



TUAN SING HOLDINGS LIMITED

# ANNUAL REPORT 2021





# OUR VISION

Creating a clear distinction

# OUR MISSION

Be a “**NUCLEUS OF GROWTH**”,  
developing and strengthening  
core businesses to create value  
for all stakeholders







Opus Bay Apartments,  
Indonesia

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Opus Bay, Indonesia

**TUAN SING HOLDINGS LIMITED**  
is a regional investment holding  
company with interests mainly in  
real estate investment, real estate  
development and hospitality.

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

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

The Group holds an 80.2% equity interest in SP Corporation Limited, a company which is listed on SGX-ST and engages primarily in commodities

trading. The Group also holds a 44.5% interest in printed circuit board manufacturer, Gul Technologies Singapore Pte. Ltd.

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

## Our Value Statement

Building value and targeting growth



### **Excellence**

Nothing but  
the best of  
our abilities



### **Teamwork**

Effective  
communication  
and co-operation



### **Integrity**

Upholding  
honesty and  
morality



### **Attitude**

Embracing  
humility, care and  
hard work



## Our Business Strategy

Building on fundamentals and driving sustainable growth

- Scale up and strengthen the “Tuan Sing” brand name
- Create innovative products and develop architecturally inspiring projects
- Focus on integrated mixed-use developments
- Diversify property portfolio to achieve a balanced revenue profile and recurring income stream
- Expand its property business in the region in a capital efficient approach
- Acquire or divest investments/properties in a disciplined manner
- Obtain suitable financing options for projects and investments

## Our Competitive Edge

Distinguishing ourselves with unique strengths

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

## Our business model seeks to create value for stakeholders in a sustainable way

### Our resources

### How we create value

### Our stakeholders

Brand name

Strong customer relationships

Financial capital

Funding sources

Human capital

Alliances and associations

Technology and infrastructure

#### Deliver long-term and sustainable returns to shareholders through

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

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

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

#### Create customer value and pleasant experience through

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

#### Treat partners as equal through

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

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

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

#### INVESTORS



#### EMPLOYEES



#### CUSTOMERS



#### BUSINESS PARTNERS



#### COMMUNITY



## 5-YEAR FINANCIAL HIGHLIGHTS

### 5-YEAR FINANCIAL PERFORMANCE

	2021	2020	2019	2018	2017
<b>FOR THE YEAR (\$'000)</b>					
Revenue	245,341	196,817	310,689	336,108	355,964
Profit before tax	84,115	59,887	42,038	135,608	68,137
Income tax expense	(2,295)	(1,356)	(9,359)	(4,178)	(5,269)
Profit after tax	81,820	58,531	32,679	131,430	62,868
Profit attributable to:					
Shareholders of the Company	83,662	59,009	33,213	131,537	62,756
Non-controlling interests	(1,842)	(478)	(534)	(107)	112
	81,820	58,531	32,679	131,430	62,868
<b>AT YEAR-END (\$'000)</b>					
Property, plant and equipment	496,056	407,590	412,712	425,944	446,749
Right-of-use assets	239	266	250	-	-
Investment properties	1,342,245	1,452,351	1,778,168	1,742,662	1,592,687
Development properties	241,611	303,815	344,611	353,091	186,433
Investments in equity accounted investees	143,840	152,547	137,863	117,914	93,185
Cash and cash equivalents	405,044	274,392	172,274	133,007	216,843
Other assets	135,293	552,710	151,464	139,329	104,323
Total assets	2,764,328	3,143,671	2,997,342	2,911,947	2,640,220
Shareholders' funds	1,250,200	1,160,067	1,104,963	1,088,357	987,335
Non-controlling interests	14,217	13,431	14,110	14,672	10,628
Total borrowings	1,352,728	1,464,953	1,711,332	1,630,441	1,458,120
Other liabilities	147,183	505,220	166,937	178,477	184,137
Total liabilities and equity	2,764,328	3,143,671	2,997,342	2,911,947	2,640,220
<b>FINANCIAL RATIOS</b>					
Return on assets <sup>1</sup>	2.8%	1.9%	1.1%	4.7%	2.6%
Return on shareholders' funds <sup>2</sup>	6.9%	5.2%	3.0%	12.7%	6.6%
Interest coverage ratio <sup>3</sup>	3.6x	2.5x	2.0x	3.8x	2.8x
Gross gearing <sup>4</sup>	1.07x	1.25x	1.53x	1.48x	1.46x
Net gearing <sup>5</sup>	0.75x	1.01x	1.38x	1.36x	1.24x
<b>SHAREHOLDERS' RETURN</b>					
Earnings per share (cents)	7.0	5.0	2.8	11.1	5.3
Net asset value per share (cents)	104.0	97.7	93.1	91.7	83.2
Dividend per share <sup>6</sup> (cent)	0.7	0.6	0.6	0.9	0.6
Total dividend payout (\$'000)	8,411	7,125	7,117	10,678	7,122

Definitions:

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



## CORPORATE STEWARDSHIP

### MESSAGE TO SHAREHOLDERS

“Indeed, our **POSITIVE PERFORMANCE** in 2021 was a continuation of the **STRENGTH AND RESILIENCE** demonstrated in 2020 and we believe that it has **LAID A SOLID FOUNDATION FOR OUR FUTURE GROWTH** as we transformed into a **STRONG REGIONAL REAL ESTATE PLAYER.**”

from left to right:

**William Nursalim alias William Liem**  
Chief Executive Officer

**Richard Eu Yee Ming**  
Chairman



Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present Tuan Sing's Annual Report and Financial Statements for the year ended 31 December 2021 ("FY2021").

#### FY2021 Financial Performance

The COVID-19 pandemic, which persisted into its second year in 2021, has continued to impact businesses and industries around the world. However, we are thankful and pleased that Tuan Sing was able to deliver another year of exceptional financial performance, despite the challenges and disruptions to businesses brought by the pandemic.

The Group achieved a healthy net profit attributable to shareholders of S\$83.7 million, an increase of 42% compared with a year ago. Revenue rose 25% to S\$245.3 million compared with S\$196.8 million in FY2020. This translated to a higher earnings per share of 7.0 cents in FY2021, compared with 5.0 cents the year before.

Our financial position further strengthened in 2021. Cash and cash equivalents stood at S\$405.0 million as at 31 December 2021, representing an inflow of S\$130.6 million since 31 December 2020. Net gearing level reduced to 0.75x as at 31 December 2021, from 1.01x a year ago.

#### Strength and Resilience in A Pandemic Year

Indeed, our positive performance in 2021 was a continuation of the strength and resilience demonstrated in 2020 and we believe that it has laid a solid foundation for our future growth as we transformed into a strong regional real estate player.

With the pandemic into its second year along with the disruptions it wrought, we continued to deliver on our real estate projects. Salute to the execution team.

In Singapore, we seized the opportunity to acquire a choice piece of freehold property along Dunearn Road which is located next to our commercial property, Link@896. The adjacency of both properties should present us with several options for optimal redevelopment in the Bukit Timah-Dunearn area.

In Indonesia, the launch of our flagship Opus Bay project in Batam was definitely the highlight of the year. We also made our first foray into the retail platform by establishing a joint venture with a subsidiary of Mitsubishi Estate Asia to develop an international luxury outlet mall in Karawang, a fast-growing economic hub connecting Indonesia's capital and its third-largest city Bandung.

In Australia, planning for the redevelopment of the Grand Hyatt Melbourne complex is on-going, with the aim of creating an iconic mixed-use development to enhance the asset values and bring in incremental recurring income.





### Prudent Financial Management

Projects aside, we continued to exercise discipline in our cash flow and treasury management. We believe that this is one of the important elements to transforming the Group into a leading regional player.

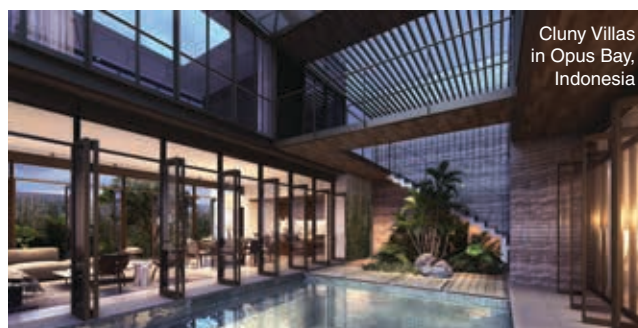
During the year, we recycled capital through a partial divestment of Gultech (Jiangsu) Electronics Co., Ltd, a subsidiary of our associate company. We sold a 17.5% stake, allowing us to onboard three leading private equity investors with proven track records in the pre-IPO space. Gultech Jiangsu is undergoing a strategic review of its business, including the possibility of a potential listing in China.

This divestment together with the successful sale of 39 Robinson Road at a significant gain in June is in line with our plan to strengthen the Group's balance sheet and focus on our core real estate business in the region.

Towards the end of the year, we raised S\$200 million through a bond issue under Tuan Sing's S\$900 million multicurrency medium term note programme. The issue received strong support despite uncertain market conditions and the ongoing COVID-19 pandemic and was one of the largest for mid-cap companies during the year. Part of the proceeds was used to redeem the existing S\$65 million notes, with the balance to be used to fund future development and investments.

### Rewarding Shareholders

To reward shareholders for the strong performance, the Board has proposed a first and final one-tier tax exempt dividend of 0.7 cent per share, an increase of 17% from FY2020. If approved at the Annual General Meeting ("AGM") on 28 April 2022, it will be paid on 28 June 2022. Shareholders may also elect to receive their dividend in the form of shares under the Scrip Dividend Scheme.



### Appreciation

Finally, we would like to register our sincerest appreciation to the Tuan Sing Board of Directors for their insightful leadership, guiding the Group through another year of challenges amidst an ongoing pandemic environment. On behalf of the Board, we wish to thank the leadership team of the organisation and all employees of the Group across our network for their hard work, resilience and commitment in helping the Group achieve another year of continued good performance despite the challenges presented by the pandemic.

We would also like to express our grateful thanks to the Group's shareholders and partners for their ongoing support and to our customers for the opportunity to deliver quality products to them. We wish to assure all stakeholders that we will continue to strive to maintain your support and trust in the years ahead as well.

Stay safe and well.

**Richard Eu Yee Ming**  
Chairman

**William Nursalim alias William Liem**  
Chief Executive Officer

## CORPORATE STEWARDSHIP

### DIRECTORS' PROFILE

#### RICHARD EU YEE MING, PBM

Chairman  
Non-Executive &  
Independent Director

Date of first appointment  
as Director: 19 August 2019

Date of appointment  
as Chairman: 24 February 2021

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



#### Served on the following Board committees:

- Nominating Committee (Chairman)
- Audit and Risk Committee (Member)
- Remuneration Committee (Member)

#### Academic and professional qualification

- Bachelor of Laws (LL.B) Hons, University of London

#### Present directorship in other listed companies

- SUTL Enterprise Limited (listed on SGX-ST)

#### Present principal commitments

(other than directorships in other listed companies)

- Eu Yan Sang International Limited (Non-Executive Group Chairman, Non-Executive Director)
- Vanda Global Capital Pte. Ltd. (Director)
- Dragonfly Education Group Pte. Ltd. (Director)
- Thye Hua Kwan Moral Charities Limited (Director)
- Nippon Life India Asset Management (Singapore) Pte. Ltd. (Director)
- Singapore University of Social Sciences (Pro-Chancellor)

#### Background and working experience

- Various senior positions in the company now known as Haw Par Corporation Ltd

- Assistant to Managing Director, Hong Kong Television Broadcasts Ltd
- Dealer, J Ballas & Co. Pte Stockbrokers
- Managing Director of Dataprep (Singapore) Pte Ltd
- Corporate Planning Manager and Company Secretary of Metro Holdings Ltd
- Managing Director of Intervest Capital Management Pte Ltd
- Key appointment holder for Eu Yan Sang Group from 1989, appointed Group CEO in 2002 and Chairman from 2017

#### Award

- 2003 - Entrepreneur of the Year Award, Singapore, Master Category, Ernst & Young
- 2007 - Honorary Fellow, Marketing Institute of Singapore
- 2010 - Best Chief Executive Officer Award (companies with market capitalisation less than S\$300 million) at the Business Times Singapore Corporate Awards
- 2011 - Ernst & Young Entrepreneur of the Year, Singapore, represented Singapore at the World Entrepreneur of the Year Awards
- 2019 - Spirit of Enterprise – Nexia TS Entrepreneurship Award
- 2020 - Public Service Medal (Pingat Bakti Masyarakat), Singapore National Day Awards 2020

#### WILLIAM NURSALIM ALIAS WILLIAM LIEM

Chief Executive Officer  
Executive Director

Date of first appointment  
as Director: 15 January 2004

Date of appointment as  
Chief Executive Officer: 1 January 2008

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

Proposed for re-election  
at the AGM on 28 April 2022



#### Served on the following Board committee:

- Nil

#### Academic and professional qualification

- Bachelor of Science in Business, University of California, Berkeley
- Master of Business Administration, Massachusetts Institute of Technology

#### Present directorship in other listed companies

- SP Corporation Limited (listed on SGX-ST)

#### Present principal commitments

(other than directorships in other listed companies)

- Gul Technologies Singapore Pte. Ltd. (Director)
- Nuri Holdings (S) Pte Ltd (Director)

#### Background and working experience

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

#### Award

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



**CHENG HONG KOK**

**Non-Executive & Independent Director**

Date of first appointment as Director: 15 August 2017

Date of last re-election as Director: 23 April 2021



**Served on the following Board committees:**

- Remuneration Committee (Chairman)
- Nominating Committee (Member)

**Academic and professional qualification**

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

**Present directorship in other listed companies**

- SP Corporation Limited (listed on SGX-ST)

**Present principal commitments**

(other than directorships in other listed companies)

- Nil

**Background and working experience**

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

**OOI JOON HIN**

**Non-Executive & Independent Director**

Date of first appointment as Director: 7 May 2021

Proposed for re-election at the AGM on 28 April 2022



**Served on the following Board committees:**

- Audit and Risk Committee (Chairman)

**Academic and professional qualification**

- Master of Science in Management, Massachusetts Institute of Technology
- Master of Science in Accounting, New York University
- Bachelor of Arts in Engineering Sciences (Magna cum Laude), Dartmouth College

**Present directorship in other listed companies**

- Nil

**Present principal commitments**

(other than directorships in other listed companies)

- Millennia Investment Management Pte Ltd (Managing Director and Co-founder)
- Areca Partners Limited (Director)
- Millennia China Technology Pte. Ltd. (Director)

- Haciendas Pte. Ltd (Director)
- Haciendas DC Fund GP Pte Ltd (Director)
- Haciendas DC Fund Pte Ltd (Director)
- Millennia-VFT Ventures Pte. Ltd (Director)
- NACT Engineering Pte Ltd (Director)
- Millennia Capital Limited (Director)
- Millenia Asset Management (Wuhan) Co., Ltd (Director)
- Millenia Internet Capital Pte Ltd (Director)

**Background and working experience**

- Various senior positions at Lehman Brothers as Senior Vice President and Co-head of Lehman Brothers Asia Energy Group from 2001 to 2002, with responsibility for the energy and power sectors in Asia Pacific and before that, from 1998 to 2000, as Vice President of corporate finance execution for the Southeast Asian investment banking team
- Senior accountant, Grant Thornton in New York

**MICHELLE LIEM MEI FUNG**

**Non-Executive & Non-Independent Director**

Date of first appointment as Director: 5 April 2001

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



**Served on the following Board committees:**

- Audit and Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

**Academic and professional qualification**

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

**Present directorship in other listed companies**

- Nil

**Present principal commitments**

(other than directorships in other listed companies)

- Honorary Consul, Consulate of the Grand Duchy of Luxembourg in Singapore
- Nuri Holdings (S) Pte Ltd (Managing Director)

- Habitat Properties Pte Ltd (Managing Director)
- Giti Tire Pte. Ltd. (Director)
- GT Asia Pacific Holdings Pte Ltd (Director)

**Background and working experience**

- Director, management and corporate finance role in investment, property, manufacturing, retail and trading companies

**Membership and others**

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

**Award**

2016 - The Public Service Medal by the President of Singapore

## CORPORATE STEWARDSHIP MANAGEMENT PROFILE



### **MR TAN CHOONG KIAK**

#### **Group Chief Financial Officer**

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



### **MS PEGGY WONG**

#### **General Counsel**

Ms Wong joined Tuan Sing in 2017 as General Counsel and is responsible for the Group's legal and compliance matters. She brings with her extensive experience accumulated from working across a full spectrum of legal work in private practice and in-house positions encompassing real estate development, manufacturing, asset management and investment holdings. She has a strong track record in cross-border transactions and has held leadership positions with management responsibilities in corporate governance and change management. She holds a Bachelor of Laws degree from the University of Canterbury and is a Barrister and Solicitor of the High Court of New Zealand.



### **MR ALEXANDER LOH KIM LENG**

#### **Director, Group Human Resources**

Mr Loh is currently Director, Group Human Resources with more than 20 years of experience across a full spectrum of human resource management. In his role, he leads a regional HR team in reinforcing strong company culture, creating and leading employee engagement and development programs, and implementing reward and talent management strategies that support the achievement of business goals and objectives. He holds a Bachelor of Business Administration degree in Human Resource Management from La Trobe University, Australia.



### **MR PATRICK TAN BOON CHEW**

#### **Head, Asset And Fund Management**

Mr Tan joined Tuan Sing in April 2018 and has more than 32 years of experience in real estate development, asset and fund management. He held prior senior appointments in various reputable real estate companies and fund management establishments, where he was tasked with acquiring and divesting, developing, managing and marketing projects (including residential, commercial, hotel, industrial and mixed-use developments) in Asia. He holds a Bachelor of Science (Honours) degree in Building Economics and Quantity Surveying, a Master of Science in Project Management and a Master of Applied Finance degree. He is also professionally qualified as a member of the Singapore Institute of Surveyors and Valuers and as a Member of the Singapore Society of Project Managers.



