/newsroom.html and on SGXNet at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this Notice will also be sent by post to members.

(2) Alternative arrangements relating to attendance at the 51st Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the 51st Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the 51st Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the 51st Annual General Meeting, are set out in the accompanying Company's announcement dated 31 March 2021. This announcement may be accessed at the Company's website at the URL https://www.investor.tuansing.com/newsroom.html and on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

(3) Due to the current COVID-19 situation in Singapore, a member will not be able to attend the 51st Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the 51st Annual General Meeting if such member wishes to exercise his/her/its voting rights at the 51st Annual General Meeting. The accompanying proxy form for the 51st Annual General Meeting may be accessed at the Company's website at the URL https://www.investor.tuansing.com/newsroom.html and on SGXNet at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the proxy form will also be sent by post to members.

(4) Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(5) CPF and SRS investors who wish to appoint the Chairman of the Meeting as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2021.

(6) The Chairman of the Meeting, as proxy, need not be a member of the Company.

(7) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

(b) if submitted electronically via email, be submitted to the Company's Share Registrar at main@zicoholdings.com,

in each case not less than 72 hours before the time appointed for holding the 51st Annual General Meeting.

(8) A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or SGXNet, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.

(9) The Company's Annual Report 2020 and the Letter to Shareholders dated 31 March 2021 (in relation to the proposed renewal of the Share Purchase Mandate and the Interested Person Transactions Mandate) have been published and may be accessed at the Company's website as follows:

(a) the Annual Report 2020 may be assessed at the URL https://www.tuansing.com/investor-centre/publications.html by clicking on the hyperlink for "FY2020 Annual Report"; and
(b) the Letter to Shareholders dated 31 March 2021 may be assessed at the URL https://www.tuansing.com/investor-centre/publications.html by clicking on the hyperlink for "Letter to Shareholders 2021".

The above documents may also be assessed on the SGXNet at the URL https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and submitting the Request Form accompanying the printed copy of this Notice sent by post to members.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND PAYMENT DATE AND RECORD DATE

NOTICE IS HEREBY GIVEN THAT subject to shareholders of the Company approving the proposed payment of the first and final one-tier tax exempt dividend of 0.6 cent per ordinary share (the "**Proposed Dividend**") at the 51st Annual General Meeting to be held on 23 April 2021, the share transfer books and register of members of the Company will be closed on Monday, 10 May 2021 after 5.00 p.m. for the preparation of dividend warrants.

Duly completed instruments of transfer received by the Company's Share Registrar in Singapore, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on Monday, 10 May 2021 will be registered to determine shareholders' entitlements to the Proposed Dividend.

Shareholders (being depositors) whose securities accounts with the The Central Depository (Pte) Limited ("**CDP**") are credited with shares in the capital of the Company as at 5.00 p.m. on 10 May 2021 will be entitled to the Proposed Dividend.

Shareholders with registered address outside Singapore and who have not provided to the Company or CDP, address in Singapore for the service of notices and documents by Friday, 23 April 2021, will not participate in the Tuan Sing Holdings Limited Scrip Dividend Scheme which is applicable to the Proposed Dividend.

The Proposed Dividend, if approved by shareholders, will be paid on 25 June 2021.

TUAN SING HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 196900130M)

PROXY FORM

Annual General Meeting

IMPORTANT

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting dated 31 March 2021 will accordingly be sent to members by electronic means via publication on the Company's website at the URL https://www.investor.tuansing.com/newsroom.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 31 March 2021. This announcement may be accessed at the Company's website at the URL https://www.investor.tuansing.com/newsroom.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **Due to the current COVID-19 situation, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.
5. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2021.
6. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 March 2021.

I/We ____________________ (Name) ____________________ (NRIC/Passport/Co Reg Number)

of ____ (Address)

being a member/members of Tuan Sing Holdings Limited (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means at 10.00 a.m. (Singapore time) on Friday, 23 April 2021 and at any adjournment thereof. I/We direct the Chairman of the Meeting as my/our proxy to vote for or against or to abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated below.

ORDINARY BUSINESS		**For***	**Against***	**Abstain***
Ordinary Resolution 1	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report.			
Ordinary Resolution 2	Payment of a first and final dividend.			
Ordinary Resolution 3	Approval of Directors' fees.			
Ordinary Resolution 4	Re-election of Mr Cheng Hong Kok as a Director.			
Ordinary Resolution 5	Re-appointment of Deloitte & Touche LLP as Auditors and authorisation for Directors to fix their remuneration.			
SPECIAL BUSINESS				
Ordinary Resolution 6	Authority to allot and issue shares (General Share Issue Mandate).			
Ordinary Resolution 7	Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.			
Ordinary Resolution 8	The Proposed Renewal of the Share Purchase Mandate.			
Ordinary Resolution 9	The Proposed Renewal of the Interested Person Transactions Mandate.			

* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution, please indicate with a tick (√) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a tick (√) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this __________ day of ____________________ 2021.

Shares in:	**Total Number of Shares held**
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

** Delete whichever is inapplicable.*

IMPORTANT: PLEASE READ NOTES OVERLEAF

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NOTES TO PROXY FORM:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing the Chairman of the Meeting as proxy will be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 situation, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be downloaded from the Company's website at the URL https://www.investor.tuansing.com/newsroom.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this proxy form will also be sent by post to members. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2021.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the share registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544; or

   (b) if submitted electronically, be submitted via email to the share registrar of the Company at main@zicoholdings.com,

   in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.

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Affix
Postage
Stamp

TUAN SING HOLDINGS LIMITED
c/o B.A.C.S. Private Limited
8 Robinson Road #03-00 ASO Building
Singapore 048544

Fold here

6. The instrument appointing the Chairman of the Meeting as proxy must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

TUAN SING HOLDINGS LIMITED

(Company Registration No. 196900130M)
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