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TUAN SING HOLDINGS LIMITED
AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Registration No. 196900130M)

Directors' Statement and
Financial Statements

For The Financial Year Ended
31 December 2021

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

Directors' Statement and Financial Statements

C o n t e n t s

DIRECTORS' STATEMENT
For the financial year ended 31 December 2021

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 2021.

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 12 to 139 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, 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:

Richard Eu Yee Ming	(Chairman, Non-Executive and Independent Director)
William Nursalim alias William Liem	(Executive Director and Chief Executive Officer)
Cheng Hong Kok	
Ooi Joon Hin	(Appointed on 7 May 2021)
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 did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in 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 and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act") except as follows:

Names of Directors and companies in which interests are held	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	As at 31 December 2021	As at 1 January 2021	As at 31 December 2021	As at 1 January 2021
The Company (Ordinary Shares)				
Michelle Liem Mei Fung	-	-	639,206,697 [1][2]	629,064,529 [1][2]
William Nursalim alias William Liem	-	-	638,956,697 [1]	628,814,529 [1]
The Company				
S$65 million 2-year 7.75% per annum Notes due 2022 pursuant to the S$900,000,000 Multicurrency Medium Term Note Programme ("**MTN Programme**")				
William Nursalim alias William Liem	- [3]	$750,000	-	-
S$200 million 3-year 6.90% per annum Notes due 2024 pursuant to the MTN Programme [5]				
Michelle Liem Mei Fung	-	-	$5,000,000 [4]	-
William Nursalim alias William Liem	$1,000,000	-	$5,000,000 [4]	-
Subsidiary				
SP Corporation Limited (Ordinary Shares)				
Michelle Liem Mei Fung	-	-	28,146,319 [1]	28,146,319 [1]
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) Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.

(3) The S$65 million 2-year 7.75% per annum Notes due 2022 pursuant to the MTN Programme were redeemed in full on 29 November 2021.

(4) By virtue of interest in Ardent Investment Partners Pte Ltd.

(5) The S$200 million 3-year 6.90% per annum Notes due 2024 pursuant to the MTN Programme were issued on 18 October 2021.

By virtue of Section 7 of the Act, Michelle Liem Mei Fung and 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 2022.

4 Share options

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

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 and Risk Committee at the date of this statement are as follows:

Ooi Joon Hin	(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 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 2021 and had reviewed, *inter alia*, the following 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.

5 Audit and Risk Committee (cont'd)

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 external auditors of the Group at the forthcoming Annual General Meeting of the Company.

6 External auditors

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

On Behalf of the Directors

Richard Eu Yee Ming
Chairman

William Nursalim alias William Liem
Executive Director/Chief Executive Officer

Date:
24 March 2022

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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 2021, 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 12 to 139.

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 1967 (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 2021 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

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 in Singapore

The Group recognises revenue based on the stage of completion for the sale of development properties under development in Singapore on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprise 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 the value of work performed to date 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 and operating effectiveness of the relevant controls put in place by the Group in respect of revenue recognition from the development properties in Singapore.

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 performed arithmetic computations of the stage of completion and revenue to be recognised for the year.

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

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 and Indonesia. These development properties are stated at the lower of cost and net realisable values.

The determination of the estimated net realisable value of certain 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.

Our audit performed and responses thereon

We discussed with and evaluated management's basis used in their assessment in determining whether certain 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 obtained valuations performed by external independent professional valuers engaged by the Group and held discussions with them on the appropriateness of comparables used and adjustments applied. We also considered the adequacy of the disclosures in respect of the impairment losses, if any, presented in the financial statements for these properties.

We assessed 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. No impairment loss was recorded in profit or loss in the current year. We also assessed that the related disclosures in the financial statements to be appropriate.

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

Valuation of investment properties, hotel, owner-managed and owner-occupied properties

The Group has investment properties, hotel, owner-managed and owner-occupied properties stated at fair value, determined based on external independent professional valuers ("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 properties, hotel, owner-managed and owner-occupied 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 valuers for the Group's major investment properties, hotel, owner-managed and owner-occupied properties by assessing whether the valuation methodology and key assumptions adopted are reasonable.

Some of the external valuers highlighted that given the unprecedented set of circumstances due to the unknown future impact that the Coronavirus Disease ("COVID-19") pandemic might have on the real estate market, less certainty and a higher degree of caution should be attached to their valuation than would normally be the case and they 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 assessed 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 assessed that the related disclosures in the financial statements to be appropriate.

Further disclosures on the investment properties, hotel, owner-managed and owner-occupied properties are found in Notes 14 and 12 to the financial statements respectively.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

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.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

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

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 Yang Chi Chih.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

24 March 2022

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	5	**405,044**	274,392	**190,661**	50,188
Trade and other receivables	6	**36,304**	55,816	**758**	506
Contract assets	7	**57,059**	46,966	**-**	-
Contract costs	8	**2,843**	2,855	**-**	-
Amounts due from subsidiaries	20	**-**	-	**401,248**	281,333
Inventories	9	**2,129**	2,146	**-**	-
Development properties	10	**241,611**	303,815	**-**	-
		744,990	685,990	**592,667**	332,027
Assets classified as held for sale	11	**1,542**	410,943	**-**	-
Total current assets		**746,532**	1,096,933	**592,667**	332,027
Non-current assets					
Property, plant and equipment	12	**496,056**	407,590	**2,429**	3,091
Right-of-use assets	13	**239**	266	**9,004**	9,557
Investment properties	14	**1,342,245**	1,452,351	**811**	498
Investments in subsidiaries	15	**-**	-	**765,853**	755,923
Investments in equity accounted investees	16	**143,840**	152,547	**-**	-
Investment in financial assets	17	**29,639**	29,343	**-**	-
Deferred tax assets	23	**172**	1,721	**-**	-
Trade and other receivables	6	**5,600**	2,915	**-**	-
Other non-current assets		**5**	5	**-**	-
Total non-current assets		**2,017,796**	2,046,738	**778,097**	769,069
Total assets		**2,764,328**	3,143,671	**1,370,764**	1,101,096
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	18	**558,506**	210,130	**-**	-
Lease liabilities	13	**54**	54	**2,900**	1,940
Trade and other payables	19	**89,761**	153,604	**15,069**	21,047
Amounts due to subsidiaries	20	**-**	-	**562,555**	417,614
Contract liabilities	22	**3,889**	-	**-**	-
Income tax payable		**7,642**	3,776	**-**	-
		659,852	367,564	**580,524**	440,601
Liabilities directly associated with assets classified as held for sale	11	**-**	298,483	**-**	-
Total current liabilities		**659,852**	666,047	**580,524**	440,601
Non-current liabilities					
Loans and borrowings	18	**794,222**	1,254,823	**196,668**	63,795
Lease liabilities	13	**60**	84	**5,912**	7,533
Derivative financial instruments	35	**-**	2,038	**-**	-
Deferred tax liabilities	23	**45,377**	46,859	**-**	-
Other non-current liabilities	19	**400**	322	**-**	-
Total non-current liabilities		**840,059**	1,304,126	**202,580**	71,328

STATEMENTS OF FINANCIAL POSITION (CONT'D)
As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Capital, reserves and non-controlling interests					
Share capital	24	**181,695**	176,234	**181,695**	176,234
Treasury shares	25	**(4,167)**	(3,891)	**(4,167)**	(3,891)
Reserves	26	**1,072,672**	987,724	**410,132**	416,824
Equity attributable to owners of the Company		**1,250,200**	1,160,067	**587,660**	589,167
Non-controlling interests		**14,217**	13,431	**-**	-
Total equity		**1,264,417**	1,173,498	**587,660**	589,167
Total liabilities and equity		**2,764,328**	3,143,671	**1,370,764**	1,101,096

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

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000
Revenue	28	**245,341**	196,817
Cost of sales		**(188,536)**	(148,240)
Gross profit		**56,805**	48,577
Other operating income		**96,310**	28,505
Distribution costs		**(9,042)**	(5,931)
Administrative expenses		**(39,726)**	(33,469)
Other operating expenses		**(3,522)**	(5,658)
Share of results of equity accounted investees	16	**28,332**	25,645
Interest income	29	**2,356**	4,833
Finance costs	30	**(43,964)**	(47,803)
Profit before tax and fair value adjustments		**87,549**	14,699
Fair value adjustments	31	**(3,434)**	45,188
Profit before tax	32	**84,115**	59,887
Income tax expense	33	**(2,295)**	(1,356)
Profit for the year		**81,820**	58,531
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	35	**6,912**	(27,263)
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	35	**(1,997)**	8,179
Fair value gain / (loss) on investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")	35	**296**	(1,573)
		5,211	(20,657)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	35	**(3,301)**	26,938
Share of exchange differences on translation of equity accounted investees	35	**2,752**	(2,516)
Cash flow hedges	35	**1,986**	(1,027)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	35	**(596)**	308
		841	23,703
Other comprehensive income for the year, net of tax	35	**6,052**	3,046
Total comprehensive income for the year		**87,872**	61,577

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
For the financial year ended 31 December 2021

	Note	Group	
		2021	**2020**
		$'000	**$'000**
Profit attributable to:			
Owners of the Company		**83,662**	59,009
Non-controlling interests		**(1,842)**	(478)
		81,820	58,531
Total comprehensive income attributable to:			
Owners of the Company		**89,650**	62,146
Non-controlling interests		**(1,778)**	(569)
		87,872	61,577
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	34	**7.0**	5.0
Excluding fair value adjustments	34	**7.5**	1.5

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

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000
Operating activities			
Profit before tax		**84,115**	59,887
Adjustments for:			
Fair value loss/(gain)	31	**3,434**	(45,188)
Share of results of equity accounted investees	16	**(28,332)**	(25,645)
Write-back of allowance for diminution in value for development properties, net	10	**(499)**	(199)
Depreciation of property, plant and equipment	12	**9,422**	9,199
Depreciation of right-of-use assets	13	**54**	81
Amortisation of contract costs	8	**4,205**	3,472
Allowance for doubtful trade and other receivables, net	6	**914**	746
Bad debts written off	6	**104**	25
Net gain on disposal of property, plant and equipment	32	**(3)**	(5)
Plant and equipment written off		**260**	14
Share of results in a joint venture	16	**-**	5
Net gain on disposal of a subsidiary	37	**(88,953)**	-
Reversal of accruals for development costs previously capitalised	32	**-**	(8,744)
Rent concessions	32	**-**	(74)
Interest income	29	**(2,356)**	(4,833)
Finance costs	30	**43,964**	47,803
Operating cash flows before movements in working capital		**26,329**	36,544
Development properties		**62,662**	40,751
Inventories		**(17)**	266
Trade and other receivables		**22,434**	8,584
Contract costs		**(4,194)**	(5,032)
Contract assets		**(10,093)**	(16,992)
Contract liabilities		**3,889**	(1,536)
Trade and other payables		**(23,891)**	7,845
Cash generated from operations		**77,119**	70,430
Interest received		**2,419**	5,225
Income tax refunded/(paid)		**54**	(6,530)
Net cash from operating activities		**79,592**	69,125
Investing activities			
Purchase of property, plant and equipment	12	**(943)**	(5,555)
Proceeds from disposal of property, plant and equipment		**3**	42
Additions to investment properties	14	**(1,772)**	(8,280)
Deposits collected from planned divestment of a subsidiary	37	**-**	50,000
Deposit paid for acquisition of land	6	**(5,600)**	-
Proceeds from repayment of loan by a related party		**-**	21,500
Investments in equity accounted investees	16	**(23,000)**	(5)
Proceeds from disposal of a subsidiary	37	**451,276**	-
Dividend received from an equity accounted investee	16	**65,723**	9,352
Net cash from investing activities		**485,687**	67,054

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000
Financing activities			
Proceeds from loans and borrowings		**540,353**	238,658
Repayment of loans and borrowings		**(936,693)**	(218,527)
Repayment of lease liabilities	18	**(54)**	(82)
Interest paid		**(42,507)**	(49,032)
Bank deposits pledged as securities for bank facilities		**74,730**	5,941
Dividend paid to shareholders	27	**(1,663)**	(6,104)
Purchase of treasury shares	25	**(276)**	(936)
Acquisition of non-controlling interests of a subsidiary		**-**	(112)
Liquidation of a subsidiary with non-controlling interests		**(436)**	-
Net cash used in financing activities		**(366,546)**	(30,194)
Net increase in cash and cash equivalents		**198,733**	105,985
Cash and cash equivalents at the beginning of the year	5	**198,398**	88,986
Foreign currency translation adjustments		**(1,325)**	3,427
Cash and cash equivalents at the end of the year	5	**395,806**	198,398