### **MR NICK NG CHOONG HOW**

#### **Senior Vice President, Business Development**

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



### **MR JAMES ONG JOO LIM**

#### **Senior Vice President, Sales, Leasing And Marketing**

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



**MR CHONG TEIK YEAN**

**Senior Vice President, Projects**

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



**MR TAN CHEE WEE**

**Vice President, Procurement/Projects**

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



**MR BOSTON LOI TECK HAN**

**Director, Construction Management**

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



**MR ONG SOON ANN**

**Vice President, Property Management & Maintenance**

Mr Ong joined Tuan Sing in May 2020 and provided Mechanical & Electrical support for all ongoing projects. He is currently leading the Property Management department. He has more than 20 years of property management experience in office and retail environment. He holds a Bachelor's Degree in Mechanical and Production Engineering from Nanyang Technological University and a Diploma in Marine Engineering from Singapore Polytechnic. He is also a Singapore Certified Energy Manager and a Green Mark Professional.



**MR THIVA KESAVAN**

**Vice President, Hospitality (Operations)**

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



**MR KEN YEO AIK HUI**

**Vice President, Regional Projects**

Mr Yeo joined Tuan Sing in April 2021, heading the Regional Projects portfolio. He has more than two decades of experience in real estate development and project management. He held prior senior positions at other real estate companies, where he led residential, hospitality and mixed development (high rise) projects in the region. He holds a Bachelor of Civil Engineering (Honours) from Nanyang Technological University.



**MR KENNY TAN CHING YEEN**

**Vice President, Information Technology**

Mr Tan joined Tuan Sing in March 2021. He has more than 25 years' experience in IT strategy, consulting, engagement and implementation of innovative solutions for public and commercial sectors. He leads the Group's regional IT team in digital transformation initiatives and implementation of innovative solutions for the Group. Before joining Tuan Sing, he held senior positions in various companies including IBM, Fujitsu, Accenture-Avanade, NCS, Motorola and Health Promotion Board. He holds a Bachelor of Science (Computer Science) degree from National University of Singapore. He is also a certified Project Management Professional (PMP) with Project Management Institute.



## CORPORATE STEWARDSHIP AWARDS & ACCOLADES

### RECOGNITION FOR

### CORPORATE GOVERNANCE AND TRANSPARENCY

#### Securities Investors Association (Singapore) Investors' Choice Awards (Mid Capitalisation Category)

- 2021 Winner of **Most Transparent Company Award – Real Estate**
- 2021 Runner-up of **Singapore Corporate Governance Award**
- 2019 Winner of **Shareholder Communications Excellence Award**
- 2019 Runner-up of **Singapore Corporate Governance Award**

#### Singapore Governance and Transparency Index Ranking

- 2021 (Top 4%) - 23<sup>rd</sup> place amongst 519 listed companies
- 2020 (Top 3%) - 17<sup>th</sup> place amongst 577 listed companies
- 2019 (Top 2%) - 11<sup>th</sup> place amongst 578 listed companies

#### Singapore Corporate Awards

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

### RECOGNITION FOR

### BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

#### 18 Robinson, Singapore

- 2022 BCA **Green Mark Award Platinum** – Green Mark for Existing Non-Residential Buildings
- 2021 BCA **Construction Excellence Award (Merit)**
- 2021 Council on Tall Buildings and Urban Habitat (CTBUH) – **Award of Excellence Winner for Best Tall Building 100-199 meters and Urban Habitat – Single Site Scale**
- 2020 BCA Construction Quality Assessment System – **CONQUAS STAR rating**
- 2020 BCA Universal Design (UD) **Gold<sup>PLUS</sup> Award**
- 2019 Singapore Landscape Architecture Awards 2019 – **Silver award (Commercial and Industrial Landscape)**

#### BCI Asia Awards

- **2022 Top Ten Developers Awards**

### RECOGNITION FOR

### CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

#### Grand Hyatt Melbourne, Australia

- 2021 Business Traveller Asia-Pacific Awards – **Best Business Hotel in the World; Top 3 Best Business Hotel Brand in Asia-Pacific; Top 3 Best Business Hotel in Melbourne**
- 2021 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence – **Outstanding Achievement in Training & Development; Front Office Services Employee of the Year**
- 2021 Travel & Leisure World's Best Awards – **Top 5 City Hotels in Australia and New Zealand**
- 2020 Business Traveller Asia-Pacific Awards – **Best Business Hotel in Melbourne; Best Business Hotel Brand in the World; Top 2 Best Business Hotel Brand in Asia Pacific**

- 2019 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence – **Outstanding Community Service Achievement; Outstanding Achievement in Training; Excellence in Innovation; Sales Employee of the Year; Back of House Employee of the Year**
- 2019 Spice Hot 100 Hotels, Resorts & Venue Awards
- 2019 Australian Hotels Association (AHA) National Awards for Excellence – **Best Outstanding Achievement in Training**
- 2019 Business Traveller Asia-Pacific Awards – **Best Business Hotel in Melbourne; Best Business Hotel Brand in the World – Grand Hyatt**
- 2019 World Luxury Hotel Awards – **Australasia's Luxury City Hotel**
- 2019 Jay Pritzker Award for **Global General Manager of the Year, Hyatt worldwide**

#### Hyatt Regency Perth, Australia

- 2021 WA Perth Airport WA Accommodation Awards – **Food & Beverage Award; Hotel Housekeeping Award and Hotel Engineering and Maintenance Award**
- 2021 WA Australian Hotels Association – **Service to Australia Award**
- 2019 WA Catering Institute of Australia Gold Plate Awards – **Excellence in Health and High Tea**
- 2019 WA Perth Airport WA Accommodation Awards for Excellence – **Hotel Conference and Events Award; Hotel Housekeeping Award and Hotel Engineering and Maintenance Award**



#### KEY DEVELOPMENTS IN 2021

The pandemic notwithstanding, we pushed hard during the year to continue the progress of several quality projects under development in Singapore and overseas. We also undertook several corporate exercises, aimed at creating value and strengthening our financial position.

In **SINGAPORE**, we obtained temporary occupation permit for Kandis Residence in March. This residential project, which was designed by Ong & Ong, is set in a tranquil enclave in the Northern corridor and a stroll away from Sembawang park which overlooks the Johor Strait. It offers 130 residential units ranging from one-to-three bedrooms.

In April, we launched the sales of Peak Residence, another development property in Singapore. This 90-unit project sits in the exclusive Thomson district on a charming peak with views of the valley beyond. It is scheduled for completion in 2024.

We also seized on an opportunity to expand and enhance the prospects for the future re-development of Link@896 along Dunearn Road by acquiring an adjacent property of 1,592 square metres for S\$56 million. This enlarged site will yield a regular-shaped land parcel which is ideal for more efficiency planning with wider and improved visibility along Dunearn Road and Bukit Timah Road.

Meanwhile, in **INDONESIA**, we soft launched the sale of our 559-unit Balmoral Tower and 50 Cluny Villas in February 2021. These two residential properties are part of our flagship Opus Bay project in Batam, which is being developed in phases into an integrated township comprising residential living, with related facilities offering retail, F&B, hotel, tourist attractions, international schools and medical centres.

During the year, we also established a joint venture with a subsidiary of Mitsubishi Estate Asia to develop a property in Karawang, east of Jakarta, into an international luxury outlet mall with a leasable area of approximately 26,000 square metres. The outlet mall is envisioned to be a world class shopping destination, where visitors can revel in retail therapy set in green urban spaces. Work on this project is scheduled to commence in 2Q 2022 with a target opening date in 4Q 2023.

In **AUSTRALIA**, as expected, business at Grand Hyatt Melbourne was impacted due to intermittent lockdowns during the year. With Australia opening its borders to international travellers in February, we expect demand to pick up this year. We are also pushing ahead with the planning for the re-development of the Grand Hyatt Melbourne complex which when completed will position it as an iconic mixed-use development comprising premium office space, luxury retail and dining experience and an upper-scale hospitality business in Melbourne. In Perth, asset enhancement work at the Hyatt Regency Hotel complex has commenced in earnest and we hope to complete the project in phases over the next 2-3 years.

#### GLOBAL OUTLOOK

The ongoing pandemic notwithstanding, the current investment environment is characterised by abundant core capital and a flight-to-safety mindset which will benefit established key cities that continue to be an attractive destination for investors. And we are represented in some of these key cities, such as Singapore and Melbourne.

We are closely monitoring several new and growing trends in the real estate sector with a view to reposition our businesses to these changing environments and seize any new opportunities that may arise.



The Grand Outlet - East Jakarta, Indonesia

## MANAGEMENT DISCUSSION AND ANALYSIS

### CEO'S REVIEW OF OPERATIONS



Peak Residence, Singapore

Green and sustainability are essential features for real estate assets. At Tuan Sing, we are committed to be socially responsible by incorporating sustainable elements in our new projects and existing developments.

We are also looking into how the adoption of hybrid work arrangements will impact the future of office space and people's expectations for their space at home and reposition our assets to meet those new requirements.

Another area of note is e-commerce which is expected to see continued growth coming out of the COVID-19 pandemic. This will benefit logistics real estate which will continue to see more need for space to accommodate the growth. Retail assets will also continue to be challenged by the growth of e-commerce which increases the importance of high-quality assets in good locations and unique offerings.



Kandis Residence,  
Singapore

#### HUMAN CAPITAL

We continue to invest in our human capital to build a strong management team and work force to cultivate capabilities to enable all our staff to meet future growth and its challenges. In creating a win-win work environment, we hope to allow our employees to better grow and develop their full potential within the organisation.

#### IT CAPABILITIES

For our residential and commercial projects, we have introduced technological improvements for SMART Homes to each new residential project, beginning with Kandis Residence to the latest Peak Residence. Community applications have been improved to promote contactless transactions, along with contactless entry using facial recognition technology in our commercial properties.

#### COLLABORATIONS/PARTNERSHIPS

As part of our transformation journey into a regional real estate player, the Group is constantly looking for strategic partners to complement our expertise and to expand our footprints to seize growth opportunities in key cities in China, Indonesia and Australia where we already have a significant presence.

Looking ahead, we will continue to leverage on our knowledge, expertise, networks of partners and coupled with entrepreneurial spirit, human capital, strong balance sheet to deliver high quality developments in the region and to generate stronger and sustainable returns over time.

**William Nursalim alias William Liem**  
Chief Executive Officer





Aerial view of Opus Bay, Indonesia

## Overview

Tuan Sing Holdings Limited is a regional real estate company focused primarily on real estate investment, real estate development and hospitality. Over the years, the Group has developed a portfolio of strategically located real estate assets in Singapore and across the region and has established a reputation for delivering high quality and iconic developments.

Effective from 2021, the Group reorganised its business segments by segregating the development and investment arms of the Property segment. The five business segments are: (i) Real Estate Investment; (ii) Real Estate Development; (iii) Hospitality (formerly known as Hotels Investment); (iv) Industrial Services and (v) Other Investments.

### REAL ESTATE INVESTMENT

The Real Estate Investment segment focuses on the investment in properties in Singapore, Australia, Indonesia and China. The Group's main investment properties are 18 Robinson, Link@896 and The Oxley in Singapore; and commercial buildings in Melbourne and Perth, which are respectively adjacent to its two hotels, Grand Hyatt Melbourne and Hyatt Regency Perth. Robinson Point in Singapore was divested in June 2021.

### REAL ESTATE DEVELOPMENT

The Real Estate Development segment focuses on the development of properties for sale in Singapore and Indonesia. Having sold most of its completed development properties in Singapore, the Group has embarked on regional development opportunities in Batam, Indonesia and Sanya, China. The Group's ongoing development properties are Mont Botanik Residence and Peak Residence in Singapore and Opus Bay in Batam.

### HOSPITALITY

The Hospitality segment comprises two hotels in Australia, namely the Grand Hyatt Melbourne and Hyatt Regency Perth, which are managed by Hyatt International. The two hotels are located in the prime areas of Melbourne and Perth respectively, and cater to the business and high-end tourism sectors of the respective cities they are located in.

### INDUSTRIAL SERVICES

The Industrial Services segment includes an 80.2% equity stake in SP Corporation Limited ("SP Corp"), a SGX-ST listed company, and a 100% equity stake in Hypak Sdn. Bhd. ("Hypak"). SP Corp is primarily engaged in commodities trading, while Hypak is in the business of manufacturing and marketing of polypropylene packaging bags in Malaysia.

### OTHER INVESTMENTS

Other Investments segment comprises a 44.5% equity interest in Gul Technologies Singapore Pte. Ltd. ("GulTech") and a 49% equity interest in Pan-West (Private) Limited ("Pan-West"). GulTech is a printed circuit board manufacturer with three plants in China. Pan-West is a retailer of golf-related lifestyle products.



## REAL ESTATE INVESTMENT

Revenue from Real Estate Investment was \$52.7 million for 2021, a decrease of 4% from \$54.8 million for the previous year. The lower revenue was due mainly to lower contribution from Robinson Point which was disposed of in June 2021, partially offset by higher contribution from investment properties in Singapore. Overall, the Group achieved improved occupancies and average gross rental rates for its Singapore investment property portfolio. Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") for 2021 was \$31.8 million, a decrease of 28% from \$44.2 million for the previous year. The decrease was due mainly to the absence of the reversal of accruals for development costs previously capitalised in 2020.

### SINGAPORE

According to the 4th quarter 2021 statistics released by Urban Redevelopment Authority ("URA"), the office rental index rose by 1.9% in 2021, reversing from an 8.5% decline in 2020. Office rents in the Central Business District are trending upwards on the back of an improving economy as well as a demand in office space driven by technology and financial firms and by tenants displaced by office assets undergoing redevelopment. The office rents rose by 0.6% quarter-on-quarter in the 4th quarter of 2021, the 3rd consecutive quarterly increase. The Group expects the upward trend in office rents to continue in 2022, underpinned by the strong rebound in economy and office demand amid the tightening supply.



Facade of 18 Robinson, Singapore

**18 Robinson** is a premium commercial building comprising office and retail spaces situated at the prominent junction of Robinson Road and Market Street (diagonally opposite Lau Pau Sat). It obtained its TOP in January 2019. The building comprised approximately 17,738 square metres of net lettable area. Designed by Kohn Pedersen Fox Associates in conjunction with Architects 61, the premium commercial building comprises a tower from the 10th to 28th storey and a podium from the ground to 7th storey and has a sky terrace level with six basement levels. The podium comprises a mix of retail, food and beverage and office spaces, while the tower comprises mainly office spaces located on the 10th to 27th storey (save for 25th storey) and retail and food and beverage spaces on the 28th storey. The basement levels consist of one basement level of vehicular drop-off and car lift access and five basement levels of an automated guided vehicle car parking system. 18 Robinson was rated “CONQUAS Star” by the BCA under its Construction Quality Assessment System in 2020.

18 Robinson features urban windows revealing its interior functions and serves to connect with the street activities. For occupiers on all office floors, the low-iron glass facade provides a sweeping, all-around panorama of city vistas and marina views. Some of the building’s energy-and-water saving features include the use of energy-efficient variable-speed drives in the air-conditioning system and the extensive use of LED lighting throughout the building, reflecting the Group’s green and sustainability features.

The building also has passive energy-saving design features including a curtain wall facade system that uses low-emissivity, double-glazed insulating glass units to minimize heat gain into the building. Equipped with a fully automated carpark system that uses a battery-powered automated guided vehicle system, 18 Robinson employs a laser-guided positioning system instead of conventional automatic parking systems that require conveyor belts to transport the cars.

18 Robinson was awarded the BCA Green Mark Gold<sup>PLUS</sup> rating for the numerous green features that have been incorporated into the design of the building. In March 2022, upon renewal of the Green Mark certification, the rating was upgraded from Gold<sup>PLUS</sup> to Platinum. This was achieved through the fine-tuning of our existing plants to further improve efficiency.



Private event space at 18 Robinson

**Link@896** (formerly “896 Dunearn Road”) is a commercial building located opposite King Albert Park MRT and is situated on a part-freehold, part-999-year leasehold site of 13,089 square metres with an allowable gross plot ratio of 1.8 and a maximum permissible gross floor area of 23,560 square metres. Acquired in June 2017, it is a five-storey building comprising approximately 18,048 square metres of net lettable area, with a mixture of retail and office tenancies. The Group refreshed the tenancy mix by introducing more sports/wellness, lifestyle, retail and food and beverage tenants through additions and alteration works which were substantially completed in 2021.

In August 2021, the Group successfully tendered for a freehold site at 870 Dunearn Road which is located next to and shares the same boundary as Link@896. The acquisition is expected to complete in May 2022. Combined together, these two properties will result in an enlarged site that will yield a regular-shaped land parcel ideal for more efficiency planning with wider frontage and improved visibility along Dunearn Road and Bukit Timah Road. Evaluation for the potential redevelopment of these two properties is ongoing.

**The Oxley** is a freehold 10-storey mixed commercial-cum-residential building located along Oxley Rise, which lies in the prime District 9, and is just a few minutes’ walk away from the entertainment, shopping and hotel belt of Orchard Road. The building includes a podium block that houses commercial premises from the 1st to 3rd storey, a tower block with residential units from the 4th to 10th storey, and a three-storey basement car park. The Group was the developer of the building and currently owns the three-storey commercial space. The first and second floors are leased out to the Group’s major shareholder, while the third floor currently houses Tuan Sing’s corporate headquarters.