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

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2021

	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 2021		**176,234**	**(3,891)**	**(38,139)**	**123,001**	**(1,573)**	**193,897**	**710,538**	**1,160,067**	**13,431**	**1,173,498**
Total comprehensive income for the year											
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**83,662**	**83,662**	**(1,842)**	**81,820**
Exchange differences on translation of foreign operations	35	**-**	**-**	**(1,313)**	**-**	**-**	**700**	**-**	**(613)**	**64**	**(549)**
Revaluation of properties	35	**-**	**-**	**-**	**6,912**	**-**	**-**	**-**	**6,912**	**-**	**6,912**
Cash flow hedges	35	**-**	**-**	**-**	**-**	**-**	**1,986**	**-**	**1,986**	**-**	**1,986**
Fair value gain on investments in equity instruments designated at FVTOCI	35	**-**	**-**	**-**	**-**	**296**	**-**	**-**	**296**	**-**	**296**
Income tax adjustments relating to other comprehensive income	35	**-**	**-**	**-**	**(1,997)**	**-**	**(596)**	**-**	**(2,593)**	**-**	**(2,593)**
Other comprehensive (loss) / income for the year, net of tax		**-**	**-**	**(1,313)**	**4,915**	**296**	**2,090**	**-**	**5,988**	**64**	**6,052**
Total		**-**	**-**	**(1,313)**	**4,915**	**296**	**2,090**	**83,662**	**89,650**	**(1,778)**	**87,872**
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		**-**	**-**	**-**	**-**	**-**	**28,309**	**(28,309)**	**-**	**-**	**-**
Share of reserves of equity accounted investees		**-**	**-**	**-**	**-**	**-**	**10,066**	**(7,644)**	**2,422**	**-**	**2,422**
Non-controlling interests arising from additional capital contribution in a subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,000**	**3,000**
Liquidation of a subsidiary with non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(436)**	**(436)**
Issue of shares under the Scrip Dividend Scheme	24	**5,461**	**-**	**-**	**-**	**-**	**-**	**-**	**5,461**	**-**	**5,461**
Repurchase of shares	25	**-**	**(276)**	**-**	**-**	**-**	**-**	**-**	**(276)**	**-**	**(276)**
Dividend paid to shareholders:											
- Cash	27	**-**	**-**	**-**	**-**	**-**	**-**	**(1,663)**	**(1,663)**	**-**	**(1,663)**
- Share	27	**-**	**-**	**-**	**-**	**-**	**-**	**(5,461)**	**(5,461)**	**-**	**(5,461)**
Total		**5,461**	**(276)**	**-**	**-**	**-**	**38,375**	**(43,077)**	**483**	**2,564**	**3,047**
At 31 December 2021		**181,695**	**(4,167)**	**(39,452)**	**127,916**	**(1,277)**	**234,362**	**751,123**	**1,250,200**	**14,217**	**1,264,417**

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

STATEMENT OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

	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 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.*

STATEMENT OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

Company	Note	Share capital	Treasury shares	Other capital reserves#	Revenue reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
At 1 January 2021		**176,234**	**(3,891)**	**101,264**	**315,560**	**589,167**
Profit for the year, representing total comprehensive income for the year		-	-	-	**432**	**432**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**5,461**	-	-	-	**5,461**
Repurchase of shares	25	-	**(276)**	-	-	**(276)**
Dividend paid to shareholders						
- Cash	27	-	-	-	**(1,663)**	**(1,663)**
- Share	27	-	-	-	**(5,461)**	**(5,461)**
Total		**5,461**	**(276)**	-	**(7,124)**	**(1,939)**
At 31 December 2021		**181,695**	**(4,167)**	**101,264**	**308,868**	**587,660**
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
Repurchase of shares	25	-	(936)	-	-	(936)
Dividend paid to shareholders						
- Cash	27	-	-	-	(6,104)	(6,104)
- Share	27	-	-	-	(1,000)	(1,000)
Total		1,000	(936)	-	(7,104)	(7,040)
At 31 December 2020		176,234	(3,891)	101,264	315,560	589,167

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, associates and joint ventures 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 2021 were authorised for issue by the Board of Directors on 24 March 2022.

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*.

2 Summary of significant accounting policies (cont'd)

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)

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.

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

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.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's 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) Standards). 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.

2 Summary of significant accounting policies (cont'd)

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.

At the acquisition date, the identifiable assets and the liabilities assumed 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.

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 net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed 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.

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.

2 Summary of significant accounting policies (cont'd)

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.

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.

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.

Associates and joint ventures (equity accounted investees)

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. 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, 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, an investment in an associate or joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture 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 ventures.

2 Summary of significant accounting policies (cont'd)

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.

The requirements of SFRS(I) 1-36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate 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 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 is not allocated to any asset, including goodwill that 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.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. 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 *Financial Instruments*. 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 associate 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 associate or joint venture is disposed of.

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.

2 Summary of significant accounting policies (cont'd)

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 group 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.

2 Summary of significant accounting policies (cont'd)

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 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.

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 of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation account in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, 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. partial disposals of associates or joint arrangements 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.

2 Summary of significant accounting policies (cont'd)

(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.

2 Summary of significant accounting policies (cont'd)

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.

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

Despite the foregoing, 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.

2 Summary of significant accounting policies (cont'd)

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 at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor 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 revenue reserve.

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 at FVTOCI on initial recognition.

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).

2 Summary of significant accounting policies (cont'd)

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 at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified 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.

2 Summary of significant accounting policies (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on debt instruments that are measured at amortised cost, contract assets, as well as on financial guarantee contracts. 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 the simplified approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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.

2 Summary of significant accounting policies (cont'd)

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 foregoing, 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 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 financial guarantee contract, 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)

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;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- 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.

2 Summary of significant accounting policies (cont'd)

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.

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.

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.

2 Summary of significant accounting policies (cont'd)

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 investment revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

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.

2 Summary of significant accounting policies (cont'd)

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 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 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 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 at FVTPL.

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.

2 Summary of significant accounting policies (cont'd)

However, for financial liabilities that are designated 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 revenue reserve 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 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 contract liabilities

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 contract liabilities are initially measured at their fair values and, if not designated 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.

2 Summary of significant accounting policies (cont'd)

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 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.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

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.

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.

2 Summary of significant accounting policies (cont'd)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges as appropriate.

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 'other capital reserves - cash flow hedging account', 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.

2 Summary of significant accounting policies (cont'd)

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.

(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.

Revaluation

Certain land and buildings held for use in the production or supply of goods or services (excluding investment properties), 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.

2 Summary of significant accounting policies (cont'd)

Depreciation

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to revenue reserve.

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 and 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.

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 asset revaluation reserve is transferred directly to revenue reserve.

2 Summary of significant accounting policies (cont'd)

(f) Impairment of property, plant and equipment excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment 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.

(g) 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.

2 Summary of significant accounting policies (cont'd)

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.

(h) 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(m).

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.

2 Summary of significant accounting policies (cont'd)

(i) 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.

(j) 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.

2 Summary of significant accounting policies (cont'd)

(k) 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.

2 Summary of significant accounting policies (cont'd)

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. 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;

- 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

2 Summary of significant accounting policies (cont'd)

- 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 Group did not make any such adjustments during the periods presented.

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 Group has applied the practical expedient which permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification and accordingly has accounted for any change in lease payments resulting from the COVID-19-related rent concessions applying SFRS(I) 16 as if the change were not a lease modification.

2 Summary of significant accounting policies (cont'd)

(l) 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 the effect of time value of money is material).

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.

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

(m) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of products
- Sale of development 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.

2 Summary of significant accounting policies (cont'd)

Sale of products

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised at a point in time 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 development 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 over-time based on the stage of completion of construction. The stage of completion is measured by reference to 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 at a point in time 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)

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(k).

Interest income

The Group's policy for recognition of interest income is described above in Note 2(d).

2 Summary of significant accounting policies (cont'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.

(n) 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.

(o) 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.

(p) 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.

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.

2 Summary of significant accounting policies (cont'd)

(q) 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.

2 Summary of significant accounting policies (cont'd)

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.

(r) Non-current assets held for 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.

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.

2 Summary of significant accounting policies (cont'd)

(s) 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.

(t) 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

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

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 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 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.

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 $499,000 (2020 : $199,000) 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.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Fair value measurement and valuation processes

The Group carries its hotel, owner-managed and owner-occupied 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 less certainty and a higher degree of caution should be attached to the valuation that would normally be the case. The carrying amounts of the Group's investment properties were appropriate as at 31 December 2021 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, owner-managed and owner-occupied 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 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$35,007,000 (2020 : A$33,121,000) or equivalent to $34,433,000 (2020 : $33,446,000) (Note 23). In estimating this amount, the Group considers the taxable gains to be the excess of the 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.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

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

During the reporting period, the Group reorganised its business segments into five segments by segregating the development and investment arms of the Property segment. Accordingly, the Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	Principal activities
Real Estate Investment	Property investments in Singapore, Australia, Indonesia and China
Real Estate Development	Property development and provision of construction management services in Singapore and Indonesia
Hospitality	Investment in hotels in Melbourne and Perth, Australia, managed by Hyatt, the hotel operator
Industrial Services	Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia
Other Investments	Investment in Gul Technologies Singapore Pte. Ltd. ("GulTech") and Pan-West (Private) Limited ("Pan-West"). GulTech is a printed circuit boards manufacturer with plants in China. Pan-West distributes golf-related lifestyle products.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment before allocation of interest and taxes, net foreign exchange gain or loss, fair value adjustments and other non-recurring adjustments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis. These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

Information regarding each of the Group's reportable segments is presented in the following section.

4 Segment information (cont'd)

Segment revenues and results

	Real Estate Investment	Real Estate Development	Hospitality	Industrial Services	Other Investments[1]	Corporate[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2021								
Revenue								
External revenue	49,216	91,643	45,096	59,217	-	169	-	245,341
Inter-segment revenue	3,510	74	-	-	-	9,972	(13,556)	-
	52,726	91,717	45,096	59,217	-	10,141	(13,556)	245,341
Adjusted EBIT*	31,787	(8,192)	1,433	(598)	26,441	(14,494)	3,593	39,970
Interest income								2,356
Finance costs								(43,964)
Net foreign exchange gain								1,705
Net gain on disposal of property, plant and equipment								3
Loss allowance on interest receivables								(1,474)
Net gain on disposal of a subsidiary								88,953
Profit before tax and fair value adjustments								87,549
Fair value adjustments								(3,434)
Profit before tax								84,115
Income tax expense								(2,295)
Profit for the year								81,820

4 Segment information (cont'd)

Segment revenues and results (cont'd)

	Real Estate Investment	Real Estate Development	Hospitality	Industrial Services	Other Investments[1]	Corporate[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2020								
Revenue								
External revenue	51,660	75,158	32,454	37,365	-	180	-	196,817
Inter-segment revenue	3,131	-	374	-	-	7,650	(11,155)	-
	54,791	75,158	32,828	37,365	-	7,830	(11,155)	196,817
Adjusted EBIT*	44,169	3,081	(5,999)	(648)	25,031	(11,550)	3,159	57,243
Interest income								4,833
Finance costs								(47,803)
Net foreign exchange gain								421
Net gain on disposal of property, plant and equipment								5
Profit before tax and fair value adjustments								14,699
Fair value adjustments								45,188
Profit before tax								59,887
Income tax expense								(1,356)
Profit for the year								58,531

* Adjusted EBIT is based on a measure of adjusted earnings before interest and tax, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant & equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment /writeback of impairment on our investment in joint venture/associate and property, plant and equipment (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss.

Note:

1. No revenue is reported under "Other Investments" as the Group's investments in GulTech is equity accounted for.

2. "Corporate" 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. Comparative was adjusted after the reorganisation of the business segments into five segments by segregating the development and investment arms of the Property segment.

4 Segment information (cont'd)

Segment assets, liabilities and other segment information

	Real Estate Investment	Real Estate Development	Hospitality	Industrial Services	Other Investments	Corporate	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2021							
Assets							
Segment assets	1,575,393	346,157	402,411	66,145	945	199,626	2,590,677
Deferred tax assets	51	52	-	69	-	-	172
Financial asset at FVTOCI	-	29,639	-	-	-	-	29,639
Investments in equity accounted investees	24,252	15,695	-	-	103,893	-	143,840
Total assets	1,599,696	391,543	402,411	66,214	104,838	199,626	2,764,328
Liabilities							
Segment liabilities	(31,652)	(31,942)	(13,866)	(1,924)	(5,032)	(9,748)	(94,164)
Loans and borrowings	(804,279)	(157,882)	(193,899)	-	-	(196,668)	(1,352,728)
Income tax payable and deferred tax liabilities	(6,380)	(2,476)	-	(239)	-	(43,924)	(53,019)
Total liabilities	(842,311)	(192,300)	(207,765)	(2,163)	(5,032)	(250,340)	(1,499,911)
Net assets/(liabilities)	757,385	199,243	194,646	64,051	99,806	(50,714)	1,264,417
Other information							
Capital expenditure	36	30	474	220	-	183	943
Depreciation of property, plant and equipment	707	75	7,652	218	-	770	9,422
Depreciation of right-of-use assets	5	-	19	23	-	7	54
Write back of allowance for diminution in value for development properties	-	499	-	-	-	-	499
Revaluation loss on properties (in other comprehensive income)	(254)	-	(6,658)	-	-	-	(6,912)
Revaluation gain (loss) on properties (in profit and loss)	(2,525)	-	2,454	-	-	-	(71)
Fair value loss on investment properties	(3,012)	-	-	-	-	-	(3,012)
Fair value loss on financial instruments	-	-	-	-	(351)	-	(351)

4 Segment information (cont'd)

Segment assets, liabilities and other segment information (cont'd)

	Real Estate Investment	Real Estate Development	Hospitality	Industrial Services	Other Investments	Corporate	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2020							
Assets							
Segment assets	2,021,193	396,334	405,572	74,164	-	62,797	2,960,060
Deferred tax assets	-	-	1,512	80	-	129	1,721
Financial asset at FVTOCI	-	29,343	-	-	-	-	29,343
Investments in equity accounted investees	-	15,115	-	-	137,432	-	152,547
Total assets	2,021,193	440,792	407,084	74,244	137,432	62,926	3,143,671
Liabilities							
Segment liabilities	(384,240)	(34,155)	(14,150)	(8,091)	(5,119)	(8,830)	(454,585)
Loans and borrowings	(1,005,645)	(179,797)	(215,716)	-	-	(63,795)	(1,464,953)
Income tax payable and deferred tax liabilities	(5,849)	(2,247)	(149)	(712)	-	(41,678)	(50,635)
Total liabilities	(1,395,734)	(216,199)	(230,015)	(8,803)	(5,119)	(114,303)	(1,970,173)
Net assets/ (liabilities)	625,459	224,593	177,069	65,441	132,313	(51,377)	1,173,498
Other information							
Capital expenditure	63	241	3,418	137	-	1,696	5,555
Depreciation of property, plant and equipment	348	57	7,781	232	-	781	9,199
Depreciation of right-of-use assets	8	-	45	21	-	7	81
Write back of allowance for diminution in value for development properties	-	199	-	-	-	-	199
Revaluation loss on properties (in other comprehensive income)	-	-	(27,263)	-	-	-	(27,263)
Revaluation loss 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)

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Australia, China, Malaysia and Indonesia.

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**	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**140,035**	135,878	**1,148,211**	1,160,183
Australia	**61,339**	48,477	**656,812**	667,879
China	**35,019**	3,930	**29,068**	27,617
Malaysia	**8,948**	7,932	**4,294**	4,336
Indonesia	**-**	600	**160**	197
	245,341	196,817	**1,838,545**	1,860,212

Other segment information

Included in the Group revenue of $245.3 million were sales of approximately $34.4 million to a customer from the Industrial Services segment that contributed 10% or more to the Group's revenue. There were no customers that contributed individually 10% or more to the Group's revenue in FY2020.

5 Cash and cash equivalents

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and on hand	**228,330**	127,607	**52,604**	20,498
Fixed deposits	**128,277**	117,587	**118,068**	29,690
Other cash equivalents	**19,989**	-	**19,989**	-
Amounts held under the Housing Developers (Project Account) Rules	**28,448**	29,198	**-**	-
	405,044	274,392	**190,661**	50,188
Cash and bank balances included in assets classified as held for sale (Note 11)	**-**	4,801	-	-
	405,044	279,193	**190,661**	50,188

5 Cash and cash equivalents (cont'd)

Cash and cash equivalents comprise cash, fixed deposits and other cash equivalents 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 0.08% to 0.80% per annum (2020 : 0.03% to 1.9% per annum) and for tenures ranging from 7 days to 1 year (2020 : 7 days to 1 year). Other cash equivalents held by the Group and Company comprise marketable securities that have a maturity of four weeks. These are held for the purpose of meeting short-term cash commitments and are subject to insignificant risk of changes in value.

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 cash equivalents 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 cash equivalents 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	
	2021	2020
	$'000	$'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and cash equivalents (as per statement of financial position)	**405,044**	274,392
Cash and bank balances included in assets classified as held for sale (Note 11)	**-**	4,801
	405,044	279,193
Encumbered fixed deposits and bank balances	**(9,238)**	(80,795)
	395,806	198,398

As at 31 December 2021, the Group had cash and cash equivalents placed with banks in China amounting to $88,332,000 (2020 : $83,816,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China.

As at 31 December 2021, cash and cash equivalents amounting to $31,868,000 (2020 : $95,386,000) were pledged to banks to secure credit facilities. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

6 Trade and other receivables

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade					
Trade debtors		**9,896**	16,456	**-**	**-**
Less: Loss allowance		**(346)**	(945)	**-**	**-**
		9,550	15,511	**-**	**-**
Amounts due from related parties	21	**8,466**	15,629	**-**	**-**
Less: Loss allowance	21	**(1,493)**	-	**-**	**-**
		6,973	15,629	**-**	**-**
		16,523	31,140	**-**	**-**
Less: non-current portion	21	**-**	(2,915)	**-**	**-**
Total trade receivables - current		**16,523**	28,225	**-**	**-**
Non-trade					
Deposits (a)		**8,163**	2,588	**74**	75
Prepayments (b)		**5,521**	5,235	**608**	298
Grant receivable		**31**	446	**-**	138
Interest receivables		**85**	355	**83**	3
Sundry debtors		**2,250**	1,171	**29**	7
Tax recoverable		**2,615**	3,543	**-**	-
		18,665	13,338	**794**	521
Less: Loss allowance		**(114)**	(169)	**(72)**	(72)
		18,551	13,169	**722**	449
Amounts due from:					
- related parties	21	**5,840**	14,413	**-**	57
- associates	16	**945**	-	**-**	-
- joint ventures	16	**56**	20	**36**	-
		6,841	14,433	**36**	57
Less: Loss allowance	16	**(11)**	(11)	**-**	-
		6,830	14,422	**36**	57
		25,381	27,591	**758**	506
Less: non-current portion		**(5,600)**	-	**-**	-
Total non-trade receivables - current		**19,781**	27,591	**758**	506
Total trade and other receivables - current		**36,304**	55,816	**758**	506
Total trade and other receivables - non-current		**5,600**	2,915	**-**	-

6 Trade and other receivables (cont'd)

(a) Included in the deposits of the Group as at 31 December 2021 were deposits amounting to:

- $5,600,000 (2020 : $Nil) paid for the tender of a freehold site located at 870 Dunearn Road. The deposit has been classified as non-current at the end of the reporting period; and
- $999,000 (2020 : $999,000) placed with a bank under a margin deposit arrangement, in relation to a letter of guarantee issued by the bank in favour of an external party.

As the deposits had been placed with counterparties that are creditworthy, the management has assessed that the credit risks are low and the deposits are subject to immaterial credit loss.

(b) Included in the prepayment of the Group as at 31 December 2020 were costs of $989,000 attributable to the construction of showflat for development properties. The costs were recognised to profit or loss during the financial year ended 31 December 2021 upon the launch of the showflat.

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 180 days (2020 : 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. There has been no change in the estimation techniques during the current reporting period.

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.

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates of 8% (2020 : 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 (2020 : 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for amounts due from related parties has always been measured at an amount equal to lifetime expected credit losses ("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.

6 Trade and other receivables (cont'd)

The table below shows the movement in ECL that has been recognised for trade receivables and amounts due from related parties:

Group	Lifetime ECL - credit-impaired $'000
Balance as at 1 January 2020	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
Amounts written off	(45)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	128
Change in loss allowance due to changes in credit risk parameters	786
Exchange difference on consolidation	25
Balance as at 31 December 2021	**1,839**

Analysis of other receivables

The following table shows the movement in ECL that has been recognised for other receivables:

Group	Lifetime ECL - credit-impaired $'000
Balance as at 1 January 2020	126
Change in loss allowance due to new receivables originated	52
Exchange difference on consolidation	2
Balance as at 31 December 2020	180
Amounts written off	(59)
Exchange difference on consolidation	4
Balance as at 31 December 2021	**125**
Company	
Balance as at 1 January 2020, 31 December 2020 and 2021	**72**

6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	2021	**2020**
	$'000	**$'000**
Not past due	**8,225**	14,530
< 3 months	**1,446**	927
3 months to 6 months	**59**	121
6 months to 12 months	**108**	1,909
> 12 months	**6,685**	13,653
	16,523	31,140

Details of collateral

As at 31 December 2021, trade and other receivables amounting to $12,423,000 (2020 : $12,221,000) 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

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

Contract costs 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 during which the residential properties are transferred to the purchasers. Amortisation amounting to $4,205,000 (2020 : $3,472,000) was recognised as part of the distribution costs recognised in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group	
	2021	**2020**
	$'000	**$'000**
Raw materials	**926**	737
Work-in-progress	**748**	788
Finished goods	**455**	621
At cost	**2,129**	2,146

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2021 and 2020.

Details of collateral

As at 31 December 2021, inventories amounting to $2,129,000 (2020 : $2,146,000) 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	
	2021	**2020**
	$'000	**$'000**
Properties in the course of development	**233,766**	283,042
Land held for future development	**7,558**	7,219
	241,324	290,261
Completed properties held for sale	**287**	13,554
	241,611	303,815
The above comprises:		
Properties in the course of development in Singapore	**176,111**	229,694
Properties in the course of development in Indonesia	**57,655**	53,348
Land held for future development in China	**7,558**	7,219
Completed properties held for sale in Singapore	**287**	13,173
Completed properties held for sale in China	**-**	381
	241,611	303,815

During the year, the Group transferred from development properties to property, plant and equipment (Note 12) a residential unit in China which was used for owner-occupation. In 2020, the Group's transfers from development properties to investment properties (Note 14) were relating to certain units from residential developments in Singapore and China which were leased out to third parties.

10 Development properties (cont'd)

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.

Properties in the course of development and land held for future development or sale

	Group	
	2021	**2020**
	$'000	**$'000**
Land cost	**228,074**	265,534
Development cost incurred to-date	**17,310**	17,827
Others	**3,498**	14,119
	248,882	297,480
Less: Allowance for diminution in value	**(7,558)**	(7,219)
	241,324	290,261

Completed properties held for sale

Completed properties, at cost	**287**	14,053
Less: Allowance for diminution in value	**-**	(499)
	287	13,554

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 $499,000 (2020 : $199,000) is included in "other operating income" in profit or loss (Note 32).

10 Development properties (cont'd)

		Group	
	Note	**2021**	**2020**
		$'000	**$'000**
Movements in allowance for diminution in value			
At 1 January		**(7,718)**	(7,543)
Exchange difference on consolidation		**(339)**	(374)
Allowance made during the year	32	**-**	(13)
Write-back during the year	32	**499**	212
At 31 December		**(7,558)**	(7,718)

Land in Fuzhou Jin'an District, Fuzhou, Fujian Province, China

Included in the development properties is a carrying amount of $7,558,000 (2020 : $7,219,000) 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 and in accordance with a court judgement issued on 21 July 2020, it was affirmed that the legal title of the land belongs to the Group. The local authority also attempted to compulsorily acquire the land and lost the case in two court hearings in 2019 and 2020. The Group is currently reviewing the next steps and exploring development options while pending resolution of certain development matters with the relevant government authorities.

An allowance of $7,558,000 (2020 : $7,219,000) was made based on management's best estimate on net realisable value of the development site.

Details of collateral

As at 31 December 2021, development properties amounting to $176,111,000 (2020 : $229,694,000) 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 2021, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	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						
Mont Botanik Residence Jalan Remaja Singapore	Condominium of 108 units	Freehold	4,047	8,546	2022	100%
Peak Residence 333 Thomson Road Singapore	Condominium of 90 units	Freehold	5,331	8,209	2024	70%
Balmoral Tower, Opus Bay Batam, Indonesia	Apartments of 559 units	30 years from 2004	5,564	31,830	2025	90%
Cluny Villas, Opus Bay Batam, Indonesia	Villas of 277 units (Phase 1 – 51 units launched)	30 years from 2004	186,886	76,716	2023 to 2024 (Phase 1)	90%

10 Development properties (cont'd)

Name of property/ location	Description/ planned use	Tenure	Land area (sq. m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Batam Land (I) Indonesia [(a)]	Proposed integrated mixed-development township	30 years from 2004	657,299	*	*	90%
Batam Land (II) Indonesia	Proposed residential development	30 years from 2019	401,229	*	*	100%
<u>Land held for future development</u>						
Land in Jin'an District, Fuzhou, Fujian Province, China	Residential	70 years from 1994	163,740	**	**	100%
<u>Completed properties held for sale</u>						
Sennett Residence Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and 3 shop units	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 Tower, Opus Bay and Cluny Villas, Opus Bay*

11 Assets classified as held for sale

	2021	2020
	$'000	$'000
Cash and cash equivalents	-	4,801
Trade and other receivables	-	1,142
Investment properties	**1,542**	405,000
Assets classified as held for sale	**1,542**	410,943
Trade and other payables	-	4,779
Income tax payable	-	1,006
Bank loans	-	292,698
Liabilities directly associated with assets held for sale	-	298,483

(a) On 6 November 2020, the 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. Accordingly, all the assets and liabilities held by the disposal group were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2020.

The divestment was completed on 7 June 2021. The operations from 1 January 2021 to the date of disposal were included in the Group's real estate investment segment for segment reporting purpose (Note 4). The disposed subsidiary contributed a net profit of $1,486,000 from 1 January 2021 to 7 June 2021. The outstanding bank loans of $292,286,000 at the date of disposal was fully repaid and the net assets of disposed group were derecognised at $406,276,000 (Note 37).

(b) On 30 December 2021, the Group's wholly-owned subsidiary, Clerodendrum Land Pte. Ltd., granted options to a related party for the sale of three shop units in Sennett Residence for a consideration of $2,241,000. The sale completion is expected to take place within 12 weeks from the date of the exercised options. One unit is classified as development property held for sale and the remaining two units are classified as investment properties. Accordingly, the investment properties have been classified as assets held for sale as at 31 December 2021 based on the agreed sale consideration of $1,542,000. The operations of the investment properties are included in the Group's real estate investment segment for segment reporting purposes.