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

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



## REAL ESTATE INVESTMENT



Grand Hyatt Melbourne, Australia

### AUSTRALIA

The Group has commercial and retail buildings in Melbourne and Perth which are adjacent to its two hotels, Grand Hyatt Melbourne and Hyatt Regency Perth respectively. The Group also owns 2 land plots adjoining the Hyatt Regency Perth complex.

#### MELBOURNE

In Melbourne, rents for prime Collins Street retail space have generally remained stable despite the impact of COVID-19 due to the low vacancy levels and ongoing demand for luxury boutiques in this location. Further, throughout the pandemic the global luxury brands have continued to perform strongly with many continuing to see strong revenue growth which is supporting existing rental levels and continuing to sustain a close to 0% vacancy level in the immediate precinct. While there is evidence suggesting that incentives have increased across the

market to counteract an increase in CBD retail vacancy and to attract tenants to commit to take new space, retail space within the immediate locality remains in strong demand and as such it is expected that current rental levels will be retained moving forward.

**Commercial Centre and Carpark within Grand Hyatt Melbourne complex** located at 123 Collins Street consists of three flagship luxury boutique retail tenancies fronting Collins Street, two retail tenancies fronting the Grand Hyatt Melbourne port-cochere (with return driveway to Russell Street), a basement hospitality tenancy space and a basement carpark with 589 parking bays. The tenancies occupy a total lettable area of 3,024 square metres. Some of the luxury and high-end stores in the hotel's shopping complex include Bvlgari, Paspaley Pearls and Giorgio Armani. In 2021, the Group achieved an average occupancy rate of 98%. The Group has self-managed the carpark since October 2020.

**25 George Parade** In late 2020, the Group acquired an adjoining property to the Grand Hyatt Melbourne complex comprising a standalone retail area of 135 square metres on a prime landholding of 160 square metres.

The Group is evaluating to redevelop its Melbourne properties into an iconic mixed-use development comprising premium grade office space, luxury retail and dining experiences as well as upper-upscale hotel/serviced residences.





The integrated development in Sanya, China

## PERTH

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

**Commercial Centre and Carpark within Hyatt Regency Perth complex** located at 99 Adelaide Terrace comprises a three-level office, two basement levels of carpark with 883 parking bays and a retail component. The commercial centre faces Terrace Road and Plain Street and overlooks the picturesque Swan River. It has a total lettable area of 19,585 square metres (excluding carpark), of which 77% has been occupied by Fortescue Metal Group.

### 2 vacant land, 10 & 40 Terrace Road

The Group owns 2 land parcels totalling 3,072 square metres which adjoin the Hyatt Regency Perth complex and are slated for future development.

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

## INDONESIA

### The Grand Outlet – East Jakarta

The Group has established a 50:50 joint venture with Mitsubishi Estate Co., Ltd. to develop an international luxury outlet mall in Karawang – a fast growing economic hub connecting Indonesia's capital city Jakarta and third-largest city Bandung. Construction is scheduled to commence in the second quarter of 2022 with a target opening date in the fourth quarter of 2023. Upon completion, The Grand Outlet - East Jakarta will have a leasable area of approximately 26,000 square metres, featuring approximately 180 shops with a wide variety of retail offerings and dining establishments. There will also be ample car park space for 1,000 cars and 180 motorcycles.

The Grand Outlet – East Jakarta is envisioned to be a world class shopping destination, where visitors can revel in retail therapy set in green urban spaces. The outlet mall aims to offer international luxury brands that sell high-end apparels, bags and luggage, accessories and more. Beauty seekers can get pampered from a range of holistic treatments offered by beauty salons and massage services, while diners can satiate their taste buds from a variety of gastronomic delights.

## CHINA

### No. 2950 Chunshen Road, Minhang District, Shanghai

is a three-storey commercial building occupying a land area of approximately 1,741 square metres. The leasehold building is fully leased out, with an estimated lettable area of 2,170 square metres.

### Lakeside Ville, Qingpu District, Shanghai

The Group owns six shop units and basement commercial spaces which occupy a total estimated lettable area of 3,896 square metres in the development which is within proximity to the Hongqiao Airport and the transportation hub. The Group also owns two apartment units occupying an estimated gross floor area of 634 square metres. The Group was the developer of the development which was completed in 2010.

### 55 underground carpark lots at Luyinyuan, Lane 558, Baochun Road, Minhang District, Shanghai

The Group owns an underground carpark occupying the basement of a 17-storey building. The carpark comes with an estimated area of 2,403 square metres.

## REAL ESTATE DEVELOPMENT

Revenue from Real Estate Development was \$91.7 million for 2021, an increase of 22% from \$75.2 million for the previous year. The higher revenue was mostly driven by higher progressive recognition of units sold in Mont Botanik Residence in Singapore. Despite the higher revenue, Adjusted EBIT for 2021 was a loss of \$8.2 million as compared to a profit of \$3.1 million for the previous year. The decrease was due mainly to construction delays and higher construction costs arising from

labour shortage and price hike in construction materials for residential projects in Singapore as well as higher showflat and marketing expenses related to the launch of Peak Residence in Singapore and Balmoral Tower at Opus Bay in Batam.

The Group takes pride in the high-quality premium homes it has developed over the last three decades. The attention to quality and detail, from site planning to the development of the finishes of each project,

is critical to ensuring that its products exude an outstanding yet timeless appeal. The Group also prides itself in its discerning eye for identifying and selecting world-class, renowned architects for its projects. In partnership with these professionals, the Group aims to create cutting-edge architecture using breakthrough and visually exciting designs that cater to sophisticated individuals and investors, as well as to deliver products that set new benchmarks for live-work-play concept and quality living.

Peak Residence, Singapore



### SINGAPORE

The Singapore residential market performed remarkably well in 2021 despite entering into the 2<sup>nd</sup> year of COVID-19 pandemic. According to URA statistics, developers sold 13,027 private residential units, about 31% more than 2020 where 9,982 units were transacted. The year 2021 ended with an increase in price index of 10.6% compared with a 2.2% increase in 2020. This buoyancy in the residential market resulted in the Government implementing a set of cooling measures in December 2021 due to concerns of price running ahead of economic fundamentals and possible rise in interest rates hurting the purchasers and economy at large.

With the reduction of unsold units islandwide since early 2019, and developers' aggressive land bidding for limited land supply, as seen in the Government land sales and private enbloc market, the Group will continue to monitor and evaluate the residential development opportunities in Singapore, albeit cautiously during this pandemic and uncertain environment.

**Sennett Residence** With direct connection to Potong Pasir MRT, this 99-year leasehold project truly has an address of convenience. It features 332 residential units and 3 shop units in three 19-storey and one 5-storey condominium blocks, which house a remarkable 50-metre rooftop pool, complete with gym, fitness station, clubhouse and other facilities. Designed by MKPL Architects, Sennett Residence was completed in 2016 and all the units have been sold.

**Kandis Residence** comprises one three-storey block and three seven-storey blocks, offering a total of 130 residential units, ranging from one to three-bedroom units. Designed by Ong & Ong, the project is set in a tranquil enclave in the Northern corridor and a stroll away from Sembawang park which overlooks the Johor Strait. The 99-year leasehold development is well-placed within the North Coast Innovation Corridor earmarked by the Urban Redevelopment Authority and lies just a short drive away from the Woodlands Regional Centre, the future Seletar Regional Centre and the Punggol Creative Cluster. The development obtained temporary occupation permit ("TOP") in March 2021 and is fully sold.

**Mont Botanik Residence** is a freehold condominium with 108 residential units and is distinguished by a series of communal sky gardens linking two blocks of 10-storey residential towers. It is within walking distance of the Hillview MRT Station and is surrounded by lush greenery – the neighbouring Bukit Timah Nature Reserve, Bukit Batok Nature Park and Bukit Gombak "Little Guilin". Designed by AGA Architects, Mont Botanik Residence was launched in August 2018 and is almost fully sold. The project is expected to be completed by the 4th quarter of 2022.

**Peak Residence** a freehold residential development sitting in the exclusive Thomson district on a charming peak with panoramic views. Accessibility is superb as it is located within walking distance of the Novena MRT station and the upcoming Mount Pleasant MRT station (Thomson East Coast Line) and is a minute drive away from the Pan Island Expressway. Designed by AGA Architects, the project has 90 exclusive residential units ranging from one-bedroom to four-bedroom units. The project was launched for sale in April 2021 and is expected to be completed in the first half of 2024.

Over the years, the Group has broadened its presence overseas by acquiring (a) 125 hectares of land in Batam, Indonesia, (b) a 2.26% equity stake in a potential mixed-development site on Kura Kura Bali in Bali, Indonesia, for which Tuan Sing is the lead development partner, and (c) a 7.8% equity stake in an integrated mixed-development project in Sanya, China. These development projects are expected to strengthen the Group's property portfolio and profitability in the future.

## INDONESIA

Given its close proximity to Singapore and strong domestic airlinks within Indonesia, Batam possesses strong development potential as a locale for high-quality lifestyle destination for residents and visitors. The newly enacted Omnibus Law is also expected to ease foreign ownership restrictions of residential properties and provide a boost for the property market, particularly those of the top-end residential sector.

**Opus Bay** In June 2018, the Group acquired a leasehold 85 hectares site in Batam Waterfront City through a 90% equity stake in two special purpose vehicles. The Group enlarged the land bank by acquiring an adjacent 40 hectares site a year later, to a total of 125 hectares. The two sites are currently being developed into an integrated mixed-development township project with a dedicated ferry terminal, comprising residential living and proposed facilities such as outlet mall, food and beverage, hotels with MICE facilities, offices, tourist attractions, international schools and medical facilities as well as amusement and recreational parks.

Opus Bay is an international collaboration with world acclaimed architect firm, New-York based Kohn Pedersen Fox Associates (KPF) as the master planner, Singapore-based RT+Q Architects for the apartment buildings, Ong & Ong for the exclusive villas, Park + Associates for the ferry terminal and Lead8 for the outlet mall.

The Group soft launched the sales for Balmoral Tower and Cluny Villas in the first quarter of 2021. The 37-storey Balmoral Tower has 559 residential units, which are made up of studio, one-bedroom and two-bedroom units while Cluny Villas comprises 227 detached villas, of which 51 villas have been launched for sale.

**Land in Kura Kura Bali** The Group acquired a 2.26% equity interest in Goodwill Property Investment Limited ("GPI") in 2019, with the aim of seeking opportunities to grow its portfolio of well-located assets in Indonesia. GPI owns 80% of PT Bali Turtle Island Development, a developer in Indonesia that owns approximately 500 hectares of land in Kura Kura Bali ("KKB") (formerly known as Serangan Island), located at Turtle Island in the South Eastern part of Bali. KKB is easily accessible from popular resort destinations and is just a 15-minute drive away from Denpasar International Airport. The Group is the lead development partner in this integrated development. Infrastructure works for Phase 1 comprising roads, bridges, foot path, power, telecommunication and storm water have been completed, leading on to sub developments of potential projects which include retail, hotels, condotel and apartments.

## CHINA

**Land at Yuxiu Road and Hairun Road** The Group has an equity interest of 7.8% in Sanya Summer Real Estate Co., Ltd ("SSRE"), a Hainan-based property development company which owns two plots of land in Sanya, Hainan, namely:

- (i) the land at Yuxiu Road of approximately 44,485 square metres, which is adjacent to the Sanya High-Speed Railway Station. It is currently under construction for an integrated development comprising commercial apartments, hotel and retail components with close to 2,000 carpark lots and a transportation hub. When completed in the first half of 2023, this iconic landmark is expected to yield a gross floor area of close to approximately 200,000 square metres for sale or lease.
- (ii) the land at Hairun Road of approximately 28,569 square metres. It is under design and planning for a proposed residential and commercial development, which is expected to be completed progressively in three to five years' time.

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



## HOSPITALITY



Grand Hyatt Melbourne, Australia

Revenue from Hospitality increased by 37% from \$32.8 million for 2020 to \$45.1 million for 2021 on the back of improved hotel operations in Australia largely due to Hyatt Regency Perth's quarantine business and the impact of Grand Hyatt Melbourne's contribution for the full year; Grand Hyatt Melbourne's operations were temporarily suspended from mid-April to mid-November in FY2020. Correspondingly, Adjusted EBIT improved from a loss of \$6.0 million for 2020 to a profit of \$1.4 million for 2021.

The Group owns two internationally recognised, award-winning five-star hotels, **Grand Hyatt Melbourne** and **Hyatt Regency Perth**. Both hotels are managed under the Hyatt brand name, in line with the hotel management agreement with Hyatt International. The hotel management agreement for Grand Hyatt Melbourne commenced on 8 August 1996 and expires on 31 December 2022. The Group has received expression of interest from various international luxury brand operators including that from the incumbent for evaluation and consideration and will make the appropriate announcement in relation to the matter in due course. Hyatt Regency Perth's hotel management agreement commenced on 1 July 1996 and will expire on 31 December 2026. Hyatt International has the option to extend the management agreement for Hyatt Regency Perth.

**Grand Hyatt Melbourne** is located within Melbourne's central business district, at the "Paris End" of Collins Street, with access to both Russell Street and Flinders Lane. The internationally recognised

five-star hotel, which opened in 1986 and has been extensively renovated in recent years, comprises a total of 550 guestrooms and suites over 34 levels. The hotel also features four food and beverage outlets, 15 meeting rooms, a day spa, a fully equipped health and fitness club with a swimming pool, a tennis court, a basketball court and a golf driving area. Retail space and a car park are also integrated within the Grand Hyatt Melbourne complex. The hotel achieved an average room occupancy rate of 24% in 2021, as compared to 22% in 2020. The occupancy rates in 2020 and 2021 were affected by the COVID-19 pandemic.

**Hyatt Regency Perth** is located at the eastern end of Perth's central business district, with three road frontages to Adelaide Terrace, Plain Street and Terrace Road. It commands expansive views of the Swan River. Completed in 1984, it features an integrated five-star hotel, office, retail, and parking complex, along with an adjacent commercial centre known as Fortescue Centre. The hotel comprises 367 hotel rooms and suites over the upper nine

levels. Facilities and amenities include four food and beverage outlets, 15 conference and meeting rooms and numerous recreation facilities, including an outdoor heated swimming pool and a fitness centre. It has been operating as a quarantine hotel since March 2020. The hotel achieved an average room occupancy rate of 47% in 2021, as compared to 50% in 2020. The occupancy rates in 2020 and 2021 were affected by the COVID-19 pandemic.

The reopening of Melbourne's interstate borders since November 2021 has seen an encouraging demand for rooms due to pent-up demand from local and interstate travellers and the festive season in December 2021. With the Australia's borders opening to fully vaccinated international travellers from 21 February 2022, the Group expects demand to improve in 2022.

## INDUSTRIAL SERVICES

Industrial Services posted \$59.2 million in revenue for 2021 as compared with \$37.4 million for the previous year, representing an increase of 58%. The higher revenue was mostly driven by higher coal prices from the coal trading business of SP Corp. Despite the higher revenue, Adjusted EBIT remained at a loss of \$0.6 million for 2021, which was similar to last year's. The coal trading margin was fixed based on the quantity of coal delivered and thus SP Corp did not benefit from the higher coal prices.

**SP Corp** is an 80.2% owned subsidiary listed in Singapore with primary business activity of commodities trading. The commodities trading unit primarily trades in commodities such as coal, rubber, metals and other commodities and products used by manufacturers in the energy, tyre, metal and automotive industries in Asia.

**Hypak** is a 100% owned subsidiary of the Group. It is an industrial packaging producer and supplier of polypropylene woven bags and laminated bags in Malaysia for products such as fertilisers, sugar, chemicals, flour and feed meal. Hypak owns a 99-year leasehold industrial building in Malacca, Malaysia with a land area of approximately 19,100 square metres.



SP Corp's business activities.

## OTHER INVESTMENTS

Other Investments segment comprises a 44.5% equity interest in GulTech and a 49% equity interest in Pan-West. In line with our strategic direction, the Group is not averse to disposing of its investments in these two businesses should the opportunity arises.

Profits in this segment are derived mainly from GulTech. Adjusted EBIT increased by 6% from \$25.0 million to \$26.4 million for 2021 due mainly to higher revenue and an increase in scrap sales income following the rise in material prices such as copper.

**GulTech** is a respected manufacturer in the printed circuit boards market, serving customers in the automotive, computer peripheral, consumer electronics, telecommunications, healthcare and instrument and control sectors. It has three manufacturing plants in Suzhou and Wuxi, China. Leveraging on its innovative designs and prototype expertise, GulTech continues to work in partnership with multinational clients to provide leading-edge solutions in a highly dynamic and fast-paced technological environment. Its customers include leading suppliers and manufacturers for automotive systems such as Visteon Corporation, Continental AG and Wistron Corporation.

**Pan-West** distributes golf-related lifestyle products through a variety of on-course and off-course outlets and concessionaires in Singapore. It is the exclusive distributor of some of the world's top golfing brands including Honma Golf, Cleveland Golf, Sun Mountain, Volvik, and High Definition Golf simulators. Pan-West is also an exclusive dealer for Asics Golf and Skechers Golf footwear in Singapore.