12 Property, plant and equipment

Group	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Cost or valuation:						
At 1 January 2021 (restated)		**385,134**	**8,458**	**39,481**	**507**	**433,580**
Exchange differences on consolidation		**(9,955)**	**149**	**(759)**	**2**	**(10,563)**
Additions		**-**	**31**	**912**	**-**	**943**
Disposals		**-**	**-**	**(17)**	**-**	**(17)**
Write-offs		**-**	**(211)**	**(1,568)**	**-**	**(1,779)**
Reclassification		**9,811**	**-**	**(9,811)**	**-**	**-**
Transfer from development properties following change in use	10	**-**	**399**	**-**	**-**	**399**
Reclassified from investment properties	14	**100,063**	**-**	**-**	**-**	**100,063**
Elimination of depreciation upon revaluation		**(12,934)**	**-**	**-**	**-**	**(12,934)**
Revaluation		**6,841**	**-**	**-**	**-**	**6,841**
At 31 December 2021		**478,960**	**8,826**	**28,238**	**509**	**516,533**
At 1 January 2020 (restated)		389,278	8,140	34,081	504	432,003
Exchange differences on consolidation		29,653	239	2,757	3	32,652
Additions		-	79	5,476	-	5,555
Disposals		-	-	(254)	-	(254)
Write-offs		-	-	(294)	-	(294)
Reclassified to investment properties	14	-	-	(2,285)	-	(2,285)
Elimination of depreciation upon revaluation		(4,226)	-	-	-	(4,226)
Revaluation		(29,571)	-	-	-	(29,571)
At 31 December 2020 (restated)		385,134	8,458	39,481	507	433,580
Comprising:						
At 31 December 2021						
At cost		**809**	**8,826**	**28,238**	**509**	**38,382**
At valuation		**478,151**	**-**	**-**	**-**	**478,151**
		478,960	**8,826**	**28,238**	**509**	**516,533**
At 31 December 2020 (restated)						
At cost		809	8,458	39,481	507	49,255
At valuation		384,325	-	-	-	384,325
		385,134	8,458	39,481	507	433,580

12 Property, plant and equipment (cont'd)

Group (cont'd)	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation:						
At 1 January 2021 (restated)		**-**	**655**	**21,954**	**403**	**23,012**
Exchange differences on consolidation		**(122)**	**17**	**(494)**	**2**	**(597)**
Depreciation	32	**5,264**	**129**	**4,023**	**6**	**9,422**
Disposals		**-**	**-**	**(17)**	**-**	**(17)**
Write-offs		**-**	**(211)**	**(1,308)**	**-**	**(1,519)**
Reclassification		**7,792**	**-**	**(7,792)**	**-**	**-**
Elimination of depreciation upon revaluation		**(12,934)**	**-**	**-**	**-**	**(12,934)**
At 31 December 2021		**-**	**590**	**16,366**	**411**	**17,367**
At 1 January 2020 (restated)		-	499	15,590	370	16,459
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		-	-	(280)	-	(280)
Elimination of depreciation upon revaluation		(4,226)	-	-	-	(4,226)
At 31 December 2020 (restated)		-	655	21,954	403	23,012
Accumulated impairment:						
At 1 January 2021		**-**	**2,978**	**-**	**-**	**2,978**
Exchange differences on consolidation		**-**	**132**	**-**	**-**	**132**
At 31 December 2021		**-**	**3,110**	**-**	**-**	**3,110**
At 1 January 2020		-	2,832	-	-	2,832
Exchange differences on consolidation		-	146	-	-	146
At 31 December 2020		-	2,978	-	-	2,978
Carrying amount:						
At 31 December 2021		**478,960**	**5,126**	**11,872**	**98**	**496,056**
At 31 December 2020		385,134	4,825	17,527	104	407,590

12 Property, plant and equipment (cont'd)

Company	Plant and equipment $'000
Cost:	
At 1 January 2021	**4,255**
Additions	**90**
Write-offs	**(29)**
At 31 December 2021	**4,316**
At 1 January 2020	2,780
Additions	1,493
Disposals	(4)
Write-offs	(14)
At 31 December 2020	4,255
Accumulated depreciation:	
At 1 January 2021	**1,164**
Depreciation	**752**
Write-offs	**(29)**
At 31 December 2021	**1,887**
At 1 January 2020	394
Depreciation	781
Disposals	(4)
Write-offs	(7)
At 31 December 2020	1,164
Carrying amount:	
At 31 December 2021	**2,429**
At 31 December 2020	3,091

The costs and accumulated depreciation at 1 January 2020 and 2021 have been restated to adjust for the overstatement of cost and accumulated depreciation of certain plant and equipment written off in prior years amounting to $5,935,000 and $9,601,000 respectively. There is no change to the carrying amount of plant and equipment as at 1 January 2020 and 31 December 2020.

Included in building and freehold land is freehold land with a carrying amount of $342,184,000 (2020 : $207,535,000) 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 2021 and 2020 as a result of such assessment.

12 Property, plant and equipment (cont'd)

Details of collateral

As at 31 December 2021, property, plant and equipment amounting to $490,789,000 (2020 : $401,964,000) 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, owner-managed and owner-occupied properties

The Group's hotel, owner-managed and owner-occupied 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 professional 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 2021 and 2020, the fair value measurement of the Group's hotel, owner-managed and owner-occupied 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 gain amounting to $6,912,000 (2020 : revaluation loss amounting to $27,263,000) 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 $71,000 (2020 : $2,308,000) was recognised in the profit or loss, representing the revaluation loss in excess of the balance accumulated in the asset revaluation reserve of the same property (Note 31).

As at 31 December 2021, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $470,210,000 (2020 : $373,551,000) for the Group.

12 Property, plant and equipment (cont'd)

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 2021 and 2020 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2021	Range 2020
Grand Hyatt Melbourne (Hotel) 123 Collins Street Melbourne, Victoria [a]	Capitalisation Approach	Capitalisation rate[1]	**4.75%**	4.75%
	Discounted Cash Flow Method	Discount rate[1]	**5.5% - 6.5%**	5.5% - 6.5%
		Terminal yield rate[1]	**4.5% - 5.5%**	4.5% - 5.5%
Carpark within Grand Hyatt Melbourne complex [a],[b]	Capitalisation Approach	Capitalisation rate[1]	**5%**	-
	Discounted Cash Flow Method	Discount rate[1]	**6.75%**	-
		Terminal yield rate[1]	**5.25%**	-
Hyatt Regency Perth (Hotel) 99 Adelaide Terrace East Perth, Western Australia [a]	Capitalisation Approach	Capitalisation rate[1]	**5.0%**	5.0%
	Discounted Cash Flow Method	Discount rate[1]	**5.5% - 7.5%**	5.5% - 7.5%
		Terminal yield rate[1]	**4.25% - 6.25%**	4.25% - 6.25%
The Oxley [c] 9 Oxley Rise Singapore	Comparison Method	Price per square metre of strata floor area[2]	**$18,800 - $26,900**	-
	Income Method	Net income margin*[2]	**80% - 85%**	-
		Capitalisation rate[1]	**3%**	-

* Net income margin = net property income/annual gross rental income.

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

(2) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

(a) The valuation was performed by CBRE Valuations Pty Limited for both years.

(b) Following the change in use of the carpark to owner-managed from previously held for lease, there was a transfer from investment properties (Note 14) to property, plant and equipment in 2021.

(c) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years. There was a transfer from investment properties (Note 14) to property, plant and equipment in 2021 for units which are occupied by the Group.

12 Property, plant and equipment (cont'd)

List of hotel, owner-managed and owner-occupied properties

The carrying amount of the Group's hotel, owner-managed and owner-occupied properties as at 31 December 2021 and 2020 included in property, plant and equipment are set out below.

Name of Property	Description	Tenure	Land area[2] (sq. m)	Group's effective equity interest	2021 A$'000[1]	2020 A$'000[1]	2021 S$'000	2020 S$'000
Australia								
Grand Hyatt Melbourne (Hotel)	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 and 4-levels of basement car park. The retail/commercial space are accounted for under investment properties (Note 14).	Freehold	5,776	100%	**347,000**	347,000	**341,309**	350,401
Carpark within Grand Hyatt Melbourne complex					**71,000**	-	**69,836**	-
Hyatt Regency Perth (Hotel)	Located within walking distance from the central business district and overlooks the Swan River. The property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The office, retail and parking complex are accounted for under investment properties (Note 14).	Freehold	22,754	100%	**47,000**	45,000	**46,229**	45,441
					465,000	392,000	**457,374**	395,842

[1] Figures in A$ are for information.
[2] Land area refers to the whole development including commercial and carpark.

Name of Property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	2021 S$'000	2020 S$'000
Singapore						
The Oxley 9 Oxley Rise Singapore	3 floors of commercial space within a 10-storey building including residential units. The remaining commercial space for lease are accounted for under investment properties (Note 14).	Freehold	1,073	100%	**27,424**	-
					27,424	-

13 Leases

The 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 (2020 : 3 to 84 years) and rentals are generally fixed for the same periods. The Group has an option to purchase certain equipment for a nominal amount at the end of the lease term.

Right-of-use assets

Group	Note	Leasehold land $'000	Leasehold building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Cost:						
At 1 January 2021		**219**	**63**	**125**	**27**	**434**
Additions		**-**	**58**	**-**	**-**	**58**
Disposals		**-**	**(55)**	**-**	**-**	**(55)**
Exchange differences on consolidation		**(3)**	**(1)**	**(2)**	**(1)**	**(7)**
At 31 December 2021		**216**	**65**	**123**	**26**	**430**
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
Accumulated depreciation:						
At 1 January 2021		**86**	**16**	**39**	**27**	**168**
Depreciation	32	**3**	**20**	**31**	**-**	**54**
Disposals		-	**(27)**	**-**	-	**(27)**
Exchange differences on consolidation		(1)	**(1)**	**(1)**	**(1)**	**(4)**
At 31 December 2021		**88**	**8**	**69**	**26**	**191**
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 31 December 2021		**128**	**57**	**54**	-	**239**
At 31 December 2020		133	47	86	-	266

13 Leases (cont'd)

The Company as a lessee

The Company leases office premises and office equipment. The average lease term is between 2 to 6 years (2020 : average lease term was between 14 months to 6 years) 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.

Company	Leasehold building $'000	Plant and equipment $'000	Total $'000
Cost:			
As at 1 January 2021	**12,485**	**39**	**12,524**
Additions	**2,579**	**-**	**2,579**
As at 31 December 2021	**15,064**	**39**	**15,103**
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:			
As at 1 January 2021	**2,961**	**6**	**2,967**
Depreciation	**3,125**	**7**	**3,132**
At 31 December 2021	**6,086**	**13**	**6,099**
At 1 January 2020	-	-	-
Depreciation	2,961	6	2,967
At 31 December 2020	2,961	6	2,967
Carrying amount:			
At 31 December 2021	**8,978**	**26**	**9,004**
At 31 December 2020	9,524	33	9,557

Lease liabilities

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Amounts due for settlement within 12 months (shown under current liabilities)	**54**	54	**2,900**	1,940
Amounts due for settlement after 12 months	**60**	84	**5,912**	7,533
	114	138	**8,812**	9,473

13 Leases (cont'd)

The Group and the Company do not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

As at 31 December 2021, the commitments for short-term leases are $9,000 (2020 : $22,000) for the Group. The Company do not have any commitments for short-term leases as at the end of reporting period.

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 during the year amounted to $93,000 (2020 : $366,000) for the Group.

14 Investment properties

<u>Completed investment properties</u>	Note	Group	Company
		$'000	$'000
At 1 January 2021		**1,452,351**	**498**
Exchange differences on consolidation		**(6,175)**	**-**
Additions		**1,772**	**-**
Net (loss) / gain from fair value adjustments	31	**(4,098)**	**313**
Property transferred to property, plant and equipment	12	**(100,063)**	**-**
Classified as held for sale	11	**(1,542)**	**-**
At 31 December 2021		**1,342,245**	**811**
At 1 January 2020		1,778,168	498
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 transferred from property, plant and equipment	12	2,285	-
Classified as held for sale	11	(405,000)	-
At 31 December 2020		1,452,351	498

	Group	
	2021	2020
	$'000	$'000
Represented by:		
Completed investment properties in Singapore	**1,122,246**	1,160,910
Completed investment properties in Australia	**197,507**	270,021
Completed investment properties in China	**22,492**	21,420
	1,342,245	1,452,351

<u>Fair value adjustments</u>

The Group's investment properties are stated at fair value as at 31 December 2021 and 2020, 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 loss of $4,098,000 (2020 : fair value gain of $47,385,000) was recognised in profit or loss (Note 31).

14 Investment properties (cont'd)

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 2021, the fair value measurement of the Group's investment properties is classified within Level 2 and Level 3 of the fair value hierarchy (2020: within Level 3 of the fair value hierarchy). During the year, there was a transfer between Level 2 and Level 3 of the fair value hierarchy for the 2 shop units within Sennett Residence which were measured based on agreed sale consideration of $1,542,000 (Note 11).

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 2021 and 2020 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2021	2020
Singapore				
18 Robinson [a] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**67% - 76%** **3.1%**	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate [2] Terminal yield rate[2]	**6.25% - 6.75%** **3.1% - 3.6%**	6.25% - 6.75% 3.1% - 3.6%
	Direct Comparison Method	Price per square metre of lettable area[1]	**$29,200 - $39,200**	$23,200 - $40,300
Link@896 [a] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	**Office : $14,800 - $16,300** **Retail : $16,600 - $43,800**	Office : $16,000 - $18,800 Retail : $19,600 - $52,700
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**68% - 73%** **3.5%**	67% - 74% 3.5%
The Oxley [b] 9 Oxley Rise #01-01 to 14, #02-01 to 14, #03-01 to 14 Singapore	Comparison Method	Price per square metre of strata floor area[1]	**$18,800 - $26,900**	$19,500 - $35,600
	Income Method	Net income margin*[1] Capitalisation rate[2]	**80% - 85%** **3%**	80% - 85% 3%
L&Y Building [a] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	**$6,200 -$9,500**	$6,600 - $9,100

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2021	Range 2020
Far East Finance Building [a] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	**Price per square metre of strata floor area[1]**	**\$27,000 - \$31,000**	\$28,000 - \$35,000
Shop unit #01-30 & #01-32 within Sennett Residence [c] 39 Pheng Geck Avenue, Singapore (Classified as assets held for sale)	Direct Comparison Method	Price per square metre of strata floor area[1]	**-**	\$19,600 - \$23,400
Australia				
Commercial Centre & Carpark within Hyatt Regency Perth complex) [d] 99 Adelaide Terrace East Perth, Western Australia	Capitalisation Method	Capitalisation rate[2]	**7.75%**	8%
	Discounted Cash Flow Method	Discount rate[2]	**7.25%**	7.5%
		Terminal yield rate[2]	**7.75%**	8%
Two vacant land [d] 10 & 40 Terrace Road East Perth, Western Australia	Comparison Method	Price per square metre of land area[1]	**\$3,934**	\$4,039
Commercial Centre and Carpark within Grand Hyatt Melbourne complex [e] 123 Collins Street Melbourne, Victoria	Capitalisation Method	Capitalisation rate[2]	**Retail: 4.75%**	Retail: 5% Carpark: 5%
	Discounted Cash Flow Method	Discount rate[2]	**Retail: 6.25%**	Retail: 6.5% Carpark: 7%
		Terminal yield rate[2]	**Retail: 5%**	Retail: 5.25% Carpark: 5.25%
Single-storey commercial Building [d] 25 George Parade Melbourne, Victoria	Capitalisation Method	Capitalisation rate[2]	**-**	3%
	Comparison Method	Price per square metre of land area[1]	**\$29,500 -\$32,000**	\$27,700 - \$30,300
		Building value rate[1]	-	\$32,800 - \$33,900

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2021	Range 2020
China				
Three-storey commercial building [f] No. 2950 Chunshen Road Shanghai, China	Comparison Method	Price per square metre of gross floor area[1]	**$6,600 - $8,200**	$6,100 - $7,700
	Discounted Cash Flow Method	Discount rate[2]	**7%**	7%
		Terminal yield rate[2]	**5%**	5%
6 shop units and basement commercial spaces within Lakeside Ville [f] Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**Aboveground: $6,400 - $9,000 Basement: $1,100 - $1,300**	Aboveground: $6,600 - $7,700 Basement: $1,100 - $1,400
	Discounted Cash Flow Method	Discount rate[2]	**Aboveground: 6.5% Basement: 6.5%**	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate[2]	**Aboveground: 4.5% Basement: 4.5%**	Aboveground: 4.5% Basement: 4.5%
55 underground carpark lots at Luyinyuan [f] Lane 558, Baochun Road, Minhang District, Shanghai	Comparison Method	Sale price per car park lot[1]	**$51,300 - $68,400**	$57,100 - $61,200
Apartment unit at Lakeside Ville [f] Unit 201, No. 363 Lakeside Ville, Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**$11,300 - $12,800**	$10,000 - $12,200
Apartment unit at Lakeside Ville [f] Unit 1102, No. 391 Lakeside Ville, Qingpu District, Shanghai,	Comparison Method	Price per square metre of gross floor area[1]	**$11,300 - $12,800**	$9,500 - $12,200
Assets held for sale				
Robinson Point [g] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[1]	-	$17,000 - $37,900
	Income Capitalisation Method	Net income margin*[1]	-	78%
		Capitalisation rate[2]	-	2.6%
	Discounted Cash Flow Method	Discount rate[2]	-	6%
		Terminal yield rate[2]	-	2.85%

14 Investment properties (cont'd)

Notes:

* Net income margin = net property income/annual gross rental income.

(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 valuations were performed by Savills Valuation and Professional Services (S) Pte Ltd for both years.

(b) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. In 2021, the units occupied by the Group were transferred to property, plant and equipment (Note 12).

(c) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd in 2020. In 2021, the units were classified as assets held for sale (Note 11).

(d) The valuations were performed by CBRE Valuations Pty Limited for both years.

(e) The valuation was performed by CBRE Valuations Pty Limited for both years. In 2021, the carpark was transferred to property, plant and equipment following the change in use to owner-managed from previously held for lease (Note 12).

(f) The valuations were performed by Beijing Colliers International Real Estate Valuation Co., Ltd for both years.

(g) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd in 2020.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $42,307,000 (2020 : $46,822,000) (Note 28). Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,273,000 (2020 : $15,380,000). Information on operating lease commitments is disclosed in Note 38 to the financial statements.

Details of collateral

As at 31 December 2021, investment properties amounting to $1,319,753,000 (2020 : $1,429,341,000) 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 2021 and 2020 are as follows:

Name of Property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	2021 $'000	2020 $'000
Singapore						
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 729X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 731N, 488P)	17,738	100%	**671,500**	681,500
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)	18,048	100%	**388,000**	388,000
The Oxley [(a)] 9 Oxley Rise #01-01 to 14, #02-01 to 14, #03-01 to 14 Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	1,484	100%	**37,926**	65,000
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**	14,820
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
Sennett Residence [(b)] 39 Pheng Geck Avenue Singapore	2 shop Units (#01-30 & #01-32)	99 years from 2011	61	100%	**-**	1,590
					1,122,246	1,160,910

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	2021 $'000	2020 $'000
Singapore (cont')						
Asset classified as held for sale:						
Robinson Point [c] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	**-**	405,000
Sennett Residence [b] 39 Pheng Geck Avenue Singapore	2 shop units (#01-30 & #01-32)	99 years from 2011	61	100%	**1,542**	-
					1,123,788	1,565,910

Notes:

(a) The carrying amounts of the units occupied by the Group which amounted to $27,277,000 were transferred to property, plant and equipment (Note 12).

(b) The carrying amounts of the 2 shop units within Sennett Residence were classified as assets held for sale (Note 11) as at 31 December 2021. The carrying amounts are based on the agreed sale consideration.

(c) The carrying amount of Robinson Point was classified as asset held for sale (Note 11) as at 31 December 2020.

Name of property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	2021 A$'000[1]	2020 A$'000[1]	2021 S$'000	2020 S$'000
Australia								
Commercial Centre & Carpark within Grand Hyatt Melbourne complex[2]	4 retail tenancies located along Collins Street, additional tenancy space within the complex and a basement tenancy space	Freehold	3,024 [3]	100%	**94,000**	161,000	**92,458**	162,578
Commercial Centre & Carpark within Hyatt Regency Perth complex and 2 vacant land of 3,072 sqm	3-level commercial building and plaza level shops and suites with 2-levels of basement carpark	Freehold	19,585 [3]	100%	**101,800**	101,800	**100,131**	102,798
25 George Parade Melbourne	A single storey commercial building	Freehold	135	100%	**5,000**	4,600	**4,918**	4,645
					200,800	267,400	**197,507**	270,021

(1) Figures in A$ are for information only.

(2) In 2021, carpark amounting to $72,786,000 was transferred to property, plant and equipment following the change in use to owner-managed from previously held for lease (Note 12).

(3) Refers to the estimated lettable area of the commercial centre.

14 Investment properties (cont'd)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Estimated lettable / gross floor area (sq. m)	Group's effective equity interest	2021 RMB'000[1]	2020 RMB'000[1]	2021 S$'000	2020 S$'000
China								
No. 2950 Chun Shen Road Shanghai, China	A 3-storey commercial building	57 years from 2008	2,170	100%	**31,900**	33,100	**6,814**	6,752
Lakeside Ville Phase III, Qingpu district Shanghai, China	6 shop units and basement commercial spaces	70 years from 1997	3,896	100%	**26,800**	26,800	**5,724**	5,467
Lane 558, Baochun Road, Minhang district, Shanghai, China	Underground carpark	60 years from 2005	2,403	100%	**14,000**	13,900	**2,990**	2,836
No. 363 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 201	70 years from 1997	200	100%	**11,100**	11,000	**2,371**	2,244
No. 391 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 1102	70 years from 1997	434	100%	**21,500**	20,200	**4,593**	4,121
					105,300	105,000	**22,492**	21,420

[1] Figures in RMB are for information only.

15 Investments in subsidiaries

	Company 2021 $'000	Company 2020 $'000
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**606,838**	585,139
Loan to a subsidiary	**103,115**	80,000
Deemed investment arising from financial guarantees	**79,543**	95,892
	905,472	877,007
Less: Allowance for impairment	**(139,619)**	(121,084)
	765,853	755,923
Fair value of investment in a subsidiary for which there are published price quotations	**19,280**	13,932

Details of the Company's significant subsidiaries are disclosed in Note 41 to the financial statements.

15 Investments in subsidiaries (cont'd)

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 $4,862,000 (2020 : $14,876,000) 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	
	2021	**2020**
	$'000	**$'000**
Allowance for impairment		
At 1 January	**(121,084)**	(116,182)
Allowance for impairment	**(18,564)**	(5,007)
Reversal of impairment	**29**	105
	(18,535)	(4,902)
At 31 December	**(139,619)**	(121,084)

During the year, impairment loss amounting to $18,564,000 (2020 : $5,007,000) 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 $29,000 (2020 : $105,000) 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, of which advances amounting to $80,000,000 (2020 : $80,000,000) bear interest rate at 3.8% per annum (2020 : 4.1% per annum). The remaining advances of $23,115,000 are non-interest bearing.

15 Investments in subsidiaries (cont'd)

Non-wholly owned subsidiaries

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	
		2021	2020	2021 $'000	2020 $'000	2021 $'000	2020 $'000
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**(256)**	276	**11,055**	11,239
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(1,306)**	(652)	**359**	(1,335)
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments	Singapore & Indonesia	**10%**	10%	**(280)**	(133)	**2,853**	3,134
Individually immaterial subsidiaries with non-controlling interests	Various			**-**	31	**(50)**	393
				(1,842)	(478)	**14,217**	13,431

The summarised financial information of SP Corporation Limited and its subsidiaries on a 100% basis is set out below:

	2021 $'000	2020 $'000
Current assets	**56,398**	60,945
Non-current assets	**578**	3,614
Current liabilities	**(780)**	(7,267)
Non-current liabilities	**(391)**	(558)
Equity attributable to owners	**55,805**	56,734
Revenue for the year	**50,269**	29,432
Expenses for the year	**(51,527)**	(28,037)
Net (loss) / profit for the year	**(1,258)**	1,395
Other comprehensive income / (loss) for the year	**329**	(407)
Total comprehensive (loss) / income for the year	**(929)**	988
Net cash inflow from operating activities	**14,788**	11,948
Net cash (outflow) / inflow from investing activities	**(7)**	21,476
Net cash outflow from financing activities	**(100)**	(5,047)
Net cash inflow for the year	**14,681**	28,377

16 Investments in equity accounted investees

	Group 2021 $'000	Group 2020 $'000
Unquoted equity shares, at cost	**110,132**	87,132
Exchange differences on consolidation	**4,018**	(120)
Share of post-acquisition results and reserves, net of dividends and distributions received	**29,690**	65,535
	143,840	152,547

Equity accounted investees

Associates

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Sanya Summer Real Estate Co. Ltd ("SSRE") and Pan-West (Private) Limited ("Pan-West"). In August and September 2021, GulTech divested a total of 17.5% of its equity stake in Gultech (Jiangsu) Electronics Co., Ltd ("Gultech Jiangsu) and the effects of this divestment was included in the share of post-acquisition reserves. 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 2021 $'000	Group 2020 $'000
Share of net assets			
At 1 January		**152,547**	137,863
Exchange differences on consolidation		**3,239**	(1,720)
Share of total comprehensive income (refer to below)		**28,048**	25,756
Share of post-acquisition reserves		**2,422**	-
Dividends		**(66,668)**	(9,352)
At 31 December		**119,588**	152,547
Share of total comprehensive income			
Share of results before fair value adjustments		**28,399**	25,645
Share of fair value (loss) / gain on financial instruments	31	**(351)**	111
Share of total comprehensive income for the year		**28,048**	25,756
Amount due from associate			
Amount due from associate (non-trade)	6	**945**	-

The non-trade amount due from associate was unsecured, interest-free, and repayable on demand.

Share of the associates' capital commitments is disclosed in Note 38 to the financial statements.

16 Investments in equity accounted investees (cont'd)

GulTech and its subsidiaries

The summarised financial information of GulTech and its subsidiaries on a 100% basis is set out below:

	2021	2020	2021	2020
	US$'000[1]	US$'000[1]	S$'000	S$'000
Current assets	**236,864**	218,401	**322,277**	291,172
Non-current assets	**164,094**	148,630	**223,267**	198,153
Current liabilities	**(145,115)**	(133,501)	**(197,443)**	(177,984)
Non-current liabilities	**(79,120)**	(1,774)	**(107,650)**	(2,366)
	176,723	231,756	**240,451**	308,975
Non-controlling interests	**(5,055)**	-	**(6,878)**	-
Equity attributable to owners	**171,668**	231,756	**233,573**	308,975
Revenue for the year	**452,687**	361,501	**608,095**	498,980
Net profit for the year	**47,155**	41,993	**63,343**	57,963

[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:

	2021	2020	2021	2020
	RMB'000[1]	RMB'000[1]	S$'000	S$'000
Current assets	**1,252,872**	949,307	**267,613**	193,659
Non-current assets	**1,450**	361	**310**	74
Current liabilities	**(402,944)**	(142,963)	**(86,069)**	(29,165)
Non-current liabilities	**(295,000)**	(245,176)	**(63,012)**	(50,016)
Equity attributable to owners	**556,378**	561,529	**118,842**	114,552
Net loss for the year	**(7,857)**	(1,697)	**(1,635)**	(339)

[1] Figures in RMB are for information.

Pan-West

The Group had recognised its share of losses of $4,998,000 (2020 : $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.

Since prior years, 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 $8,348,000 (2020 : $8,701,000) as at the end of the year was not recognised.

16 Investments in equity accounted investees (cont'd)

Joint ventures

The Group equity accounted for Greenwillow-AREI Partners Pte Ltd ("GAP") and TSME Mitra I Pte. Ltd ("TSME"), which was incorporated during the year. The Group jointly controls the ventures with the other partners under the contractual agreements which require unanimous consent for all major decisions over the relevant activities. In 2021, the Group through TSME entered into a joint venture arrangement to develop a property in Karawang, east of Jakarta, into a destination outlet mall in phases.

Details of the Group's significant joint ventures are disclosed in Note 42 to the financial statements.