GulTech in Wuxi, China

4  
countries

SINGAPORE



18 Robinson

INDONESIA



Cluny Villas in Opus Bay

### Real Estate Investment

Name of Property	Location	Estimated Lettable Area / Gross Floor Area (square metre)	Tenure	Group's effective equity interest
<b>COMMERCIAL</b>				
18 Robinson	Singapore	17,738	999 years from year 1884 & 1885 (approx. 82% of the total land) / 99 years from year 2013 (approx. 18% of the total land)	100%
Link@896	Singapore	18,048	Freehold / 999 years from year 1879	100%
The Oxley, 1 <sup>st</sup> – 3 <sup>rd</sup> floors	Singapore	2,557	Freehold	100%
Far East Finance Building – 11 <sup>th</sup> floor	Singapore	284	999 years from year 1884	100%
2 shop units at Sennett Residence <sup>(a)</sup>	Singapore	61	99 years from year 2011	100%
Commercial Centre and Carpark within Grand Hyatt Melbourne complex	Australia	3,024 <sup>(b)</sup>	Freehold	100%
Commercial Centre and Carpark within Hyatt Regency Perth complex and 2 vacant land of 3,072 sqm	Australia	19,585 <sup>(b)</sup>	Freehold	100%
A single-storey commercial building at 25 George Parade, Melbourne	Australia	135	Freehold	100%
A three-storey commercial building at No. 2950 Chunshen Road, Minhang District, Shanghai	China	2,170	57 years from year 2008	100%
Six shop units and basement commercial spaces at Lakeside Ville, Qingpu District, Shanghai	China	3,896	70 years from year 1997	100%
55 underground carpark lots at Luyinyuan, Lane 558, Baochun Road, Minhang district, Shanghai	China	2,403	60 years from year 2005	100%
Two apartment units at Lakeside Ville	China	634	70 years from year 1997	100%
<b>INDUSTRIAL</b>				
L&Y Building (3 strata units)	Singapore	2,100	999 years from year 1885	100%

(a) The carrying amount of 2 shop units at Sennett Residence have been classified as assets held for sale as at 31 December 2021.

(b) Refers to lettable area for commercial only.



AUSTRALIA



Grand Hyatt Melbourne

CHINA



Lakeside Villa

## Real Estate Development

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

(a) Land area only. This excludes Balmoral Tower, Opus Bay and Cluny Villas, Opus Bay.

(b) Land area only.

(c) Land area only and pending renewal of expired certificate for construction site planning.

## Hospitality

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

(a) Land area refers to the whole development including commercial and carpark.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF FINANCIAL PERFORMANCE

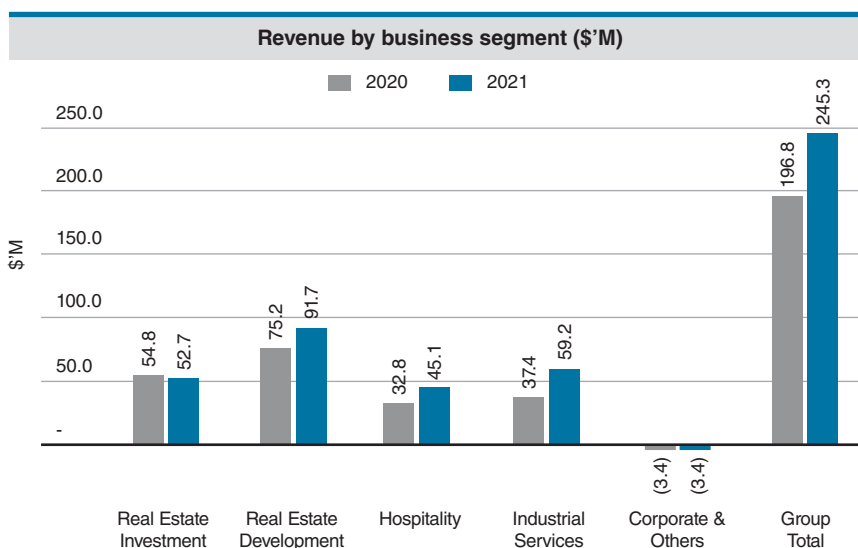
#### REVENUE

##### Revenue by business segment

The Group's revenue was \$245.3 million, an increase of 25% as compared to \$196.8 million last year. The increase was due to higher revenue from Real Estate Development, Hospitality and Industrial Services, partially offset by lower revenue from Real Estate Investment.

##### Revenue by geographical location

The Group's revenue was generated mainly from Singapore, Australia and China, contributing a combined 96% of the total revenue in both 2021 and 2020.



Revenue by geographical location	2021 \$'M	%	2020 \$'M	%
Singapore	140.0	57%	135.9	69%
Australia	61.3	25%	48.5	25%
China	35.0	14%	3.9	2%
Malaysia	9.0	4%	7.9	4%
Indonesia	-	-	0.6	*
<b>Total</b>	<b>245.3</b>	<b>100%</b>	<b>196.8</b>	<b>100%</b>

(\*) Less than 1%

#### PROFIT PERFORMANCE

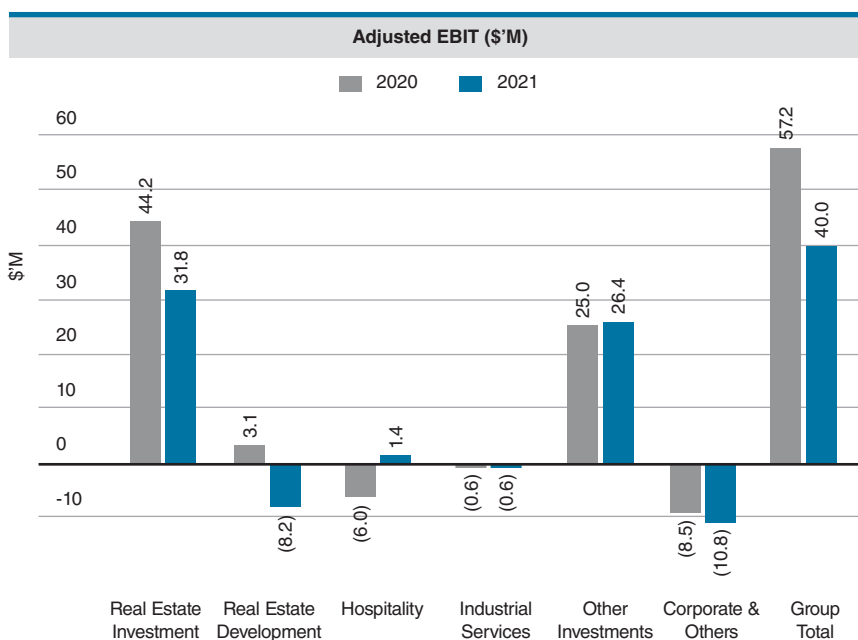
##### Adjusted EBIT by business segment

Adjusted EBIT decreased by 30% to \$40.0 million mainly due to lower contribution from Real Estate Investment and Real Estate Development, partially offset by higher contribution from Hospitality and Other Investments.

The decrease in Adjusted EBIT was mainly due to the absence of a reversal of accruals for development costs previously capitalised in 2020 under Real Estate Investment, as well as construction delays and higher construction costs for Real Estate Development projects in Singapore and higher showflat and marketing expenses related to the project launches in Singapore and Indonesia.

##### Profit after tax attributable to shareholders

Profit after tax attributable to shareholders increased by 42% to \$83.7 million due mainly to the gain on disposal of a subsidiary in Singapore.





## MANAGEMENT DISCUSSION AND ANALYSIS REVIEW OF FINANCIAL PERFORMANCE

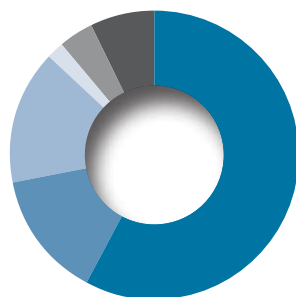
### FINANCIAL POSITION

The Group's **total assets** as at 31 December 2021 decreased by 12% or \$379.3 million to \$2,764.3 million. The decrease was due mainly to the decrease in assets held for sale arising from the completion of the disposal of a subsidiary.

The Group's **total liabilities** as at 31 December 2021 decreased by 24% or \$470.3 million to \$1,499.9 million. The decrease was due mainly to the decrease in liabilities associated with the disposal of a subsidiary and net repayment of loans and borrowings.

Shareholders' equity as at 31 December 2021 increased by 8% or \$90.1 million to \$1,250.2 million. The increase was due mainly to the increase in revenue reserves.

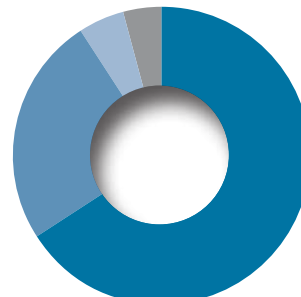
**Total assets by business segment  
(2021: \$2,764.3M)**



- Real Estate Investment (58%)
- Real Estate Development (14%)
- Hospitality (15%)
- Industrial Services (2%)
- Other Investments (4%)
- Corporate (7%)

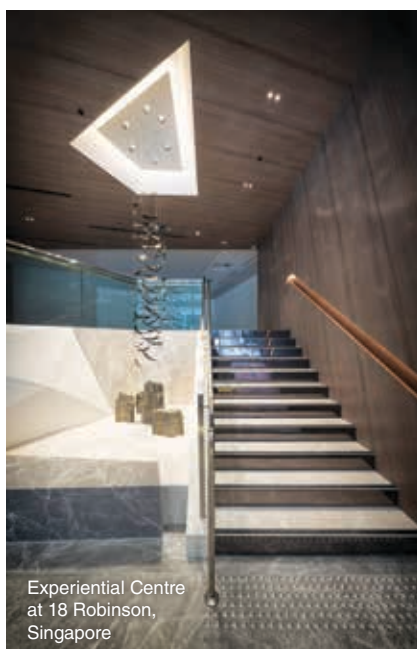
Real Estate Investment, Hospitality, and Real Estate Development contributed 58%, 15% and 14% of the Group's total assets in 2021 respectively.

**Total assets by geographical location  
(2021: \$2,764.3M)**



- Singapore (66%)
- Australia (25%)
- China (5%)
- Others (4%)

66% of the Group's total assets are located in Singapore whereas assets in Australia form the bulk of the Group's overseas assets.



Experiential Centre  
at 18 Robinson,  
Singapore

### SHARE CAPITAL AND EARNINGS PER SHARE ("EPS")

The number of issued ordinary shares as at 31 December 2021 was 1,201,564,603 (excluding treasury shares) as compared to 1,187,489,782 as at 31 December 2020. On 23 June 2021, 14,679,721 new ordinary shares were allotted and issued at \$0.372 per share to shareholders who had elected to participate in the Company's Scrip Dividend Scheme in respect of the 0.6 cent dividend per ordinary share for the year ended 31 December 2020. Separately, 604,900 ordinary shares were purchased from the market under the "Share Purchase Mandate" and were held as treasury shares.

Earnings per share, including fair value adjustments, increased by 40% to 7.0 cents, as compared to 5.0 cents a year earlier.

	2021	2020
Earnings per share (cents) :		
- Including fair value adjustments	7.0	5.0
- Excluding fair value adjustments	7.5	1.5
<b>Weighted average number of ordinary shares in issue (in millions)</b>	<b>1,194.9</b>	<b>1,186.6</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF FINANCIAL PERFORMANCE

#### DIVIDEND AND SHAREHOLDERS' RETURN

##### Dividend

Subject to the shareholders' approval at the forthcoming Annual General Meeting to be held on 28 April 2022, the Directors proposed a first and final one-tier tax exempt dividend of 0.7 cent per share amounting to approximately \$8.4 million to be paid on 28 June 2022 in respect of the year ended 31 December 2021. For the previous year end, a dividend of 0.6 cent per share was declared; the dividend amounting to \$7.1 million consisted of a cash payment of \$1.7 million and the issuance of 14,679,721 ordinary shares to shareholders who opted for the Scrip Dividend Scheme.

Shareholders will continue to have the opportunity to participate in the Scrip Dividend Scheme and receive their dividend in the form of shares instead of cash. For the purpose of determining dividend entitlements, book closure dates have been fixed on 11 May 2022.

The Group has been declaring dividends every year since 2009. Total gross dividend payout since then amounts to \$83.6 million, including the \$8.4 million proposal for 2021.

##### Dividend payout and dividend yield

The proposed dividend of 0.7 cent per share for 2021 represents i) dividend payout ratio of 9.4% based on the profit attributable to shareholders before fair value adjustments; ii) dividend yield of 1.6% based on dividend per share over the average share price of 43.4 cents traded during the year.

Year	Dividend			
	Dividend per share (cent)	No of shares (million)	Gross payout (\$'000)	Cumulative payout (\$'000)
2009	0.3	1,138	3,412	3,412
2010	0.4	1,146	4,586	7,998
2011	0.3	1,154	3,463	11,461
2012	0.5	1,161	5,806	17,267
2013	0.5	1,173	5,864	23,131
2014	0.5	1,176	5,881	29,012
2015	0.6	1,179	7,073	36,085
2016	0.6	1,183	7,097	43,182
2017	0.6	1,187	7,122	50,304
2018	0.9	1,186	10,678	60,982
2019	0.6	1,186	7,117	68,099
2020	0.6	1,187	7,125	75,224
<b>2021</b>	<b>0.7</b>	<b>1,202</b>	<b>8,411</b>	<b>83,635</b>

#### BANK BORROWINGS AND MEDIUM TERM NOTES ("MTN")

As of 31 December 2021, the Group had total bank borrowings and debt securities of \$1,352.7 million, comprising:

##### (a) Secured Borrowings of \$1,151.2 million (85%)

The Group's secured borrowings are applied to the financing of certain development and investment properties and certain property, plant and equipment in Singapore and Australia.

##### (b) Unsecured Borrowings of \$201.5 million (15%)

These comprise mainly the Series IV MTN.

Tuan Sing established an unsecured S\$900 million Multicurrency MTN Programme in February 2013 under which it can issue notes in series or tranches and the notes may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Tuan Sing 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.

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

As at 31 December 2021, the profiles of the bank borrowings and MTN are as follows:

By interest rate profile:

- Floating rate borrowings – 63%
- Fixed rate borrowings – 37%

By currency profile:

- Singapore dollar borrowings – 76%
- Australian dollar borrowings – 24%



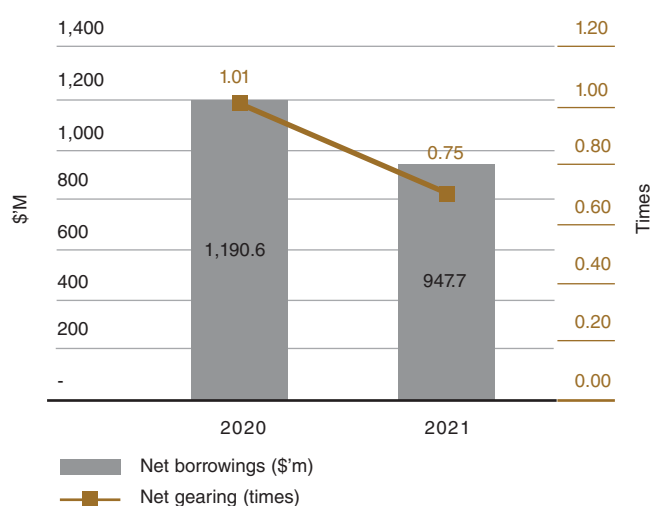
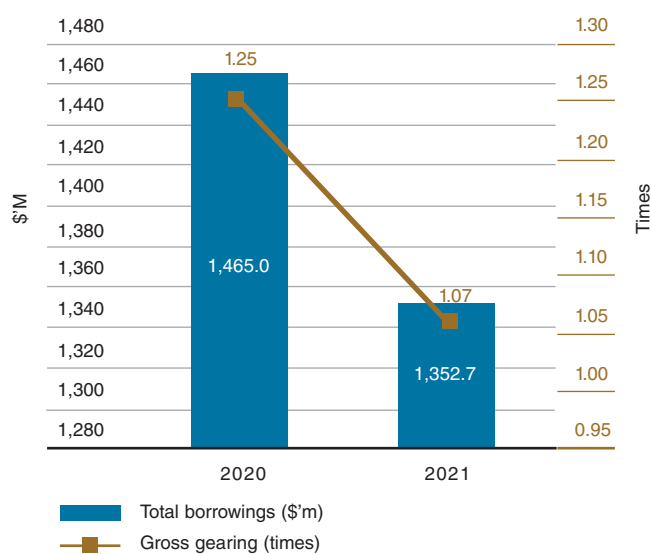
## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF FINANCIAL PERFORMANCE

#### GEARING

The Group uses gross gearing ratio (total borrowings as a percentage of total equity) and net gearing ratio (net borrowings as a percentage of total equity) to measure the debt leverage. Net borrowings is defined as total borrowings minus cash and cash equivalents.

As at 31 December 2021, gross gearing ratio decreased to 1.07 times from 1.25 times last year. Similarly, net gearing ratio decreased to 0.75 times from 1.01 times last year.



#### TREASURY MANAGEMENT

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

The Group monitors working capital requirements and performs cash flow forecast on a quarterly basis as well as ensures the monitoring and compliance of loan covenants. The Group closely monitors relevant emerging regulations which may potentially impact the way that the Group obtains finances or introduce any operating constraints. The Group keeps abreast of the latest developments in debt markets and arranges new financing as opportunities arise. The consistent approach in treasury management has helped the Group build a long-term relationship with financial institutions.



Experiential Centre at 18 Robinson, Singapore

#### OVERVIEW OF OUR APPROACH

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

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

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

The Group's Enterprise Risk Management ("ERM") system is designed to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded, the risks facing the business are being assessed and all information that may be required to be disclosed is reported to the Board through the Audit and Risk Committee. We have reviewed the current ERM framework and are of the view that it remains appropriate for the year 2021.

#### MANAGE RISK IN DELIVERING OUR STRATEGY

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

#### RISK PROFILE AND KEY RISKS

The Group's key risks and appropriate mitigating measures are summarised under "Business Dynamics & Risk Factors Statement" section of this Annual Report. The Group's risk appetite and risk profile remains broadly unchanged in 2021, despite the emergence of COVID-19's new variant and resurgence of infected cases during the year.