The Group's share of net assets and total comprehensive income of its joint ventures is set out below:

	Note	2021 S$'000	2020 S$'000
Share of net assets			
At 1 January		**-**	-
Exchange differences on consolidation		**233**	-
Cost of initial recognition		**23,000**	5
Share of total comprehensive income / (loss) (refer to below)		**1,019**	(5)
At 31 December		**24,252**	-
Share of total comprehensive income			
Share of results before fair value adjustments		**(67)**	-
Share of fair value gain on investment property	31	**1,086**	-
Share of total comprehensive income for the year		**1,019**	-

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Amounts due from joint ventures (non-trade)	**6**	**56**	20	**36**	-
Allowance for impairment loss	**6**	**(11)**	(11)	**-**	-
Presented in trade and other receivables		**45**	9	**36**	-

The non-trade amounts due from joint ventures are unsecured, interest-free, and repayable on demand.

Share of the joint ventures' capital commitments is disclosed in Note 38 to the financial statements.

16 Investments in equity accounted investees (cont'd)

GAP

The Group has ceased recognising GAP's losses after the Group's share of accumulated losses of $16,000 exceeded the Group's cost of investment of $5,000. Accordingly, an allowance for impairment loss of $11,000 (2020 : $11,000) was made for amount due from GAP (Note 6).

TSME Mitra I Pte. Ltd. and its subsidiaries

The summarised financial information of TSME Mitra I Pte. Ltd. and its subsidiaries on a 100% basis is set out below:

	2021	2020
	S$'000	S$'000
Current assets	**7,611**	-
Non-current assets	**41,049**	-
Current liabilities	**(156)**	-
Non-current liabilities	**-**	-
Equity attributable to owners	**48,504**	-
Net profit for the period	**2,039**	-

17 Investment in financial assets

	Group	
	2021	2020
	$'000	$'000
Investment in equity instrument designated at FVTOCI:		
Unquoted equity shares	**29,639**	29,343

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 2021 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 gain amounting to $296,000 (2020 : fair value loss amounting to $1,573,000) was recognised in other comprehensive income (Note 35).

17 Investment in financial assets (cont'd)

The investment is held for long-term strategic purpose and is not held for trading. Accordingly, management has elected to designate the investment 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 2021 and 2020, 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 2021 and 2020 are as follows:

Financial assets	**Fair value as at 31 December 2021 Net assets ($'000)**	**Valuation methodology**	**Significant unobservable inputs (Level 3)**	**Range**
Financial asset at FVTOCI - Investments in unlisted shares	**29,639**	Income approach	Revenue growth rate[1] Discount rate[2]	**0% - 8%** **10.7%**

(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.

Financial assets	**Fair value as at 31 December 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] Discount rate[2]	6% - 8% 11.9%

(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.

18 Loans and borrowings

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Short-term borrowings				
Bank loans	**358,977**	210,130	-	**-**
Notes issued under secured MTN Programme	**199,529**	-	-	-
	558,506	210,130	-	-
Long-term borrowings				
Bank loans	**597,554**	992,092	-	-
Notes issued under secured MTN Programme	**-**	198,936	-	-
Notes issued under unsecured MTN Programme	**196,668**	63,795	**196,668**	63,795
	794,222	1,254,823	**196,668**	63,795
Total borrowings	**1,352,728**	1,464,953	**196,668**	63,795
Represented by:				
Interest-bearing liabilities	**1,358,919**	1,470,996	**200,000**	65,000
Capitalised finance costs	**(6,191)**	(6,043)	**(3,332)**	(1,205)
	1,352,728	1,464,953	**196,668**	63,795
Security profile				
Secured borrowings				
Current	**557,291**	210,030	-	-
Non-current	**593,869**	1,186,128	-	-
	1,151,160	1,396,158	-	-
Unsecured borrowings				
Current	**1,215**	100	**-**	-
Non-current	**200,353**	68,695	**196,668**	63,795
	201,568	68,795	**196,668**	63,795
Total borrowings	**1,352,728**	1,464,953	**196,668**	63,795

The Group had a secured loan of $105,060,000 due in August 2022. Subsequent to the year ended 31 December 2021, the maturity date of the loan was extended to August 2024 and the loan agreement was executed on 2 March 2022.

18 Loans and borrowings (cont'd)

Multicurrency Medium Term Note Programme

The Company has in place an unsecured S$900 million Multicurrency Medium Term Note ("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.

The Company issued S$65 million Series III notes on 19 May 2020. The Series III notes have a tenor of two years and bear a fixed interest rate of 7.75% per annum payable semi-annually in arrears. The Company purchased S$40 million of the notes on 15 October 2021 under a tender offer and redeemed the remaining S$25 million notes on 29 November 2021 at 102% of the principal amounts, resulting in a loss on extinguishment of financial liability (Note 30).

The Company issued S$200 million Series IV notes on 18 October 2021. The Series IV notes have a tenor of three years and bear a fixed interest rate of 6.90% per annum payable semi-annually in arrears.

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 issued S$200 million Series I notes on 18 October 2019. These Series I notes have a tenor of three years and bear a fixed rate of 2.80% per annum payable semi-annually in arrears.

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and cash equivalents (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	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Loans and borrowings				
Fixed rate	**500,837**	367,141	**196,668**	63,795
Variable rate	**851,891**	1,097,812	-	-
	1,352,728	1,464,953	**196,668**	63,795

The Group's exposure to fair value interest rate risk as at 31 December 2021 is disclosed in Note 40(b) to the financial statements.

18 Loans and borrowings (cont'd)

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 30 June 2023 to 18 November 2025 (2020 : 2 January 2022 to 18 November 2025). 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 2021	Financing cash flow (i)	New lease liabilities	Foreign exchange movement	Other changes (ii)	31 December 2021
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings [1]	**1,757,651**	**(396,340)**	**-**	**(9,350)**	**767**	**1,352,728**
Lease liabilities	**138**	**(54)**	**58**	**(2)**	**(26)**	**114**

[1] Includes borrowings of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 1 January 2021.

	1 January 2020	Financing cash flow (i)	New lease liabilities	Foreign exchange movement	Other changes (ii)	31 December 2020
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings [1]	1,711,332	20,131	-	25,462	726	1,757,651
Lease liabilities	115	(82)	103	7	(5)	138

[1] Includes borrowings of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 31 December 2020.

(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 capitalised finance costs and payments.

19 Trade and other payables

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade					
Trade payables - current		**11,392**	20,917	-	-
Non-trade					
Other creditors		**29,896**	31,602	**563**	791
Other provisions		**6,573**	3,686	-	-
Advanced billings		**8,128**	7,172	-	-
Deposits received	37	**-**	50,000	-	-
Accrued operating expenses		**26,457**	33,318	**6,808**	4,569
Accrued interest expenses		**5,404**	4,717	**2,836**	593
Financial guarantees to subsidiaries	15	**-**	-	**4,862**	14,876
Deferred grant income		**-**	321	**-**	218
Amounts due to related parties	21	**2,311**	2,193	**-**	-
		78,769	133,009	**15,069**	21,047
Less non- current portion		**(400)**	(322)	**-**	-
Total non-trade payables - current		**78,369**	132,687	**15,069**	21,047
Total trade and other payables - current		**89,761**	153,604	**15,069**	21,047
Total trade and other payables - non-current		**400**	322	-	-

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 (2020 : 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 (2020 : $4,998,000) granted to its associate, Pan-West, being the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary.

Included in the deferred grant income of the Group and Company as at 31 December 2020 was the wage support for local employees under the Job Support Scheme ("JSS") from the Singapore Government. Grant income amounting to $532,000 (2020 : $1,719,000) has been recognised in the profit or loss during the year 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.

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	
	2021	**2020**
	$'000	**$'000**
Amounts due from subsidiaries - non-trade		
- Interest bearing	**144,000**	5,000
- Interest free	**287,078**	300,609
	431,078	305,609
Less: Allowance for impairment	**(29,830)**	(24,276)
	401,248	281,333
Amounts due to subsidiaries - non-trade		
- Interest bearing	**(142,080)**	(142,080)
- Interest free	**(420,475)**	(275,534)
	(562,555)	(417,614)

	Company	
	2021	**2020**
	$'000	**$'000**
Movement in allowance for impairment		
At 1 January	**(24,276)**	(24,253)
Allowance made	**(5,554)**	(23)
At 31 December	**(29,830)**	(24,276)

Amounts due from/(to) subsidiaries are generally unsecured and are repayable on demand. Interest-bearing advances due from and to subsidiaries are charged at weighted average interest of 6.9% (2020 : 7.6%) per annum and 1.8% (2020 : 2.1%) per annum respectively.

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 $5,554,000 (2020 : $23,000) was made for amounts due from subsidiaries.

21 Amounts due from/(to) related parties

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Amounts due from related parties:					
Trade – current	(a)	**6,973**	12,714	**-**	-
Trade – non-current	(a)	**-**	2,915	**-**	-
Non-trade – current					
- Loan	(b)	**5,838**	5,463	**-**	-
- Refundable trade deposit	(c)	**-**	7,999	**-**	-
- Others		**2**	951	**-**	57
Total		**12,813**	30,042	**-**	57
Presented as:					
Amounts due from related parties, trade	6	**6,973**	15,629	**-**	-
Amounts due from related parties, non-trade	6	**5,840**	14,413	**-**	57
		12,813	30,042	**-**	57
Amounts due to related parties:					
Non-trade – current	19	**(2,311)**	(2,193)	**-**	**-**

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

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 2021 were:

   (i) An amount of $5,617,000 (2020 : $8,669,000) due from a related party, of which $5,206,000 (2020 : $7,967,000) is secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $18,714,000 (2020 : $18,400,000). Management has performed an impairment assessment and a loss allowance of $411,000 (2020 : $Nil), representing the interest on overdue trade receivables, has been provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the related party repaid $2,231,000. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding balance of $2,975,000. Accordingly, this amount is expected to be repaid within one year from the end of the reporting period and has been classified as current.

   (ii) An amount of $2,443,000 (2020 : $6,393,000) due from another related party. Management has performed an impairment assessment for the balance outstanding as at year end and a loss allowance of $1,082,000 (2020 : $Nil), representing the interest on overdue trade receivables, has been provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the outstanding balance of $1,361,000 was fully repaid.

b) The loan of $5,000,000 to a related party is repayable within two years from 8 October 2019 and bears a fixed interest rate of 7.5% per annum. The loan is secured by the equity stake of 19.17% held by a minority shareholder in the related party. Upon maturity, the related party exercised the option to extend the loan and accrued interest totalling $5,750,000 for another year from 8 October 2021. 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.

c) As at 31 December 2020, the refundable trade deposit of US$6,000,000 or equivalent to $7,999,000 was placed by SP Corp, with a related party which owns a coal mine to secure coal allocations. The deposit bore an effective interest rate of 4.23% per annum (2020 : 4.53% per annum) and was fully repaid during the year.

22 Contract liabilities

Contract liabilities represent amounts of consideration billed to purchasers of the development properties in advance of the revenue recognised to-date based on 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	
	2021	**2020**
	$'000	**$'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**176**	164
Deferred development costs	**-**	2,121
Revaluation of properties	**4,720**	4,331
Foreign income not remitted and which will be subject to tax if remitted in the future	**46,708**	44,689
Unutilised tax losses	**(6,806)**	(5,967)
Others	**407**	(200)
	45,205	45,138
Represented by:		
Deferred tax assets	**(172)**	(1,721)
Deferred tax liabilities	**45,377**	46,859
	45,205	45,138

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.

23 Deferred tax assets and liabilities (cont'd)

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 2021		**164**	**2,121**	**4,331**	**44,689**	**(5,967)**	**(200)**	**45,138**
Exchange differences on consolidation		**(1)**	**-**	**206**	**(1,096)**	**87**	**16**	**(788)**
Transfer to income tax payable		**-**	**(2,121)**	**32**	**-**	**-**	**(32)**	**(2,121)**
Charged / (Credited) to profit or loss	33	**13**	**-**	**151**	**522**	**(926)**	**623**	**383**
Credited to other comprehensive income	35	**-**	**-**	**-**	**2,593**	**-**	**-**	**2,593**
At 31 December 2021		**176**	**-**	**4,720**	**46,708**	**(6,806)**	**407**	**45,205**
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

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $34,433,000 (2020 : $33,446,000) 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 $289,000 (2020 : $306,000). 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.

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 $43,880,000 (2020 : $37,700,000) and capital allowances of $37,700,000 (2020 : $37,871,000) 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			
	2021	2020	2021	2020
	Number of shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,187,490**	1,186,249	**176,234**	175,234
Issued under Scrip Dividend Scheme	**14,680**	4,713	**5,461**	1,000
Shares bought back and held as treasury shares	**(605)**	(3,472)	**-**	-
At 31 December	**1,201,565**	1,187,490	**181,695**	176,234

The Company has a single class of ordinary shares. All issued shares carry one vote per share and are entitled to receive dividends 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 14,680,000 (2020 : 4,713,000) ordinary shares at an issue price of 37.2 cents (2020 : 21.2 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 2020 (2020 : 0.6 cent per share for the financial year ended 31 December 2019).

25 Treasury shares

	Group and Company			
	2021	2020	2021	2020
	Number of shares ('000)		$'000	$'000
At 1 January	**11,760**	8,288	**3,891**	2,955
Repurchased during the year	**605**	3,472	**276**	936
At 31 December	**12,365**	11,760	**4,167**	3,891

During the year, the Company acquired 605,000 (2020 : 3,472,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $276,000 (2020 : $936,000) and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

26 Reserves

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Asset revaluation reserve	**127,916**	123,001	-	-
Foreign currency translation account	**(39,452)**	(38,139)	-	-
Other capital reserves:				
- Capital reserves	**234,362**	195,987	**101,264**	101,264
- Cash flow hedging account	**-**	(2,090)	**-**	-
	234,362	193,897	**101,264**	101,264
Investment revaluation reserve	**(1,277)**	(1,573)	**-**	-
Revenue reserve	**751,123**	710,538	**308,868**	315,560
	1,072,672	987,724	**410,132**	416,824

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 the translation of monetary items which form part of the Group's net investments 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 investment in equity instrument designated 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	
	2021	**2020**
	$'000	**$'000**
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**1,663**	6,104
Share	**5,461**	1,000
	7,124	7,104

The Directors proposed a tax exempt one-tier first and final dividend of 0.7 cent per share (2020 : 0.6 cent per share) total amounting to $8,411,000 (2020 : $7,125,000), 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 2021.