#### NO THREAT TO GOING CONCERN

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

#### Our Risk Governance & Oversight Structure

##### THE BOARD

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

##### AUDIT & RISK COMMITTEE

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

##### CEO & CFO

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

##### STRATEGIC BUSINESS UNITS

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



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS DYNAMICS & RISK FACTORS STATEMENT

### BUSINESS & STRATEGY RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
<b>STRATEGY RISK</b>	
<ul style="list-style-type: none"> <li>The Group is exposed to risks associated with its overseas expansion plans.</li> <li>Expansion involves the spreading of resources in setting up new business units and dealing with unfamiliar rules and regulations in foreign countries or nuances in customer service expectations.</li> <li>Such expansion plans may cause management to lose focus and there is no assurance that the expansion plans will be commercially successful.</li> </ul>	<ul style="list-style-type: none"> <li>New investment proposal is evaluated carefully to ensure that it is in line with the corporate strategy and investment objectives and that it can meet the relevant hurdle rates of financial returns. Other relevant risk factors are also considered.</li> <li>Evaluation includes macro and project-specific risks analyses, due diligence and sensitivity analyses on key assumptions. Each investment proposal must be reviewed and approved by the Board.</li> <li>Where appropriate, the Group will explore joint venture opportunities that allow risk and reward sharing between partners.</li> <li>Interested Person Transactions ("IPT") Mandate is in place to provide the Group with added means to underpin its expansion strategy by leveraging on Interested Persons' network and its close working relationship with Interested Persons.</li> </ul>
<b>COMPETITION RISK</b>	
<ul style="list-style-type: none"> <li>The relatively small size of our operations may be a disadvantage in the highly competitive property development industry. Hence, the Group may be more vulnerable to external shocks and negative occurrences specific to its operations.</li> <li>Real estate markets in Singapore and in the region are changing rapidly, which means the Group has to respond swiftly and effectively – more so than other bigger players.</li> <li>The hospitality industry in Australia, where our hotels are situated, is highly competitive. Any completion of new hotels or renovation of competing hotel properties would reduce the competitiveness of older or existing properties.</li> </ul>	<ul style="list-style-type: none"> <li>The Group strives to maintain competitiveness by differentiating its products and leveraging on its brand name to set itself apart from the mass market. In recent years, the Group has also been diversifying its property portfolio across geographies to enhance the stability of its future revenue and profitability streams.</li> <li>Tuan Sing is a recognised developer with proven track records and a sterling reputation associated with award-winning projects.</li> <li>The Group actively works with potential business partners to submit joint-bids for new land parcels.</li> <li>The Group's hotel properties offer choice locations and excellent services for their class. Long-term hotel management agreements are in place with Hyatt International which enhanced the profile of our hotel properties.</li> <li>Plans are in progress to create value from existing assets through asset enhancement initiatives and redevelopment works.</li> </ul>
<b>INDUSTRY RISK</b>	
<ul style="list-style-type: none"> <li>The Group is exposed to inherent risks in property development and construction business.</li> <li>Adverse weather, labour shortage, poor performance by main contractors, industrial accidents, delays in obtaining regulatory approvals or business disruptions caused by a pandemic could delay the completion of projects and cause cost overruns.</li> <li>The Group is exposed to the hotel industry's supply and demand cycle, which is dependent on the conditions of the hospitality and leisure industry and the state of the property market in Australia.</li> </ul>	<ul style="list-style-type: none"> <li>Policies and procedures covering project management and procurement process of the construction management business are in place.</li> <li>A pre-approved project budget is agreed to in advance so as to monitor the performance of the project team. All variation orders require approval at appropriate level.</li> <li>The Group's procurement function has been strengthened to establish a robust bulk procurement database in order to achieve competitive pricing and ensure supplied materials meet the quality standards and comply with local regulations.</li> <li>The Group continues to review and explore options and strategy to optimise the value of its Hospitality segment.</li> </ul>
<b>LEGAL AND DISPUTES RISK</b>	
<ul style="list-style-type: none"> <li>The Group is exposed to risk of legal disputes with various counterparties.</li> <li>There will be varying impacts to the Group depending on the type and severity of the legal suits / disputes.</li> </ul>	<ul style="list-style-type: none"> <li>The Group ensures all contract documents with legal terms and conditions are properly reviewed before execution.</li> <li>Any potential legal issues are brought to the attention of the Group's Legal department for advice and to formulate resolutions at the earliest opportunity.</li> <li>The Group works closely with its counterparties to minimize potential disputes and achieve settlement amicably.</li> </ul>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS DYNAMICS & RISK FACTORS STATEMENT

#### BUSINESS & STRATEGY RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
<b>MACROECONOMIC &amp; POLITICAL RISK</b>	
<ul style="list-style-type: none"> <li>Changing macroeconomic and political conditions in countries where the Group operates could adversely affect the Group's performance, particularly when the Group ventures further into the region.</li> <li>The property development business depends heavily on the continued health of the real estate market in Singapore and in the region.</li> <li>Changes in government policies and regulations affect the market demand, land title acquisition, planning and design, construction hours and financing.</li> </ul>	<ul style="list-style-type: none"> <li>The Group monitors key economic indicators and keeps itself updated regarding potential changes of policies by the authorities.</li> <li>The Group remains optimistic about the medium and long-term outlook for the property markets in Singapore and in the region.</li> </ul>
<b>REGULATORY RISK</b>	
<ul style="list-style-type: none"> <li>The Group is exposed to changes in prevailing laws and regulations in the countries where it operates, particularly in corporate law, competition law, consumer protection and environmental law.</li> </ul>	<ul style="list-style-type: none"> <li>The Group works closely with advisors, consultants and local authorities so as to keep abreast of regulatory changes.</li> <li>Local business units are required to apprise the head office of material regulatory developments in a timely manner.</li> </ul>
<b>REPUTATION RISK</b>	
<ul style="list-style-type: none"> <li>The Group's reputation is at risk of adverse publicity if there is mishandling of transactions or events.</li> </ul>	<ul style="list-style-type: none"> <li>The Group values its reputation and has in place an open communication programme to ensure timely and effective communication with its key stakeholders.</li> <li>The Group has clearly articulated its mission statement and the guiding principles that drive its operations.</li> <li>The Group has established an Investor Relations policy that has been made available on its corporate website to further strengthen its communication with stakeholders.</li> </ul>
<b>BUSINESS CONTINUITY RISK</b>	
<ul style="list-style-type: none"> <li>Property and hotels investment businesses are capital-intensive and rely heavily on external financing at commercially acceptable interest rate and terms.</li> <li>Property development business relies on obtaining land plots, taking projects to fruition and successfully marketing the units within a certain timeframe, while achieving profitability that commensurate with the risks involved.</li> <li>Natural disasters, pandemic and other unforeseen events could cause severe disruptions to our business.</li> </ul>	<ul style="list-style-type: none"> <li>A S\$900 million MTN Programme has been in place since 2013 to allow the Group to seize opportunities at short notice, diversify its sources of funding and raise its business profile.</li> <li>A portfolio of mostly freehold investment properties provides a platform of growth and generates recurring income. Existing hotel properties offer a stable income stream given its choice locations.</li> <li>Business Continuity Plans are in place to minimise business disruptions.</li> </ul>
<b>TERRORISM RISK</b>	
<ul style="list-style-type: none"> <li>The Group could be adversely affected by direct terrorist attacks because of its geographical footprint.</li> <li>Such an event could result in damage to its properties or facilities, or cause injury or death to personnel as well as disruption in operations, thus causing financial losses to the Group.</li> </ul>	<ul style="list-style-type: none"> <li>This is an inherent risk that the Group faces.</li> <li>The Group has a disaster recovery plan in place.</li> <li>Properties are protected through the implementation of various security measures.</li> <li>Where appropriate, the Group obtains insurance coverage to mitigate these risks.</li> </ul>



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS DYNAMICS & RISK FACTORS STATEMENT

### FINANCIAL RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
<b>LIQUIDITY RISK</b>	
<ul style="list-style-type: none"> <li>Renewal or additional debt financing on favourable terms would be subject to prevailing global and local economic conditions, sentiments in credit and capital market.</li> <li>The Group's property portfolio in Singapore and Australia is pledged under various mortgage loan agreements. A breach in any loan covenant could trigger various repayments at short notice.</li> </ul>	<ul style="list-style-type: none"> <li>The Group monitors its cash and cash equivalents and maintains a level deemed adequate.</li> <li>The Group manages debt financing and bond issuance proactively to ensure financing requirements are met in advance.</li> <li>Cash flow projections, debt maturity profiling and bank facilities undrawn are reviewed quarterly to monitor the Group's liquidity position.</li> <li>Great emphasis is placed on the timely execution of ongoing projects to ensure that a significant proportion of our property projects is sold and that cash is being realised as early as possible.</li> </ul>
<b>CAPITAL STRUCTURE RISK</b>	
<ul style="list-style-type: none"> <li>An inefficient capital structure or weakness in financial management could affect the Group's ability to provide adequate returns for shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>The Group conducts regular reviews to ensure an optimal capital structure.</li> <li>The Group monitors its gross gearing, net gearing ratios and their trends on a quarterly basis.</li> <li>To achieve an optimal capital structure, the Group might from time to time issue new shares, obtain new borrowings, sell assets (thereby reducing borrowings), adjust the dividend payout, or return capital to shareholders.</li> </ul>
<b>DERIVATIVE FINANCIAL INSTRUMENT RISK</b>	
<ul style="list-style-type: none"> <li>Market conditions could move against the assumptions the Group adopts at the time of hedging transactions, an inherent risk.</li> </ul>	<ul style="list-style-type: none"> <li>Derivative financial instruments are used only to manage the impact of interest rate fluctuations on floating rate debts or foreign currency exposure, or to comply with certain bank covenants.</li> <li>Hedging is undertaken to meet actual operational requirements, not for speculative purposes.</li> <li>The Group closely monitors the impact of the macro-economic conditions.</li> </ul>
<b>PRICE RISK</b>	
<ul style="list-style-type: none"> <li>Revenue and profit recognition for development properties and fair value adjustments for investment properties are lumpy.</li> <li>Residential property prices and demand in Singapore and in the region are subject to rounds of government's cooling measures.</li> </ul>	<ul style="list-style-type: none"> <li>This is an inherent systemic risk as the Group operates in the industry.</li> <li>Diversify its property portfolio.</li> <li>For development properties, the Group reduces the gestation period of a property launch. In addition, the Group monitors the market sentiments so as to leverage on any potential upside.</li> <li>For investment properties, the Group aims to lock in major tenants with multi-year lease durations.</li> </ul>
<b>CREDIT RISK</b>	
<ul style="list-style-type: none"> <li>Credit risk arises when counterparties default on their contractual obligations resulting in financial losses to the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Standard operating procedures are in place which include extending pre-approved credit terms to only credit-worthy customers and monitoring credit risk on a regular basis.</li> <li>Collections are closely monitored. Major collectability issues are highlighted to all concerned.</li> </ul>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS DYNAMICS & RISK FACTORS STATEMENT

#### FINANCIAL RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
<b>FOREIGN EXCHANGE RISK</b>	
<ul style="list-style-type: none"> <li>Exchange gains or losses might arise when the assets and liabilities in foreign currencies are translated into Singapore dollars for financial reporting or repatriation purposes.</li> </ul>	<ul style="list-style-type: none"> <li>Natural hedging is used extensively, including matching sale with purchase or matching assets with liabilities of the same currency and amount, whenever it is practicable.</li> <li>Currency translation risk is inherent for operations outside Singapore. Since it is non-cash in nature, it is not hedged.</li> </ul>
<b>INTEREST RATE RISK</b>	
<ul style="list-style-type: none"> <li>The Group is exposed to interest rate fluctuations through borrowings.</li> </ul>	<ul style="list-style-type: none"> <li>The Group keeps abreast of trends in interest rate movements.</li> <li>A variety of financial instruments, including interest rates of different durations, interest rate swaps, caps and forwards, could be used to hedge interest rate risks arising in the ordinary course of business.</li> </ul>
<b>TAX RISK</b>	
<ul style="list-style-type: none"> <li>The Group is exposed to vagaries of tax interpretations or changes at short notice in foreign jurisdictions.</li> <li>Inter-company loans within the Group are exposed to transfer pricing risk.</li> </ul>	<ul style="list-style-type: none"> <li>The Group monitors changes in tax rules in different countries on a periodic basis and seeks advice especially for cross-borders transactions and inter-company transactions.</li> <li>Tax provisions are made in strict compliance with the rules so as to reduce under-accrual in the book of accounts.</li> <li>The Group developed its Transfer Pricing Documentation Master File to provide a guideline on transfer pricing for all subsidiaries across different countries.</li> </ul>
<b>FINANCIAL MANAGEMENT RISK</b>	
<ul style="list-style-type: none"> <li>Apart from the Group's policies and guidelines and the internal audit function, which has been outsourced, the Group relies on self-assessment, review and reporting process at strategic business units to ensure that transactions are carried out in conformity with accounting standards and the Group's accounting policies and that the internal controls are adequate and effective.</li> <li>This system may not prevent or detect all fraud or misstatements in a timely manner.</li> <li>Changes in conditions or operations might cause system effectiveness to vary from time to time.</li> </ul>	<ul style="list-style-type: none"> <li>Internal controls over financial reporting are reviewed regularly and embedded within our corporate governance structure.</li> <li>On a half-yearly basis, the operating and finance heads of strategic business units report the results of their self-review in their management representation letter.</li> <li>The management representation letter also serves as a platform for all strategic business units to highlight any transactions and / or events that could have material or potential financial impact to the Group.</li> </ul>
<b>INVESTMENT RISK</b>	
<ul style="list-style-type: none"> <li>Higher returns are usually accompanied with higher risk and uncertainty. Therefore, the Group has to strike a balance when making an investment.</li> </ul>	<ul style="list-style-type: none"> <li>Major investments are reviewed by the Board or its committee to ensure that they are in line with the Group's strategic focus, meet the relevant risk-adjusted hurdle rate of return, and pass other risk assessments.</li> </ul>

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS DYNAMICS & RISK FACTORS STATEMENT

### OPERATIONAL RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
<b>ALLIANCE RISK</b>	
<ul style="list-style-type: none"> <li>The medium or long term interests of business associates or joint venture partners might not necessarily be aligned with the Group's.</li> <li>Policy and personnel changes by business associates could lead to their inability or unwillingness to fulfil their obligations.</li> </ul>	<ul style="list-style-type: none"> <li>The Group agrees with business associates in advance on well thought-out rights, duties and obligations of each party.</li> <li>The Group maintains cordial working relationships with its business partners.</li> </ul>
<b>SOCIAL &amp; ENVIRONMENT RISK</b>	
<ul style="list-style-type: none"> <li>Heightened awareness among the public or environmental agencies could increase the Group's operating expenses with relation to environmental issues.</li> </ul>	<ul style="list-style-type: none"> <li>The Group adopts environmentally-friendly practices across countries, so as to bring them in line with best practices in the market and to remedy shortcomings identified.</li> <li>The Group provides eco-themed amenities and nature-inspired landscaping at its development projects. The Group is also committed to meeting green building requirements for its projects. For hotel operations, various environmental conservation initiatives are implemented.</li> <li>The Group has published its Sustainability Report on the corporate website to promote stakeholder engagement.</li> </ul>
<b>PEOPLE RISK</b>	
<ul style="list-style-type: none"> <li>The Group depends on steadfast service provided by good personnel for business continuity.</li> <li>Succession plan execution is a challenge given the size of the Group.</li> </ul>	<ul style="list-style-type: none"> <li>The Group provides a safe working environment in which employees can develop their careers with work-life balance so as to ensure that human capital are nurtured and retained.</li> <li>Attractive award and bonuses are given to staff who performed well.</li> </ul>
<b>PROCESS, SOURCING &amp; EXECUTION RISK</b>	
<ul style="list-style-type: none"> <li>Property development projects take 3-5 years to complete. Delays in project completion and cost overruns could arise from labour and material shortage, poor performance of contractors, delays in obtaining necessary regulatory approvals, or industrial accidents, etc.</li> <li>The Group relies on third-party contractors and consultants for various services.</li> <li>Long-term hotel management agreements have given Hyatt International almost full discretion in the operations of the Group's two hotels in Australia.</li> </ul>	<ul style="list-style-type: none"> <li>Operating manuals, standard operating procedures and a delegation-of-authority matrix are in place.</li> <li>Project costs and project timelines are closely monitored through regular project meetings with consultants, suppliers and contractors.</li> <li>Project control sheets are prepared for on-going projects and are monitored on a monthly basis. Costs overruns are analysed and highlighted to the senior management and the Board.</li> <li>Regular management team meetings are held to facilitate effective project coordination and communication.</li> <li>Profit sharing terms in the hotel management agreements aim to ensure alignment with the Group's risk appetite.</li> <li>With the construction management business arm, the Group is working towards providing integrated real estate solutions and reducing reliance on third party contractors for its development properties.</li> </ul>



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS DYNAMICS & RISK FACTORS STATEMENT