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:

		Group	
	Note	**2021**	**2020**
Segment Revenue		**$'000**	**$'000**
Revenue from contracts with customers:			
Sale of products		**59,217**	37,365
Sale of development properties and services rendered		**91,643**	75,158
Hotel operations and related income		**45,096**	32,454
Services rendered		**169**	180
Others		**6,909**	4,838
		203,034	149,995
Rental income from investment properties	14	**42,307**	46,822
		245,341	196,817
At a point of time:			
Sale of products		**59,217**	37,365
Sale of completed development properties		**37,424**	10,850
Hotel operations – food and beverage		**14,269**	10,193
Over time:			
Sale of development properties under construction		**53,714**	63,717
Hotel operations – room sales and other income		**30,827**	22,261
Services rendered		**674**	771
Others		**6,909**	4,838
		203,034	149,995

28 Revenue (cont'd)

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 $53,714,000 (2020 : $63,717,000) whereby the revenue is recognised based on the percentage of completion method.

As at 31 December 2021, the transaction price allocated to performance obligations that are partially satisfied amounted to $58,694,000 (2020 : $55,842,000). Management expects this amount to be recognised as revenue during the next financial period.

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 $392,000 (2020 : $3,583,000) in the profit or loss as other operating income. The Group is required to 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 $15,000 (2020 : $2,396,000) has been recorded as other operating expenses in profit or loss for the year (Note 32).

In 2020, the Group was 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 2020 and offset the obligation for rental reliefs against the lease receivable as at 31 December 2020. 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	
	2021	**2020**
	$'000	**$'000**
Interest income on bank deposits	**1,694**	1,948
Interest income from debtors	**30**	69
Interest income from related parties	**632**	2,816
	2,356	4,833

30 Finance costs

	Group	
	2021	**2020**
	$'000	**$'000**
Interest expense on loans and borrowings	**34,437**	42,884
Amortisation of capitalised finance costs	**8,224**	4,913
Loss on extinguishment of financial liability	**1,300**	-
Interest expense on lease liabilities	**3**	6
	43,964	47,803

31 Fair value adjustments

	Group 2021 $'000	Group 2020 $'000
Fair value gain / (loss) from:		
Subsidiaries	**(4,169)**	45,077
Share of equity accounted investees	**735**	111
	(3,434)	45,188
Represented by:		
Fair value adjustments in respect of:		
- investment properties	**(3,012)**	47,385
- property, plant and equipment	**(71)**	(2,308)
- financial instruments	**(351)**	111
	(3,434)	45,188

The fair value adjustments are analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
31 December 2021				
Fair value gain/(loss) on investment properties				
Subsidiaries	14	**(4,098)**	**(2,083)**	**(6,181)**
Share of an equity accounted investee	16	**1,086**	**-**	**1,086**
		(3,012)	**(2,083)**	**(5,095)**
Revaluation loss on property, plant and equipment				
Subsidiaries	12	**(71)**	**21**	**(50)**
Fair value loss on financial instruments				
Share of an equity accounted investee	16	**(351)**	**-**	**(351)**
		(3,434)	**(2,062)**	**(5,496)**
31 December 2020				
Fair value gain on investment properties				
Subsidiaries	14	47,385	(4,332)	43,053
Revaluation loss 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

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	
	2021	**2020**
	$'000	**$'000**
Depreciation of property, plant and equipment (included in cost of sales and administrative expenses)	**9,422**	9,199
Depreciation of right-of-use assets (included in cost of sales, administrative expenses and other operating expenses)	**54**	81
Net gain on disposal of property, plant and equipment (included in other operating income)	**(3)**	(5)
Write-back of allowance for diminution in value for development properties, net (included in other operating income)	**(499)**	(199)
Allowance for doubtful trade and other receivables, net (included in other operating expenses)	**914**	746
Bad debts written off (included in other operating expenses)	**104**	25
Foreign exchange gain, net (included in other operating income)	**(1,705)**	(421)
Expenses relating to short term leases (included in administrative expenses)	**39**	284
Net gain on disposal of a subsidiary (included in other operating income)	**(88,953)**	-
Cost of inventories recognised as an expense	**57,613**	35,834

32 Profit before tax (cont'd)

	Group	
	2021	**2020**
	$'000	**$'000**
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)	**(3,594)**	(17,356)
Government grant expense (included in other operating expenses)	**15**	2,396
Reversal of accruals for development costs previously capitalised [(i)] (included in other operating income)	**-**	(8,744)
Auditors' remuneration[(ii)]		
Audit fees:		
- Auditors of the Company	**470**	433
- Other auditors	**294**	276
Non-audit fees:		
- Auditors of the Company	**193**	399
- Other auditors	**160**	5
Directors' remuneration		
Of the Company:		
- Salaries and wages	**2,241**	1,977
Of the subsidiaries:		
- Salaries and wages	**410**	531
- Defined contribution plans	**20**	25
	2,671	2,533
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	**21,371**	16,602
- Defined contribution plans	**2,108**	1,440
- Others	**237**	390
	23,716	18,432

(i) Following the settlement of the final account of 18 Robinson's construction works, there was a reversal of accruals amounting to $8,744,000 in 2020 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.

(ii) 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 expense

	Note	Group 2021 $'000	Group 2020 $'000
Current income tax:			
- Singapore		**464**	1,357
- Foreign		**1,213**	(1,024)
- Under/(Over) provision in prior years		**192**	(421)
		1,869	(88)
Deferred tax:			
- Origination and reversal of temporary differences		**1,036**	1,337
- Overprovision in prior years		**(653)**	-
	23	**383**	1,337
Withholding tax		**43**	107
		2,295	1,356

Singapore income tax is calculated at 17% (2020 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Group 2021 $'000	Group 2020 $'000
Profit before income tax	**84,115**	59,887
Income tax calculated at 17% (2020 : 17%)	**14,300**	10,181
Adjustments:		
Share of results of equity-accounted investees	**(4,816)**	(4,360)
Expenses not deductible for tax purposes	**6,683**	4,600
Tax losses not recognised as deferred tax assets	**1,571**	2,368
Tax losses not available for set-off against future income	**1,875**	2,057
Different tax rates of subsidiaries operating in other jurisdictions	**1,629**	(654)
Income not subjected to tax	**(17,273)**	(11,934)
Utilisation of tax losses and capital allowance previously not recognised	**(1,075)**	(530)
Overprovision in prior years	**(461)**	(421)
Withholding tax expense	**43**	107
Others	**(181)**	(58)
	2,295	1,356

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 2021				
Profit before tax		**87,549**	**(3,434)**	**84,115**
Income tax expense	31, 33	**(233)**	**(2,062)**	**(2,295)**
Profit for the year		**87,316**	**(5,496)**	**81,820**
Non-controlling interests		**1,842**	**-**	**1,842**
Profit attributable to owners of the Company		**89,158**	**(5,496)**	**83,662**
31 December 2020				
Profit before tax		14,699	45,188	59,887
Income tax benefit / (expense)	31, 33	2,284	(3,640)	(1,356)
Profit for the year		16,983	41,548	58,531
Non-controlling interests		478	-	478
Profit attributable to owners of the Company		17,461	41,548	59,009

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 2021 $'000	 2020 $'000
Profit attributable to owners of the Company		
Before fair value adjustments	**89,158**	17,461
Fair value adjustments	**(5,496)**	41,548
After fair value adjustments	**83,662**	59,009
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**7.0**	5.0
Excluding fair value adjustments	**7.5**	1.5
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share ('000)	**1,194,929**	1,186,580

There are no dilutive potential ordinary shares in issue for 2021 and 2020.

35 Other comprehensive income

	Note	Group		
		Before tax	Deferred tax	After tax
31 December 2021		**$'000**	**$'000**	**$'000**
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**6,912**	**(1,997)**	**4,915**
Fair value gain on investment in equity instrument designated at FVTOCI	17	**296**	**-**	**296**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(3,301)**	**-**	**(3,301)**
Share of exchange differences on translation of equity accounted investees		**2,752**	**-**	**2,752**
Cash flow hedges		**1,986**	**(596)**	**1,390**
		8,645	**(2,593)**	**6,052**
31 December 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 investment in equity instrument designated at 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

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	
	2021	**2020**
	$'000	**$'000**
Derivatives that are designated and effective as hedging instruments carried at fair value	**-**	2,038

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$177,000,000 have fixed interest payments at a weighted average fixed rate of 1.19% per annum and have a floating interest rate of 3-month Bank Bill Swap Bid Rate. These interest rate swap contracts were terminated on 4 January 2022 following the refinancing of bank borrowings in December 2021.

35 Other comprehensive income (cont'd)

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 $1,986,000 (2020 : $1,027,000) 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:

Group	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2021 per annum	2020 per annum	2021 $'000	2020 $'000	2021 $'000	2020 $'000
3 month	**-**	1.19%	**-**	178,735	**-**	2,038

36 Significant related party transactions

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.

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	
	2021 $'000	2020 $'000
Transactions with major shareholder		
Sale of products and services rendered	**7,250**	3,656
Rental income	**1,934**	2,028
Interest income	**632**	2,816
Purchase of products and services [(a)]	**(47,730)**	(25,792)
Purchase of property, plant and equipment	**(54)**	(203)
MTN interest expense	**(82)**	-
Compensation in lieu of delivery of outstanding coal allocation	**165**	-
Transactions with associates		
Management fee income	**135**	180
Transactions with Directors of the Company and their associates		
Option deposits received from sale of 3 property units	**23**	-
MTN interest expense	**(60)**	(93)
Transactions with key management personnel of the Group		
Sales of development properties	**159**	-
MTN interest expense	**(91)**	(24)

(a) The Group is reliant on two related parties (2020 : one related party) for the supply of 100% (2020 : 100%) of its coal.

36 Significant related party transactions (cont'd)

At the end of the reporting year, the Group had commitments to lease certain commercial properties to the major shareholder. These non-cancellable operating leases have remaining lease terms of 2 months to 67 months (2020 : 2 months to 79 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	
	2021	**2020**
	$'000	**$'000**
Commitment with major shareholder		
Operating leases:		
- Within one year	**938**	672
- Year 2	**452**	419
- Year 3	**466**	432
- Year 4	**480**	445
- Year 5	**494**	458
- After five years	**293**	752
	3,123	3,178

Remuneration of Directors and key management personnel

	Group	
	2021	**2020**
	$'000	**$'000**
Short-term benefits and fees	**4,796**	3,507
Post-employment benefits (defined contribution plan)	**77**	77
	4,873	3,584

During the year, the Group updated the definition of its key management personnel as follows:

1) Director of principal subsidiaries[a] and head of department of the Company; or

2) Top five management personnel based on remuneration.

(a) Principal subsidiaries are defined as those with total assets of at least 15% of the total assets of the Group as shown in the latest audited financial statements.

Had this been effected in 2020, the remuneration of its Directors and key management personnel would have been $4,112,000.

37 Disposal of subsidiary

On 7 June 2021, the Group completed the disposal of its wholly-owned subsidiary, 39 Robinson Road Pte. Ltd. (Note 11). The cash flows and the net assets at the date of disposal are provided below:

	Group
	2021
	$'000
Non-current assets	
Investment property	**405,000**
Current assets	
Trade and other receivables	**655**
Cash and bank balances	**4,336**
Total assets	**409,991**
Current liabilities	
Trade and other payables	**(3,161)**
Income tax payable	**(554)**
Total liabilities	**(3,715)**
Net assets of disposed group (Note 11)	**406,276**
Consideration	
Cash received	**451,276**
Deposit collected in prior year	**50,000**
Net cash inflow on disposal	**501,276**
Gain on disposal	
Total consideration	**501,276**
Transaction costs incurred	**(6,047)**
Net assets derecognised	**(406,276)**
Gain on disposal of a subsidiary	**88,953**

38 Commitments

Capital commitments

	Group	
	2021	2020
	$'000	$'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**26,103**	29,610
Capital expenditure contracted for but not provided in the financial statements	**-**	61
Share of commitments of equity-accounted investees - Capital expenditure contracted for but not provided in the financial statements	**17,377**	8,781

38 Commitments (cont'd)

Operating lease commitments - where the Group is a lessor

The Group enters into commercial property leases on its investment property portfolio 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 69 months (2020 : 1 month and 63 months).

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 with third parties for at the end of each reporting period but not recognised as receivables were as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
Year 1	**34,177**	36,191
Year 2	**26,627**	31,309
Year 3	**19,124**	22,801
Year 4	**10,393**	13,650
Year 5	**829**	9,300
Year 6 and onwards	**358**	247
Total	**91,508**	113,498

39 Contingent liabilities

	Company	
	2021	**2020**
	$'000	**$'000**
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**802,799**	1,248,113

40 Financial instruments, financial risks and capital 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.

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 and 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.