#### OPERATIONAL RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
<b>WORK HEALTH AND SAFETY RISK</b>	
<ul style="list-style-type: none"> <li>Employees are exposed to workplace health and safety risks arising from events such as incidents in the production process or pandemics.</li> <li>Business uncertainties arising from the ongoing pandemic may persist despite achieving high vaccination rates due to the spread of new variants.</li> </ul>	<ul style="list-style-type: none"> <li>The Group cultivates a safety-conscious culture at all levels where appropriate. Such steps include the setting up of employees' safety council.</li> <li>Refresher drills on fire safety, emergency evacuation and first aid responses are conducted regularly.</li> <li>A disease/pandemic preparedness plan is in place to safeguard the health and welfare of employees, and to ensure quick resumption of critical business functions.</li> <li>Where appropriate, the Group obtains insurance coverage to mitigate these risks.</li> </ul>
<b>INSURANCE COVERAGE RISK</b>	
<ul style="list-style-type: none"> <li>Properties owned are subject to risks (e.g. war, terrorism, outbreak of contagious diseases, environmental breaches) that might not be insurable. Even where they are, the premium could be prohibitive or the financial loss might not be fully compensated for by insurance proceeds.</li> </ul>	<ul style="list-style-type: none"> <li>The Group conducts insurance reviews with insurance brokers on an annual basis to ensure adequate and comprehensive insurance coverage.</li> </ul>
<b>CYBER SECURITY RISK</b>	
<ul style="list-style-type: none"> <li>The Group's operations are exposed to disruptions to the network.</li> <li>These could happen through targeted attacks by hackers, insider attacks or accidental cyber incidents.</li> <li>Cyber thefts of sensitive and confidential information could lead to litigation by customers and/or regulatory fines and penalties.</li> </ul>	<ul style="list-style-type: none"> <li>The Group adopts a holistic approach by keeping abreast of the threat landscape and changes in business environment.</li> <li>The Group has in place an Information Security Policy, which covers cyber security and data protection measures.</li> <li>Where appropriate, the Group obtains insurance coverage to mitigate these risks.</li> </ul>
<b>INFORMATION TECHNOLOGY RISK</b>	
<ul style="list-style-type: none"> <li>The Group relies on the Information Technology ("IT") infrastructure and system functionality in order to minimise the business disruptions caused by the ongoing pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>An online IT help desk platform is readily available to employees.</li> <li>Several systems have been migrated to Cloud. The objective is to manage IT infrastructure remotely while minimising security risk and cost of maintaining on-premise hardware.</li> </ul>

#### COMPLIANCE RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
<b>COMPLIANCE RISK</b>	
<ul style="list-style-type: none"> <li>There have been rapid changes in laws, regulations and practices making compliance more complicated.</li> <li>The Group's internal control systems and related framework might not be brought up-to-date in time.</li> </ul>	<ul style="list-style-type: none"> <li>Internal controls, risk management and corporate governance frameworks, and control self-assessment processes are all in place and are reviewed on an annual basis.</li> <li>A whistle-blowing policy and annual declarations by staff on ethics are in place.</li> <li>External auditors are engaged for statutory audits and internal auditors are engaged to conduct operations reviews; both report directly to the Audit and Risk Committee.</li> </ul>

**TUAN SING HOLDINGS LIMITED**

**SUBSIDIARIES**

**68**

**ASSOCIATES/  
JOINT VENTURES**

**15**

**TRUSTS**

**3**

**REAL ESTATE  
INVESTMENT**

Gerbera Land Pte. Ltd.  
Oxley Development  
Pte Ltd  
Pemimpin Properties  
Pte. Ltd.  
Superluck Properties  
Pte Ltd  
Grand Hotel Company  
Pty Limited<sup>(2)(4)</sup>  
Grand Hotel  
Management Pty  
Limited (as trustee)<sup>(2)(4)</sup>  
Habitat Properties  
(Shanghai) Ltd.<sup>(2)</sup>  
PT Karawang Outlet  
Mall (50%)<sup>(1)(2)</sup>

**REAL ESTATE  
DEVELOPMENT**

Calypso Construction  
Management Pte. Ltd.  
Clerodendrum Land Pte.  
Ltd.  
Dillenia Land Pte. Ltd.  
Episcia Land Pte. Ltd.  
TSRC Novena Pte. Ltd.  
(70%)<sup>(1)(2)</sup>  
PT Goodworth  
Investments (90%)<sup>(1)(2)</sup>  
PT Titian Damai  
Mandiri<sup>(2)</sup>  
Sanya Summer Real  
Estate Co Ltd (7.8%)<sup>(1)(2)</sup>

**HOSPITALITY**

Grand Hotel Company  
Pty Limited<sup>(2)(4)</sup>  
GH Operations Pty Ltd<sup>(2)</sup>  
HR Operations Pty Ltd<sup>(2)</sup>  
Grand Hotel  
Management Pty Limited  
(as trustee)<sup>(2)(4)</sup>

**INDUSTRIAL  
SERVICES**

SP Corporation Limited  
(80.2%)<sup>(1)(3)</sup>  
SPRI Pte. Ltd. (f.k.a. SP  
Mining & Engineering  
Pte. Ltd.) (80.2%)<sup>(1)(2)</sup>

**OTHER  
INVESTMENTS**

Gul Technologies  
Singapore  
Pte. Ltd. (44.5%)<sup>(1)(2)</sup>  
Gultech (Jiangsu)  
Electronics Technologies  
Co., Ltd (36.7%)<sup>(1)(2)</sup>

(1) Effective interest is shown  
if ownership is not 100%

(2) Indirect ownership

(3) Public listed company

(4) Grand Hotel Company Pty Limited  
and Grand Hotel Management Pty  
Limited are engaged in both Real  
Estate Investment and Hospitality  
businesses

Mont Botanik Residence,  
Singapore



## CORPORATE INFORMATION

### CORPORATE DATA

#### BOARD OF DIRECTORS

Richard Eu Yee Ming, *Chairman*  
William Nursalim alias William Liem, *Chief Executive Officer*  
Michelle Liem Mei Fung  
Cheng Hong Kok  
Ooi Joon Hin

#### AUDIT AND RISK COMMITTEE

Ooi Joon Hin, *Chairman*  
Richard Eu Yee Ming  
Michelle Liem Mei Fung

#### NOMINATING COMMITTEE

Richard Eu Yee Ming, *Chairman*  
Cheng Hong Kok  
Michelle Liem Mei Fung

#### REMUNERATION COMMITTEE

Cheng Hong Kok, *Chairman*  
Michelle Liem Mei Fung  
Richard Eu Yee Ming

#### WHISTLE-BLOWING COMMITTEE

William Nursalim alias William Liem, *Chief Executive Officer*  
Tan Choong Kiak, *Group Chief Financial Officer*  
Peggy Wong, *General Counsel*  
Alexander Loh Kim Leng, *Director, Group Human Resources*  
Email: [whistle-blowing@tuansing.com](mailto:whistle-blowing@tuansing.com)

#### COMPANY SECRETARY

Leow May Cin

#### REGISTERED OFFICE

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

#### SHARE REGISTRAR

B.A.C.S. Private Limited  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896  
Tel: (65) 6593 4848  
Fax: (65) 6593 4847

#### GROUP EXTERNAL AUDITORS

Deloitte & Touche LLP  
6 Shenton Way  
OUE Downtown 2 #33-00  
Singapore 068809  
Tel: (65) 6224 8288  
Fax: (65) 6538 6166  
Partner-in-charge: Yang Chi Chih  
(Appointed in 2021)

#### GROUP INTERNAL AUDITORS

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

#### PRINCIPAL FINANCIERS

United Overseas Bank Limited  
DBS Bank Limited  
Commonwealth Bank of Australia

#### SHARE LISTING INFORMATION

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



### 1 INTRODUCTION

#### (A) Sustainability at Tuan Sing - Core Pillars

Sustainable practices have been progressively introduced into the day-to-day operations of Tuan Sing since the implementation of the Company's Sustainability Policy in 2016. These practices have guided the Group in the way we conduct our businesses, and they have formed an integral part of our business strategy.

The three core pillars of our Sustainability Policy are as follows:

		
<b>Nurture Our Planet</b>	<b>Care For Our People</b>	<b>Grow Sustainable Profit</b>
As an advocate of the spirit of "caring" for our society and the environment, we ensure that our new builds are built sustainably and our investment properties are operated efficiently. We actively encourage our employees to volunteer for both environmentally friendly and charitable causes.	We are committed to the wellbeing of all stakeholders, especially the professional development of our employees through the provision of training and upskilling opportunities, as well as creation of an inclusive and collaborative work environment.	We strive for sustainable growth and performance as a corporate by adhering to a high standard of corporate governance and embracing a risk-centric culture.

#### (B) Board Statement and Commitment Towards Sustainability

Year 2021 has been an impactful year. For the last two years, Covid-19 pandemic has disrupted our daily life, slowed down the world economy and impacted social and mental health negatively around the world. This pandemic has taught us the importance of reliable and sustainable supply chains, the risk of relying on one energy source and the need to ensure the wellbeing of our human resource.

As a small island country with no natural resources yet densely populated, the Singapore government has identified four pillars of sustainable development success and has implemented sustainability initiatives over the years<sup>1</sup>. The Singapore Green Plan 2030 was unveiled in the first quarter of 2021 and aims to change the way people live, work, study, and play. The plan will help to secure a green, habitable, and sustainable home for people in Singapore and pave the way towards a more sustainable future over the next decade<sup>2</sup>.

At Tuan Sing, we are committed to safeguard our stakeholders' interests for sustainable short and long-term investment returns. We will always strive to be resilient so that we can overcome all major challenges in the process.

We further endeavour to be socially responsible by incorporating the sustainable elements in our new projects and existing developments. We do this by cultivating the right culture in our people and constantly share our beliefs to all stakeholders through frequent dialogues and meet ups.

At the corporate level, the Board fully supports Tuan Sing management's abiding commitment to enhance the way we operate our businesses, and to bring transformations to our businesses and our daily lives towards a green and sustainable world for our investors and future generations.

<sup>1</sup> Singapore's four pillars of sustainable development success are: (i) building a sustainable economy through integrated and long-term planning to optimise resources such as budget, land, manpower, energy, and carbon emissions to ensure sustainable growth; (ii) creating a sustainable living environment such as aiming to triple Singapore rooftop gardens and green wall by 2030; (iii) ensuring sustainable development for our people by investing in our precious human capital and preparing for the future of work by focusing on technological advances; and (iv) contributing to international collaboration by committing to the Paris Agreement and supporting the United Nations 2030 Agenda for Sustainable Development in achieving the 17 SDGs. *Eco-Business*. 7 June 2017. (Source: Eco-Business Asia Pacific <https://www.eco-business.com/opinion/the-four-pillars-of-singapores-sustainable-development-success/>)

<sup>2</sup> Singapore Green Plan 2030 to change the way people live, work, study and play. *The Straits Times*. 10 February 2021. (Source: <https://www.straitstimes.com/singapore/environment/singapore-green-plan-2030-to-change-the-way-people-live-work-study-and-play>)

## SUSTAINABILITY REPORT

### SUSTAINABILITY AT TUAN SING

Global warming, environmental issues, human rights issue, social problems, and economy issues in the world are unavoidable and undeniable. To communicate and align expectations of Environmental, Social and Governance (“ESG”) commitment to stakeholders, Tuan Sing has enhanced its Sustainability Policy to better reflect the determination to driving long term sustainability and bringing sustainable values to our investors.

In line with the United Nation’s (“UN”) Sustainability Development Goals (“SDGs”) to be achieved by 2030 and the Singapore Green Plan 2030, the Group has refreshed its vision for sustainable future and developed its very own Green Masterplan 2030. We strongly believe that small changes brought together over time will bring us a cleaner and more sustainable future. The Green Masterplan 2030 aims to step up our efforts in sustainability with the ‘**I-N-S-P-I-R-E**’ principles as follows: -

**Innovation** – Creative design and innovative technology in built environment

**Net zero** – Decarbonisation to reduce carbon emission

**Safety** – Safe and healthy work environment for employees

**Profit** – Economic growth, and sustainable short and long-term investment returns

**Integrity** – Ethical, ‘zero-bribery’ and inclusive business environment

**Responsibility** – Quality service and products

**Engagement** – Frequent engagement with communities and stakeholders

As the Group rides the waves of transformation in the post-pandemic era, we reviewed our 2021 materiality assessment and included health and safety as a material ESG topic. The Group also commits to conducting annual assessment with better stakeholder engagement to ensure all stakeholders are well informed of our core values and priorities in doing business to build our resilience to overcome future challenges and changes in our journey towards achieving our Green Masterplan 2030.

#### (C) **About This Sustainability Report**

Tuan Sing upholds its commitment to sustainability with the publication of its annual sustainability report. The report covers the Group’s sustainability performance for the financial year from 1 January 2021 to 31 December 2021.

The report elaborates Tuan Sing’s sustainability strategies in the economic, environmental, social and governance aspects moving forward, as well as incorporates targets for the Group to achieve in the coming years. It also sets the pace for the Group to engage with various stakeholders, such as employees, investors, customers, business partners, community and regulators, to share its sustainability commitments, and to identify and address stakeholders’ material issues and concerns.

The scope of the report covers the Group’s portfolio and staff in Singapore, Indonesia, Australia, China and Malaysia. The report includes only entities and subsidiaries under the Group in which shareholdings owned by the Group is more than 50% (refer to “Corporate Structure” of the Annual Report). For clarity, the reasons for limiting the reporting to entities in which the Groups owns majority shareholdings were due to limited access to sustainability data and limitations in implementation of sustainability strategies and initiatives.

This report has been prepared in accordance with the internationally recognised Global Reporting Initiative (“GRI”) Standards: GRI Standards 2021 and in compliance to Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B. We have also referred to the UN SDGs. The GRI Standards were adopted as the reporting framework of this report as they provide thorough requirements for engagement of stakeholders as well as wide range of materiality topics which are relevant to the nature of our businesses. The sustainability report focuses on the material topics identified and is issued with the approval of the Board and shall be read in conjunction with the other sections of the Annual Report, and other sustainability-related disclosures.

This sustainability report has not been audited by external auditing. However, the Group aims to carry out external audits gradually in the future years.

This report and previous editions are available online at: <https://www.tuansing.com/investor-centre/publications/>

#### Contact and Feedback

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

**Tuan Sing Holdings Limited**  
9 Oxley Rise, #03-02 The Oxley  
Singapore 238697  
Tel: +65 6223 7211

# SUSTAINABILITY REPORT

## SUSTAINABILITY AT TUAN SING

### (D) Stakeholder Engagement

It is important for an organisation to understand the differences between organisation's business priorities and stakeholders' concerns so that the concerns can be addressed with solutions that do not compromise the business priorities.

It is only through timely engagements that we can better understand our stakeholders' expectations and concerns. This is fundamental to the formulation of our business strategies which play a crucial role in sustainable business development and growth.

We have identified our key stakeholders and summarised our engagement approach as follows:

Our Stakeholders	Frequency	Engagement Platforms	Key Topics and Concerns Raised	Our Response
Investors	At least once a year	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Site visits</li> <li>Corporate website</li> <li>Investor Relations email</li> <li>Investors' calls</li> <li>Annual Report</li> <li>SGXNET announcements</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable returns</li> <li>Company growth</li> <li>Corporate governance practices</li> <li>Risk management practices</li> </ul>	Refer to "Message to Shareholders", "CEO's Review of Operations", "Corporate Governance", "Managing Risk in Delivering Our Strategy" and "Business Dynamics & Risk Factors Statement" of the Annual Report.
Employees	Throughout the year	<ul style="list-style-type: none"> <li>Performance appraisal discussions</li> <li>360-degree feedback</li> <li>E-communications</li> <li>Town hall sessions</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration and welfare</li> <li>Workplace safety and health</li> <li>Training and career development</li> </ul>	Refer to "Social Responsibility and Human Assets" within the Sustainability Report.
Customers	Throughout the year	<ul style="list-style-type: none"> <li>Tenant meetings</li> <li>Show flat</li> <li>Email correspondence</li> <li>Social media channels</li> </ul>	<ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Workmanship and defects rectification</li> <li>Environmental impacts</li> </ul>	Refer to "Corporate Governance for Fair and Conducive Business Environment" within the Sustainability Report and "Corporate Governance" of the Annual Report.
Business Partners	At least once a year	<ul style="list-style-type: none"> <li>Meetings</li> <li>On-site inspections</li> <li>Price quotations and email correspondence</li> <li>Vendor evaluation and assessment</li> </ul>	<ul style="list-style-type: none"> <li>Ethical and fair trading</li> <li>Workplace safety and health</li> </ul>	Refer to "Corporate Governance for Fair and Conducive Business Environment" within the Sustainability Report and "Corporate Governance" of the Annual Report.
Community	At least once a year	<ul style="list-style-type: none"> <li>Community service engagements</li> <li>Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Environmental and social impact</li> </ul>	Refer to "Social Responsibility and Human Assets" and "Care for Environment" within the Sustainability Report.
Regulators	At least once a year	<ul style="list-style-type: none"> <li>Meetings</li> <li>On-site inspections</li> <li>Email correspondence</li> <li>Seminars</li> <li>Official circulations</li> </ul>	<ul style="list-style-type: none"> <li>Ethical and fair trading</li> <li>Environmental and social impact</li> <li>Workplace safety and health</li> </ul>	Refer to "Introduction" and "Corporate Governance for Fair and Conducive Business Environment" within the Sustainability Report and "Corporate Governance" of the Annual Report.


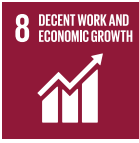





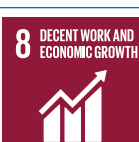



## SUSTAINABILITY REPORT

### SUSTAINABILITY AT TUAN SING



#### (E) ESG Materiality Topics

Having taken into consideration the outcome of our stakeholder engagements, Tuan Sing has identified the following material ESG topics to be discussed in this sustainability report in accordance with its level of significance to Tuan Sing's economic, environmental, and social impact, as well as their importance to our stakeholders. Majority of the material topics and topic boundaries are in line with those previously reported in the Year 2020 report, except for the topic on Health and Safety, which is newly identified.

Sustainability Focus Areas and Relevant UN SDGs	Materiality Topics	Relevant Sections of the Annual Report	Impact Boundary
 <b>SDG 3 – Healthy lives and wellbeing</b>	Occupational Health and Safety	<ul style="list-style-type: none"> <li>“Social Responsibility and Human Assets” within the Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Business Partners</li> <li>Community</li> </ul>
 <b>SDG 8 – Sustainable economic growth, productive employment</b>	Economic Performance	<ul style="list-style-type: none"> <li>“Statutory Reports and Accounts” of the Annual Report</li> <li>“Social Responsibility and Human Assets” and “Corporate Governance within the Sustainability Report</li> <li>“Corporate Governance” of the Annual Report</li> </ul>	All business segments
 <b>SDG 16 - Inclusive societies, access to justice</b>	Anti-corruption		
 <b>SDG 7 – Access to affordable, sustainable and modern energy</b>	Energy	<ul style="list-style-type: none"> <li>“Care for Environment” within the Sustainability Report</li> </ul>	All business segments
 <b>SDG 6 – Sustainable management of water and sanitation</b>	Water and Effluents		
 <b>SDG 11 – Safe and resilient human settlements</b>	Waste		
 <b>SDG 13 – Combat climate change</b>			
 <b>SDG 8 – Sustainable economic growth, productive employment</b>	Employment	<ul style="list-style-type: none"> <li>“Social Responsibility and Human Assets” within the Sustainability Report</li> </ul>	Employees
 <b>SDG 4 – Equitable quality education and lifelong learning opportunities</b>	Training and Education	<ul style="list-style-type: none"> <li>“Social Responsibility and Human Assets” within the Sustainability Report</li> </ul>	Employees

# SUSTAINABILITY REPORT

## SUSTAINABILITY AT TUAN SING

Sustainability Focus Areas and Relevant UN SDGs	Materiality Topics	Relevant Sections of the Annual Report	Impact Boundary
 <b>SDG 5 – Gender equality</b>	Diversity and Equal Opportunity	<ul style="list-style-type: none"> <li>“Social Responsibility and Human Assets” within the Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Business Partners</li> </ul>
 <b>SDG 1 – End poverty</b>	Local Communities	<ul style="list-style-type: none"> <li>“Social Responsibility and Human Assets” within the Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Communities</li> </ul>

### (F) Our Continuous Efforts for COVID-19 Pandemic

Second year into the global pandemic, Singapore has reacted promptly and managed well in ensuring the safety of everyone. By late 2021, Singapore has become the world’s most-vaccinated country, with more than 85% of its total population fully vaccinated<sup>1</sup>.

Strict social distancing ruling by the authority and our corporate house rules have safeguarded the wellbeing of employees, customers and the community. The measures that we have put in place are:

- Facilitating telecommuting and intensifying the cleaning and disinfection operations, as well as upgrading the filters of air-condition systems at our commercial buildings to ensure that clean and safe indoor environment is in place.
- Upholding strict contact tracing and visitor registrations by installing automatic “SafeEntry” turnstile (or an equivalent contact tracing system) in all our buildings.
- Information technology and other technical supports for staff who are on ‘work-from-home’ arrangements.
- Ensuring staff working on site or in office adhere strictly to safe distancing and other control measures.
- Regular briefing for personnel in-charge at various properties of the importance of their roles and protocols to be followed in the event of emergency and confirmed cases.
- Instructing employees working in offices to carry out ART (Antigen Rapid Test) before they report to work physically in office on a weekly basis.
- Advising employees to update their vaccination status in the human resource online portal.
- Introducing tele-consultation as part of the medical benefits to employees.
- Holding virtual talks on mental and physical health for employees.
- Facilitating non-government organisations (“NGO”) in distribution of goodies bags to delivery riders as tokens of appreciation.

Over the past two years, we have seen how external factors such as the Covid19 pandemic affected all aspects of lives and business growth. By remaining vigilant and adaptive, Tuan Sing has managed to sail through the storm and emerged stronger and well-prepared to face other challenges in a post-Covid environment.

## 2 VALUE CREATION AND APPROACHES

In line with the Singapore Green Plan 2030, the Group has refreshed its vision and efforts for sustainability through its very own Green Masterplan 2030. The backbone of the Green Masterplan 2030 lies within the “I-N-S-P-I-R-E” principles which are aligned with our three sustainability pillars of ‘Nurturing our Planet’, ‘Care for our People’ and ‘Grow Sustainable Profit’:

### Innovation – Creative design and innovative technology in built environment

- Integrate creative designs, innovative ideas and technologies in future projects to improve productivity and reduce negative impacts to environment and stakeholders.
- Consider the overall property life cycles and maintenance required in early stage of development, as early as project inception and preliminary design stage.
- Source for like-minded partners and suppliers locally for better supply chain management.

<sup>1</sup> “Coronavirus digest: Singapore is now the most-vaccinated country | DW | 29.08.2021” (Source: DW.COM. Deutsche Welle (www.dw.com), Deutsche (29 August 2021) <https://www.dw.com/en/coronavirus-digest-singapore-is-now-the-most-vaccinated-country/a-59016931>).

## SUSTAINABILITY REPORT

### SUSTAINABILITY AT TUAN SING

#### **Net zero – Decarbonisation to reduce carbon emission**

- Target to reduce 30% carbon emission by Year 2030 with the implementation of annual sustainable targets.
- Cultivate 'green' and environment-friendly business operations.
- Promote 'paperless' work culture and digitisation of daily operations.
- Obtain green certifications for all future developments.

#### **Safety – Safe and healthy work environment for employees**

- Ensure all stakeholders involved are briefed and trained in good practices to encourage safe work conducts and healthy work environment.

#### **Profit – Economic growth, and sustainable short and long-term investment returns**

- Ensure financial sustainability is achieved by sustainable business conducts to deliver short and long-term investment returns to investors.

#### **Integrity – Ethical, 'zero-bribery' and inclusive business environment**

- Uphold highest level of integrity to provide an ethical, safe, and inclusive business environment.
- Work together closely with business partners to provide fair trading opportunities.
- Promote transparency and 'zero-bribery' business mindset.

#### **Responsibility – Quality service and products**

- Be responsible to provide quality services and products to our customers.
- Uphold corporate image of the Group.

#### **Engagement – Frequent engagement with communities and stakeholders**

- Engage various stakeholders including employees, customers, investors, business partners, community and regulators to understand their concerns and keep up-to-date of all happenings related to our business operations.
- Ensure that the Group's business operations do not cause negative impacts to the environment and stakeholders.

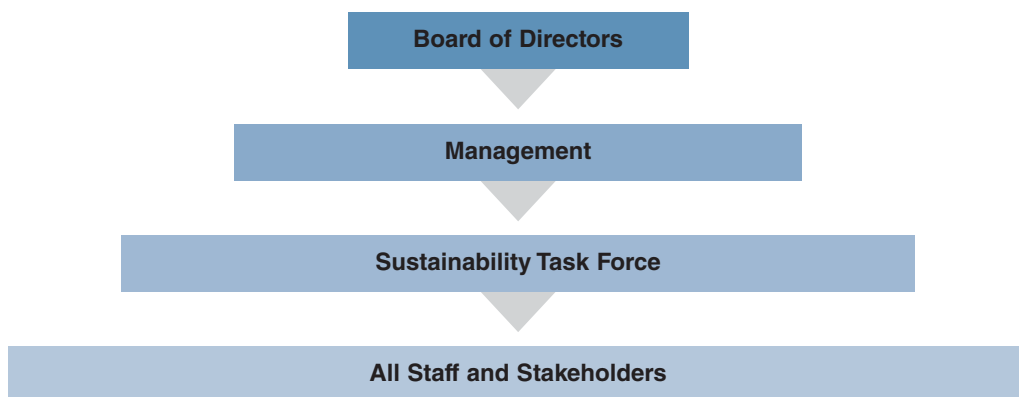
#### **Sustainability Committee Structure and Strategies Implementation Flow**

In addition to the principles, the following approaches support the materialisation of the plan in the long term and ensure that targets are on track:

##### i) Changes and Influence

Bring improvement to the business, changes to operations and mindset are inevitable. A Sustainability Task Force has been set up to champion our sustainability causes.

The Sustainability Task Force will consist of representatives from respective properties and departments and will brainstorm initiatives and drive sustainability strategies. Going forward, the following chart shows the sustainability management structure and strategies implementation flow:



All short and long-term strategies and initiatives shall be presented and approved by the Management before execution by the Sustainability Task Force and the respective properties. Initiatives and activities shall be communicated with all staff internally and all relevant stakeholders externally for a better understanding and commitment to achieve goals and key performance indicators ("KPIs") set by the Management. A summary of the strategies and initiatives shall be included in the sustainability report to be reviewed and approved by the Board on an annual basis.

New policies as well as amendments to the policies governing sustainability aspect of the business will be published in Tuan Sing's website after they are approved by the Management.



- ii) Communication and Awareness  
The Management's and Board's commitments shall be communicated clearly to all stakeholders via different platforms to ensure awareness is created for everyone's involvement and support.
- iii) Implementation  
Strategic planning and implementation of ideas shall be conducted in tandem to ensure work efficiency and achievement of targets.
- iv) Target Setting  
Creditable and reliable indicators like market benchmarks are used as reference and compared to the Group's past years' records before setting targets, thus ensuring that the targets set are realistic and achievable before implementation.
- v) Measurement and reporting  
Monthly data will be collected and reported to the Management on a regular basis. Should any property fall behind on the targets, immediate actions will be taken to bring the property's performance back on track.

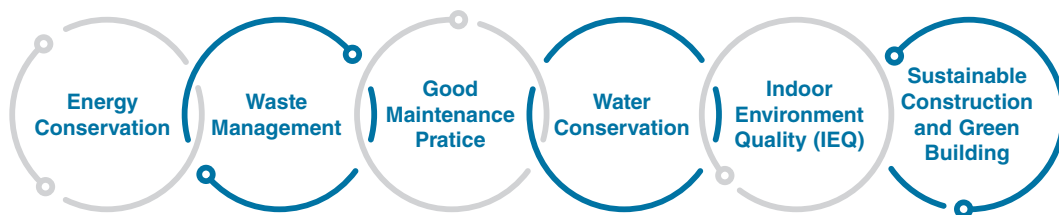
### 3 CARE FOR ENVIRONMENT

Studies show that total emissions from the real estate industry accounted for 38% of total CO<sub>2</sub> emissions<sup>1</sup>. Encouraging real estate sector on a low-carbon pathway will clearly contribute significantly towards slowing down climate change and global warming.

At Tuan Sing, we are committed to carry out daily business operations by adopting long-term green practices to reduce environmental impacts for a cleaner and greener planet for our future generations.

#### (A) Key Improvement Initiatives

We have identified the following key improvement initiatives to meet targets set in the Green Masterplan 2030 and achieve the reduction of green house gas ("GHG") emission by 30% by Year 2030:



'Innovation' and 'Net Zero' principles under our Green Masterplan 2030 have been set out to align with these Key Improvement Initiatives towards sustainability elaborated above.

In the future, we will aim to implement and achieve the following:

- i) Obtain green certifications for all future developments and upgrade existing green certifications for existing buildings;
- ii) Green purchase and integration of environmental-friendly products in future developments will also be encouraged and implemented as much as possible in order to reduce negative impacts to the environment;
- iii) Implementation of technology and innovations in design and construction methods to increase productivity; and
- iv) Reduce construction waste and pollution, construct on bio-diversity land and increase landscape area

<sup>1</sup> "Construction industry accounts for 38% of CO<sub>2</sub> emissions" (Source: <https://environmentjournal.online/articles/emissions-from-the-construction-industry-reach-highest-levels/>)

## SUSTAINABILITY REPORT

### SUSTAINABILITY AT TUAN SING

#### (B) Performance and Target Setting

The Group has diversified investments in various sectors and countries. As the nature of business of each sector is different, the reporting of performance shall be segregated based on the different sectors and take reference to each sector's distinctive benchmark.

To mark the start of our performance monitoring by different sectors, data collected in year 2021 will be used as the base data reference for all future performance.

##### (i) Commercial

All office and retail properties including show units and sales galleries will be grouped under Commercial for performance reporting and monitoring.

The data collected for this group of properties is tabulated as follows:

Environmental Performance Indicators	Parameter / Unit	Year 2021	Remarks
Energy Consumption	Energy Use Intensity (EUI) - kWh/m <sup>2</sup> /year	180.02	Total consumption: 15,598,832.61kWh Moderated benchmark based on GFA: 159.05kWh/m <sup>2</sup> /year
Water Consumption	Intensity (m <sup>3</sup> /m <sup>2</sup> /year)	1.03	Total consumption: 99,561.95m <sup>3</sup> Moderated benchmark based on GFA: 1.0616m <sup>3</sup> /m <sup>2</sup> /year
Waste Disposal	Volume (Tonne)	227.11	Only general waste. Volume reported is net volume after recycling.
Paper Consumption	Volume (No. of reams)	A3: 240 A4: 756	Based on paper of 500 pieces per ream with paper mass of 70g/m <sup>2</sup> .
Recycling	Volume (Tonne)	13.02	Including paper, plastic, glass and metal

Note:

Moderated benchmarks for energy and water consumptions are derived based on benchmarks published by Building and Construction Authority ("BCA") and Public Utilities Board ("PUB") of Singapore as follow:

- <sup>i)</sup> Energy use intensity ("EUI"): 135kWh/m<sup>2</sup>/year for office buildings (small) and 240kWh/m<sup>2</sup>/year for retail mall;
- <sup>ii)</sup> Water consumption intensity: 1.0m<sup>3</sup>/m<sup>2</sup>/year for office buildings (with water-cooled cooling tower) and 1.3 m<sup>3</sup>/m<sup>2</sup>/year for retail malls.

18 Robinson was awarded the Green Mark Gold Plus Rating by BCA for the numerous green features that have been incorporated in the design of the building. In March 2022, upon renewal of the certification, the rating was upgraded from Gold Plus to Platinum. This was achieved through the fine-tuning of our existing plants to further improve efficiency.

Besides the improvement of our Green Mark certification for 18 Robinson, the National Australian Built Environment Rating System ("NABERS") rating for the commercial centre in Perth was upgraded from 2 stars to 3.5 stars.

In 2021, as part of our employee engagement event, a small group of volunteers was organised to relocate the fishes and transplant the trees from the sales gallery of Mont Botanik Residence to Link@896. The trees transplant event was registered with National Parks Board of Singapore and represented Tuan Sing's contribution towards the OneMillionTrees movement. This movement is a nationwide effort to plant a million trees across Singapore and is a key pillar of the Singapore Green Plan 2030.

## SUSTAINABILITY REPORT

### SUSTAINABILITY AT TUAN SING

(ii) **Hospitality**

The following tabulation shows the performance of our hospitality components for energy consumption, water consumption, waste generation and recycling rate in 2021:

Environmental Performance Indicators	Parameter / Unit	Year 2021	Remarks
Energy Consumption	Energy Use Intensity (EUI) - kWh/m <sup>2</sup> /year	176.91	Total consumption: 18,681,154.02kWh Benchmark based on GFA: 230.00kWh/m <sup>2</sup> /year
Water Consumption	Intensity (m <sup>3</sup> /guest night/year)	0.7586	Total consumption: 77,661.43m <sup>3</sup> Benchmark based on guest nights: 0.57m <sup>3</sup> /guest night/year
Waste Disposal	Volume (Tonne)	General waste : 261.55 Food waste :10.13	Only general waste. Volume reported is net volume after recycling.
Paper Consumption	Volume (No. of Reams)	A3: 47 A4: 1,145	Based on paper of 500 pieces per ream with paper mass of 70g/m <sup>2</sup>
Recycling	Volume (Tonne)	Paper : 19.21 Compost : 8.19	Including paper, plastic, glass and metal

Note:

1. Benchmarks for energy and water consumptions are based on benchmarks published by BCA and PUB as follow:

- <sup>a)</sup> Energy use intensity (EUI): 230kWh/m<sup>2</sup>/year for hotels (large);
- <sup>b)</sup> Water consumption intensity: 0.57m<sup>3</sup>/guest night/year for 5-star hotels (with water-cooled cooling tower).

2. The average occupancy rate of the hotels in Year 2021 was 33%.

We recognise that our hotel operations have been one of the biggest generators of waste and highest consumption of electricity within the Group due to the inherent nature of the business. Measures have already been implemented to reduce both waste generation and electricity consumption. The measures are:

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

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



## SUSTAINABILITY REPORT

### SUSTAINABILITY AT TUAN SING

#### (iii) Manufacturing

The manufacturing component included in this sustainability reporting is the manufacturing plant in Malaysia.

The following tabulation shows the performance of our manufacturing components for energy consumption, water consumption, waste generation and recycling rate in 2021:

Environmental Performance Indicators	Parameter / Unit	Year 2021	Remarks
Energy Consumption	Energy Use Intensity (EUI) - kWh/m <sup>2</sup> /year	320.76	Total consumption: 3,741,400.30kWh
Water Consumption	Intensity (m <sup>3</sup> /m <sup>2</sup> /year)	0.37	Total consumption:
Waste Disposal	Volume (Tonne)	0*	Only plastic waste generated during manufacturing process
Paper Consumption	Volume	A3: 4 reams A4: 98 reams Other: 0.51 tonne	Based on paper of 500 pieces per ream with paper mass of 70g/m <sup>2</sup> for A3 and A4 papers.
Recycling	Volume (Tonne)	311.66*	Only plastic.

Note:

\* All our plastic waste generated from the manufacturing process are 100% recycled. Hence there was no plastic waste.

#### Targets setting for Year 2030:

We aim to achieve the following overall targets for all our buildings by Year 2030:

- 30% reduction of energy usage intensity (EUI) and carbon emission set-off from respective industry benchmarks set by BCA
- 20% reduction of water consumption
- 20% reduction of waste generation
- 10% increase of recycling volume
- 30% reduction of paper consumption

## 4 SOCIAL RESPONSIBILITY AND HUMAN ASSETS

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

#### (A) Occupational Health, Safety and Well-being

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

The safety and health committees at our two hotels regularly review safety and health issues while sourcing for ways to make the hotel environment safer for our employees and hotel guests. During Covid pandemic, safe management officers are also appointed at our commercial buildings and show galleries in Singapore to ensure safe distancing measures were observed. Procedures are also put in place to manage our responses to reported or suspected Covid cases at our buildings.