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

Categories of financial instruments

The table below sets out the financial instruments at the end of the reporting year:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	\$'000	**\$'000**	**\$'000**	**\$'000**
Financial assets				
Financial assets at FVTOCI	**29,639**	29,343	**-**	-
Financial assets at amortised cost	**495,871**	371,311	**592,059**	331,729
	525,510	400,654	**592,059**	331,729
Financial liabilities				
Financial liabilities at amortised cost	**1,429,763**	1,556,388	**769,430**	487,362
Financial guarantee contracts	**4,998**	4,998	**4,862**	14,876
Lease liabilities	**114**	138	**8,812**	9,473
	1,434,875	1,561,524	**783,104**	511,711
Derivative financial instruments	**-**	2,038	**-**	-
	1,434,875	1,563,562	**783,104**	511,711

(a) Currency risk

The Group's subsidiaries, associates and joint ventures operate mainly in Singapore, Australia, Indonesia, China and Malaysia. 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 instruments, financial risks and capital 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	USD	AUD	Others
	$'000	$'000	$'000	$'000
Group				
31 December 2021				
Financial assets				
Cash and cash equivalents	**2,330**	**51,026**	**13,947**	**653**
Trade and other receivables	**30**	**961**	**-**	**33**
	2,360	**51,987**	**13,947**	**686**
Financial liabilities				
Trade and other payables	**(293)**	**(35)**	**-**	**(81)**
Net financial assets	**2,067**	**51,952**	**13,947**	**605**
Net currency exposure	**2,067**	**51,952**	**13,947**	**605**
31 December 2020				
Financial assets				
Cash and cash equivalents	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

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

(a) Currency risk (cont'd)

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:

	USD	AUD	MYR
	$'000	$'000	$'000
Company			
At 31 December 2021			
Financial assets			
Cash and cash equivalents	**50,317**	**13,947**	**-**
Trade and other receivables	**-**	**-**	**83**
	50,317	**13,947**	**83**
Financial liabilities			
Trade and other payables	**-**	**(36,331)**	**-**
Net financial (liabilities)/assets	**50,317**	**(22,384)**	**83**
Net currency exposure	**50,317**	**(22,384)**	**83**
At 31 December 2020			
Financial assets			
Cash and cash equivalents	-	38,026	-
Trade and other receivables	-	-	11
	-	38,026	11
Financial liabilities			
Trade and other payables	-	(37,298)	-
Net financial assets	-	728	11
Net currency exposure	-	728	11

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

(a) 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	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Profit or Loss	**(207)**	15	**(5,195)**	21
Company				
Profit or Loss	**-**	-	**(5,032)**	-

	AUD		Others	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Profit or Loss	**(1,395)**	(3,803)	**(61)**	(7)
Company				
Profit or Loss	**2,238**	(73)	**(8)**	(1)

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.

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

(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 variable rate bank loans and borrowings based on Swap Offer Rate ("SOR)" or Singapore Interbank Offered Rate ("SIBOR"). 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.

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the Association of Banks in Singapore ("ABS"), the Singapore Foreign Exchange Market Committee ("SFEMC"), and the Steering Committee for SOR Transition to SORA (SC-STS) ("IBOR Committees"). The IBOR Committees have confirmed that the Singapore Swap Offer Rate will be discontinued by 30 June 2023 and the SIBOR on a phased basis by 31 December 2024 respectively, and replaced by the Singapore Overnight Rate Average ("SORA").

In 2021, the Group transitioned bank borrowings linked to SOR amounting to $269,873,000 to SORA. The majority of the Group's remaining SIBOR or SOR-linked contracts mature before 30 June 2023, hence the Group will plan to transition these bank borrowings upon maturity. The Group is still in the process of communication with the counterparties for all SIBOR and SOR-linked bank borrowings amounting to $258,964,000 and specific changes have yet been agreed as of the end of the reporting period. The Group does not have any non-derivative financial assets and derivatives that are referenced to interest rate benchmark subject to interest rate benchmark reform.

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 before tax would decrease or increase by $8,129,000 (2020 : decrease or increase by $10,477,000) and the Company's profit before tax would decrease or increase by $1,421,000 (2020 : decrease or increase by $1,421,000).

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

(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 cash equivalents 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.

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

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

(c) Overview of the Group's exposure to credit risk (cont'd)

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:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 December 2021						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**9,896**	**(346)**	**9,550**
Amount due from related parties	21	(i)	Lifetime ECL (simplified approach)	**8,468**	**(1,493)**	**6,975**
Loan to a related party	21	Performing	12-month ECL	**5,838**	**-**	**5,838**
Other receivables	6	(ii)	12-month ECL	**11,405**	**-**	**11,405**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**125**	**(125)**	**-**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**57,059**	**-**	**57,059**
					(1,964)	
31 December 2020						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	16,456	(945)	15,511
Amount due from related parties	21	(i)	Lifetime ECL (simplified approach)	16,580	-	16,580
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
Other receivables	6	(ii)	12-month ECL	4,400	-	4,400
Other receivables	6	In default	Lifetime ECL - credit-impaired	180	(180)	-
Contract assets	7	(i)	Lifetime ECL (simplified approach)	46,966	-	46,966
					(1,125)	

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

(c) Overview of the Group's exposure to credit risk (cont'd)

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2021						
Other receivables	6	(ii)	12-month ECL	**150**	-	**150**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**72**	**(72)**	-
Amount due from subsidiaries	20	Performing	12-month ECL	**401,248**	-	**401,248**
Amount due from subsidiaries	20	In default	Lifetime ECL - credit-impaired	**29,830**	**(29,830)**	-
					(29,902)	
31 December 2020						
Amount due from related parties	21	Performing	12-month ECL	57	-	57
Other receivables	6	(ii)	12-month ECL	151	-	151
Other receivables	6	In default	Lifetime ECL - credit-impaired	72	(72)	-
Amount due from subsidiaries	20	Performing	12-month ECL	281,333	-	281,333
Amount due from subsidiaries	20	In default	Lifetime ECL - credit-impaired	24,276	(24,276)	-
					(24,348)	

(i) For trade receivables, contract assets and amount due from related parties, 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 and 7 includes further details on the loss allowance for these receivables.

(ii) For other receivables, the Group monitors the credit risk of other receivables based on the past due information, as well as those quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, to assess if there has been any significant increase in credit risk since initial recognition of the financial assets. Accordingly, the other receivables are measured on 12-month ECL or lifetime ECL, depending on whether there has been significant increase in the credit risk. Note 6 includes further details on the loss allowance for these receivables.

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

(c) Overview of the Group's exposure to credit risk (cont'd)

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 $8,061,000 (2020 : $14,360,000) which comprised 2 (2020 : 2) major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2021.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

The credit risk for trade receivables after loss allowance for doubtful receivables was as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
By geographical area		
Singapore	**4,451**	12,709
Australia	**4,507**	4,282
China (Including Hong Kong)	**269**	3,601
Malaysia	**2,006**	1,834
Indonesia	**5,235**	8,696
United States of America (USA)	**55**	18
	16,523	31,140
By type of customers		
Related parties	**6,973**	15,629
Non-related parties	**9,550**	15,511
	16,523	31,140
By industry sector		
Real Estate Investment	**5,412**	4,486
Real Estate Development	**11**	385
Hospitality	**2,468**	3,265
Industrial Services	**8,632**	23,004
	16,523	31,140

40 Financial instruments, financial risks and capital 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.

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	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Group						
31 December 2021						
Non-interest bearing	**-**	**76,635**	**400**	**-**	**-**	**77,035**
Lease liabilities (Fixed rate)	**2.0 - 3.6**	**57**	**48**	**15**	**(6)**	**114**
Fixed interest rate instruments	**2.0 - 6.9**	**321,268**	**15,039**	**213,448**	**(48,918)**	**500,837**
Variable interest rate Instruments	**1.0 - 1.8**	**212,612**	**332,085**	**337,648**	**(30,454)**	**851,891**
Financial guarantee contracts	-	**4,998**	-	-	-	**4,998**
		615,570	**347,572**	**551,111**	**(79,378)**	**1,434,875**
31 December 2020						
Non-interest bearing	-	91,113	322	-	-	91,435
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	1.1 - 2.0	219,921	532,166	360,808	(15,083)	1,097,812
Financial guarantee contract	-	4,998	-	-	-	4,998
		329,199	907,009	364,627	(39,311)	1,561,524

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

(d) Liquidity risk (cont'd)

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Company						
31 December 2021						
Non-interest bearing	-	**430,171**	**-**	**-**	**-**	**430,171**
Other provision (Fixed rate)	**2.8**	**202**	**34**	**307**	**(32)**	**511**
Lease liabilities (Fixed rate)	**2.0 - 2.8**	**3,097**	**2,173**	**3,975**	**(433)**	**8,812**
Fixed interest rate instruments	**6.9**	**13,800**	**13,800**	**211,002**	**(41,934)**	**196,668**
Variable interest rate Instruments	**1.8**	**144,617**	**-**	**-**	**(2,537)**	**142,080**
Financial guarantee contracts	-	**4,862**	**-**	**-**	**-**	**4,862**
		596,749	**16,007**	**215,284**	**(44,936)**	**783,104**
31 December 2020						
Non-interest bearing	-	281,220	-	-	-	281,220
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
Variable interest rate Instruments	1.8	144,596	-	-	(2,516)	142,080
Financial guarantee contracts	-	14,876	-	-	-	14,876
		447,902	68,894	6,270	(11,355)	511,711

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 are claimed by the counterparties to the guarantees is $802,799,000 (2020 : $1,248,113,000). 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 (2020 : $4,998,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

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

(d) Liquidity risk (cont'd)

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 2021							
Non-interest bearing	-	**212,498**	-	-	-	**-**	**212,498**
Variable interest rate instruments	**0.01 - 1.5**	**38,978**	-	-	-	**(34)**	**38,944**
Fixed interest rate instruments	**0.02 - 8.0**	**246,528**	-	-	-	**(2,099)**	**244,429**
		498,004	-	-	-	**(2,133)**	**495,871**
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
Company							
31 December 2021							
Fixed interest rate instruments	**0.4 - 7.5**	**292,144**	**-**	**-**	**-**	**(10,087)**	**282,057**
Non-interest bearing	**-**	**310,002**	**-**	**-**	**-**	**-**	**310,002**
		602,146	**-**	**-**	**-**	**(10,087)**	**592,059**
31 December 2020							
Fixed interest rate instruments	0.2 - 0.4	29,713	-	-	-	(23)	29,690
Non-interest bearing	-	302,039	-	-	-	-	302,039
		331,752	-	-	-	(23)	331,729

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

(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.

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 2021 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	
	2021	**2020**
	$'000	**$'000**
Balance at 1 January	**29,343**	30,916
Fair value gain / (loss)	**296**	(1,573)
Balance at 31 December	**29,639**	29,343

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

(f) Capital management policies and objectives

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 cash equivalents as disclosed in Note 5 to the financial statements.

	Group	
	2021	**2020**
	$'000	**$'000**
Total borrowings	**1,352,728**	1,464,953
Total equity	**1,264,417**	1,173,498
Gross gearing (times)	**1.07**	1.25
Net borrowings	**947,684**	1,190,561
Total equity	**1,264,417**	1,173,498
Net gearing (times)	**0.75**	1.01

As at 31 December 2020, the gross gearing of 1.25 times excludes the borrowings of 39 Robinson Road Pte Ltd which are 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.

(g) Equity price risk management

The Group is exposed to equity risks arising from equity investment classified at FVTOCI. Equity investment measured at FVTOCI is held for strategic rather than trading purposes. The Group does not actively trade in 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 $2,964,000 (2020 : $2,934,000).

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	
				2021 %	**2020 %**
Significant subsidiaries directly held by the Company					
Calypso Construction Management Pte. Ltd.		Construction management	Singapore	**100**	100
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 investment	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
Pemimpin Properties 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.	37	Property investment	Singapore	**-**	100
GH Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
Grand Hotel Company Pty Limited	(i)	Investment holding	Australia	**100**	100
Grand Hotel Management Pty Limited	(i)	Trustee	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
HR Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
SPRI Pte. Ltd. (Formerly known as SP Mining & Engineering Pte. Ltd.)	(ii)	Trading of industrial products	Singapore	**80.2**	80.2
SP Resources International Pte. Ltd.	(ii)	Trading of industrial products	Singapore	**-**	80.2
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(i)	Property development	Indonesia	**90**	90
PT Titian Damai Mandiri	(i)	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) SP Resources International Pte. Ltd. was amalgamated with SP Mining & Engineering Pte. Ltd. on 1 January 2021.

42 Listing of significant associates and joint ventures

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions. Joint ventures are those in which the Group has joint control of the arrangement and has equal rights to net assets of the joint arrangement.

Information relating to the significant associates and joint venture is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest and voting power held by the Group	
				2021	**2020**
				%	**%**
Gul Technologies Singapore Pte. Ltd. ("GulTech")	(i)	Investment holding	Singapore	**44.5**	44.5
Gultech (Jiangsu) Electronics Technologies Co., Ltd (held through GulTech)	(ii)	Manufacture of printed circuit boards	China	**36.7**	44.5
Sanya Summer Real Estate Co. Ltd	(iii),(iv)	Property development	China	**7.8**	7.8
PT Karawang Outlet Mall	(ii)	Property development and investment	Indonesia	**50.0**	-

(i) Audited by Deloitte & Touche LLP, Singapore.

(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(iii) Analytical review performed for purpose of consolidation.

(iv) 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 2021, 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 discussed below:

<u>Impact of the initial application of Interest Rate Benchmark Reform</u>

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform: *Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16.* Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates ("IBOR") to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The amendments have been applied retrospectively to hedging relationships and financial instruments, where applicable. The Group has not restated the comparative amounts, and there was no impact on the current period retained earnings amounts on adoption. The Group will transition its significant exposures to RFRs by 30 June 2023.

As a result of Phase 2 amendments, when the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of SFRS(I) 9 are applied to the other changes. Note 40(b) provides the required disclosures related to these amendments.

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:

<u>Effective for annual periods beginning on or after 1 January 2022</u>

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Annual improvements to SFRS(I)s 2018-2020

<u>Effective for annual periods beginning on or after 1 January 2023</u>

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.