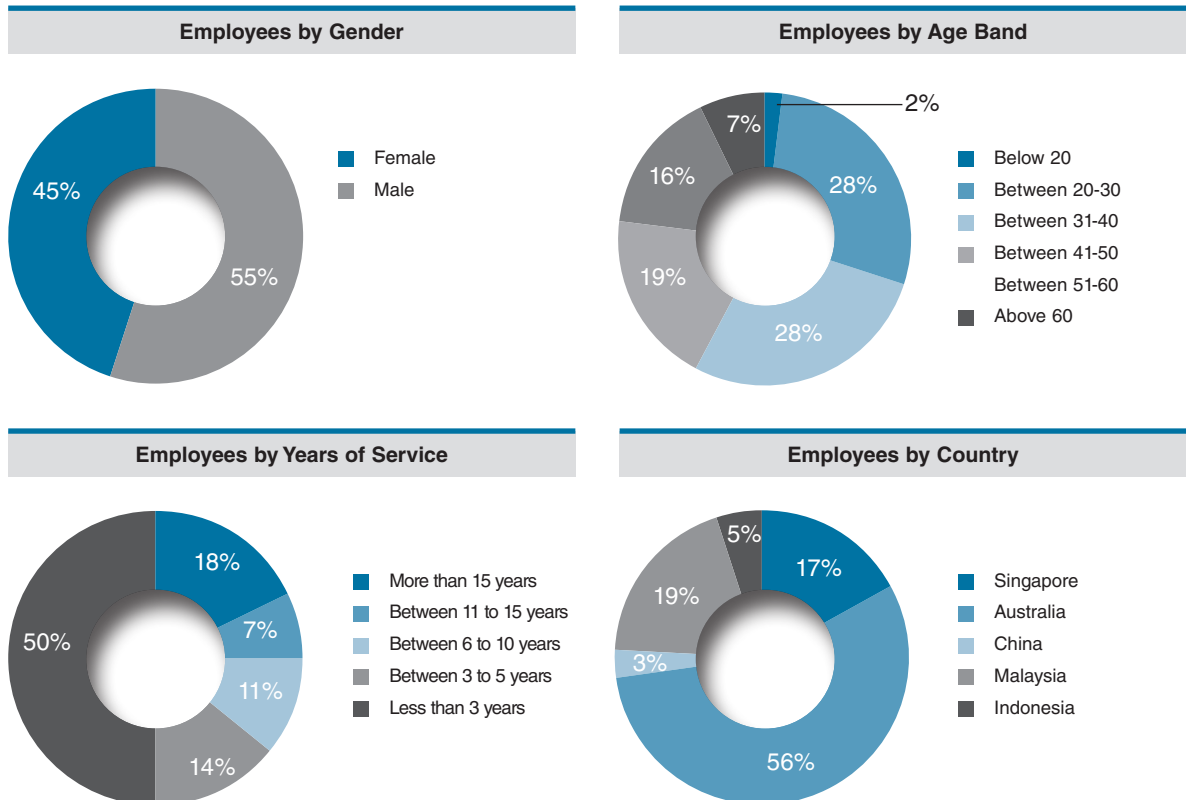
We believe that happy employees will feel a strong sense of accomplishment and find considerable satisfaction in their work. Hence the well-being of our employees comes first. Among others, a mental wellbeing program coupled with masterclasses and workshops to improve on their resilience, were provided to all employees. Regular workshops to promote healthy living amid Covid and provide general information such as covid vaccination for children were also conducted during the year.

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

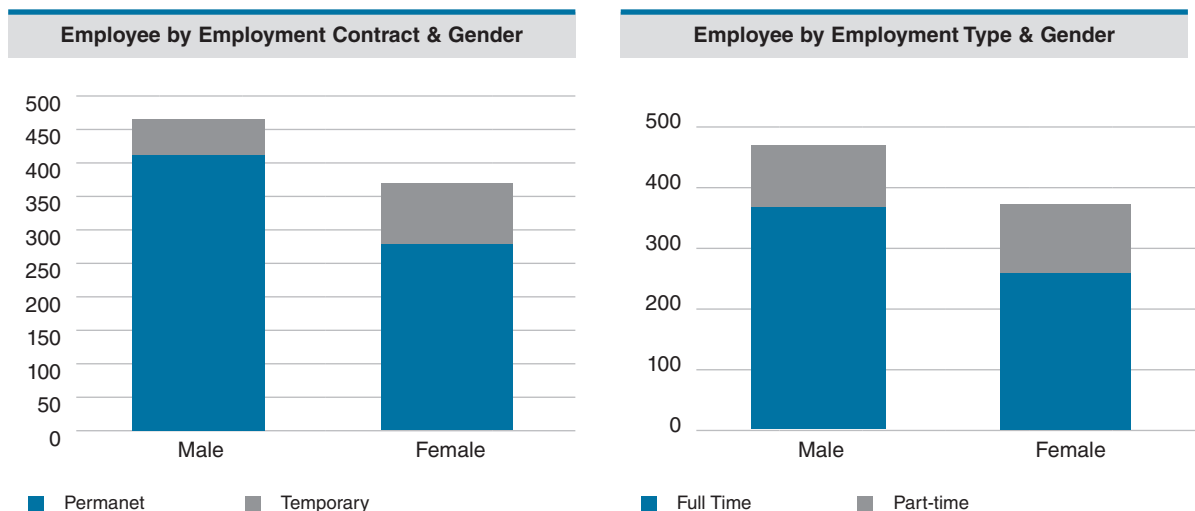
**(B) Diversity and Inclusion**

Diversity within a workplace is important as it allows Tuan Sing to expand its horizons with a wider range of insights and perspectives and to have access to a diverse pool of talents. As of 31 December 2021, Tuan Sing and its subsidiaries have a total headcount of 831 people, of which 54% are employed under the hotel operators.

In terms of gender proportion, Tuan Sing has a healthy mix of males and females. The gender distribution across our businesses is fairly distributed, having a male to female ratio of 1.24:1 due to the male dominant labour-intensive construction and manufacturing industries. Tuan Sing advocates an inclusive workplace through its age-diverse workforce that is fairly represented by employees from all age groups. In addition to the inherent nature of a hospitality industry, the expansion of our business activities and hence the increased headcount for the past few years has led to the high numbers of employees with less than 3 years of service with the Group.



Across the Group, majority of our employees are employed on a full-time permanent contract basis. Less than 24% of our employees are employed either on temporary or part-time contract basis due to the needs of the hospitality industry.



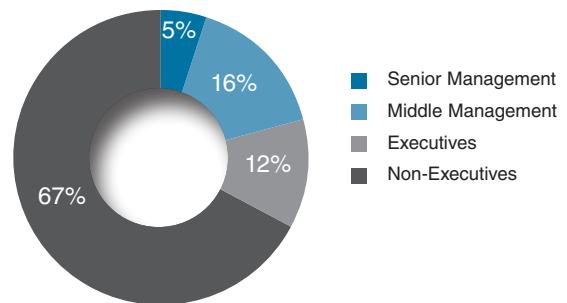
## SUSTAINABILITY REPORT

### SUSTAINABILITY AT TUAN SING

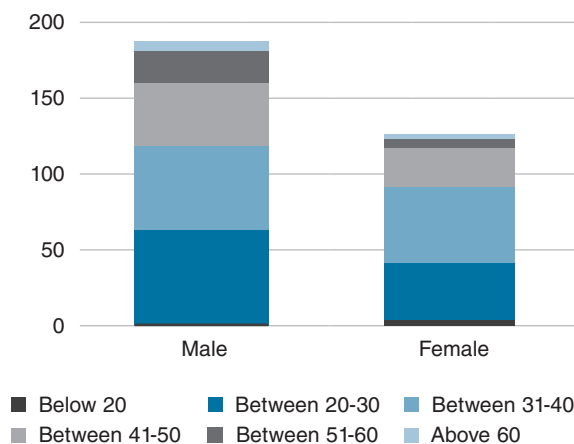
To keep up with the business expansion in the region, we have increased our headcount by 37%. Majority of the new employee hires falls within the age groups of 20 to 40 years old.

Excluding the employee turnover in the hospitality business, the employee turnover rate in 2021 was 7%.

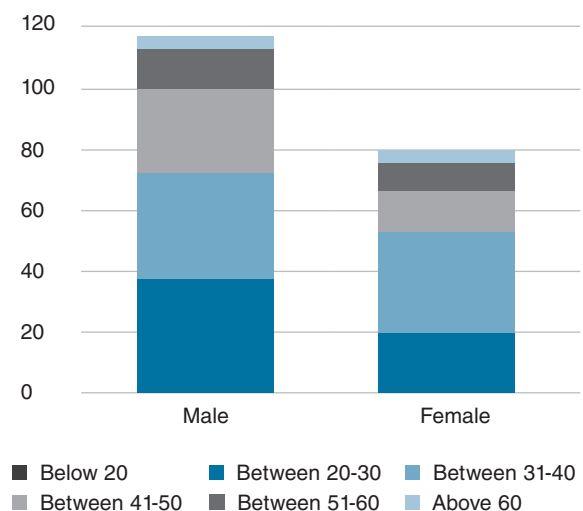
Employee by Category



New Hires by Age & Gender



Employee Turnover by Age & Gender



#### (C) Fair Remuneration and Merit-based Employment

Ample opportunities are given to all employees to excel in their career with the Group, regardless of their background. Male and female employees are rewarded fairly based on merit, capability and work experience, and this is practised across all levels of the organisation structure.

We recognise that senior workers can continue to contribute to the Company's success by sharing their extensive experience with their younger peers. We value all our employees, and it is our practice to continue to re-employ employees beyond the retirement age.

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

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



**(D) Training and Development**

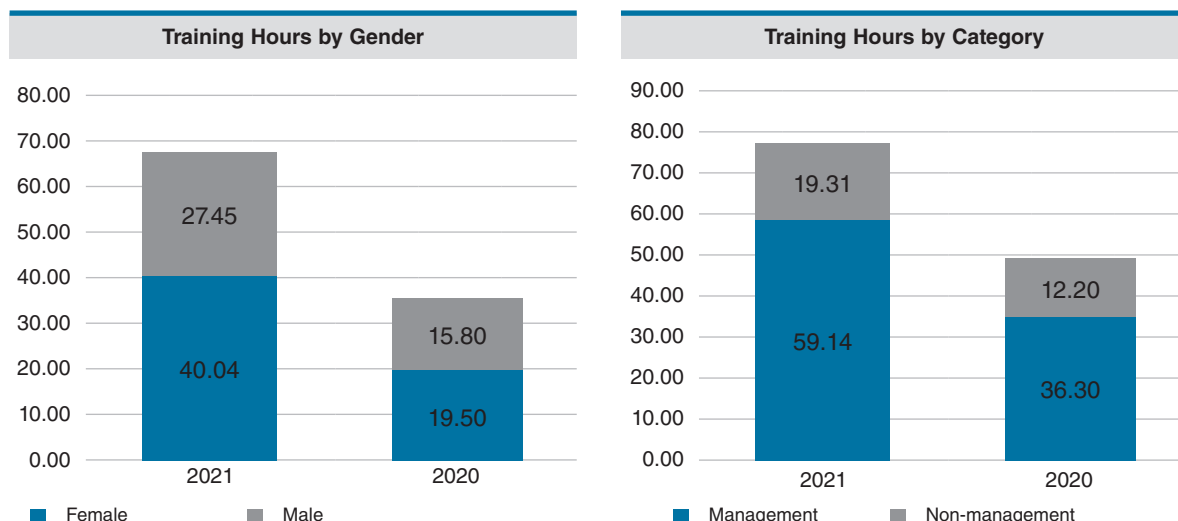
We continue to invest in our people, helping them reach their full potential through 360 review, training, job rotation and internal promotion opportunities, so they can move beyond their existing work scope both locally and regionally to take up the challenges in the future.

To encourage intrapreneurship, we launched our Thinker Box Programme in 2021 to empower the employees to share their ideas and bring them to life. We are very encouraged with the responses and ideas generated from our employees across different regions. A total of 10% of the ideas generated were implemented in the same year, improving the welfare of the employees and their sense of belonging towards the Group.

To address the evolving demands, Tuan Sing is focusing on digitalisation transformation to automate and simplify the work processes. Training needs for each employee are identified annually, mutually agreed on and steadily implemented over time. We also foster a culture of sharing and encouraging employees to share with colleagues the knowledge and skills they have gained through training. Training materials are made available to all interested employees. In addition, eligible employees are granted sponsorships for higher studies and examination leave.

There was an increase in the training hours in 2021 compared to 2020 as we strengthen the skillset of our employees.

The chart below shows the average training hours by gender and employee categories:



**(E) Talent Management and Planning**

We strive to retain a diverse and robust talent pool, carefully grooming our people to ensure that they will be ready to meet future needs. Priority is given to employees whenever there is a job opening within the Group. Numerous employees have benefited from this approach, as it allows them to broaden their exposure and skill sets across various business functions. Such job rotation diversifies employees' job role and knowledge and maintains their passion at work while tackling challenges at new role.

**(F) Charity, Donation and Sponsorships**

The Group has provided financial support to charitable organisations and professional bodies through donations and sponsorships over the years.

In 2021, the Group made donations and sponsorships amounting to \$29,000. The cumulative amount of donations and sponsorships for the past 10 years is \$471,000.

Year	2019	2020	2021	Cumulative from 2012 to 2021
Amount of donations and sponsorships	\$104,000	\$32,000	\$29,000	\$471,000

The reduced amount of donations in 2020 and 2021 was due to the adverse business environment amid the COVID-19 pandemic and the reduced number of charitable events participated by the Group during the year, in consideration of employees' health and safety.

**Targets**

The Group targets to participate and organise at least two charity/fundraising events on a yearly basis and to increase or at least maintain the amount of donations and sponsorships each year for the coming years.

## **5 CORPORATE GOVERNANCE FOR FAIR AND CONDUCIVE BUSINESS ENVIRONMENT**

### **(A) Corporate Governance**

The Group continues to be committed to high standards of corporate conduct. The Board and Management firmly believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance.

To discharge its governance function, the Board has established policies and rules to govern their activities, and they are guided by their respective written Terms of Reference which were updated during the year.

The Group's Corporate Governance Report is made available on our corporate website (<https://www.tuansing.com/corporate-governance/>).

Further details on Corporate Governance report are elaborated in detailed under "Corporate Governance" of the Annual Report.

### **(B) Business Ethics and Compliance**

The Group remains steadfast in complying business ethics and compliance with highest integrity and maximum transparency. Integrity is one of Tuan Sing's corporate values through the upholding of honesty and morality in our business conducts.

Tuan Sing has received a number of accolades in recognition of its pursuit to achieve high standards of corporate governance and was ranked 23rd in the Singapore Governance and Transparency Index (SGTI) 2021, out of 519 listed companies. To demonstrate our commitment towards excellence in corporate governance, corporate policies provide guiding principles on business conduct to ensure all employees and stakeholders across our value chain support the company's commitment to sustainability.

### **(C) Anti-Corruption and Anti-Bribery**

Tuan Sing has always upheld the highest standards of integrity and professionalism in conducting its business activities and expects its employees to embrace these values as well. This forms the basis of long-lasting relationships with our stakeholders. To ensure that employees are aware of Tuan Sing's philosophy, an employee handbook providing guidelines on the Code of Conduct, including guidelines on conflict of interest, is made readily available to all employees through the employee's intranet portal.

The Code of Conduct provides guidelines on the following issues:

- Employees' responsibilities to carry out their duties diligently and faithfully
- Conflict of interest and the reporting and declaration procedure
- Whistleblowing
- Clarifications on misconduct

It serves as a reminder to employees that they should act in the best interests of the Group and avoid situations that could create a conflict of interest. At the end of each year, employees are required to declare their compliance with the Code of Conduct, and whether they have been involved in any situation that might lead to a conflict of interest. A formal "Anti-Bribery and Anti-Corruption Policy" is also made available to all employees through the employee's intranet portal.

In 2021, a refresher virtual training session on the Group's policies including "Anti-Bribery and Anti-Corruption" was organised for employees to reinforce their understanding in this area.

There was no bribery or corruption cases reported in 2021 and we aim to maintain zero occurrence of corruption incident.

### **(D) Procurement and Supply Chain Management**

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

#### Procurement Policy

In August 2021, the procurement policy took effect to govern the conduct of the Group. The policy ensures that the Group receives the highest quality of desired goods and services at the best price possible. The procurement policy and system provide and align practices on all procurement activities within the organisation, as well as maintain the highest integrity throughout the procurement process. By involving and training all vendors and contractors in the use of the procurement system, the policy ensures maximum transparency and fair competition in all procurement exercises.

**6 ANNEXES**

**GRI Standards 2021 - Content Index**

GRI Standard		Page Reference and Remarks
<b>GENERAL DISCLOSURES</b>		
<b>2</b>	<b>Generals Disclosures 2021</b>	
2-1	Organisational details	"Corporate Data" of Annual Report.
2-2	Entities included in the organization's sustainability reporting	"Introduction - About This Sustainability Report" of Sustainability Report.
2-3	Reporting period, frequency and contact point	"Introduction - About This Sustainability Report" of Sustainability Report.
2-4	Restatements of information	There is no restatement of information.
2-5	External assurance	No external assurance has been carried out for this Sustainability Report.
2-6	Activities, value chain and other business relationships	"Our Corporate Profile" of Annual Report.
2-7	Employees	"Social Responsibility and Human Assets" of Sustainability Report.
2-8	Workers who are not employees	"Social Responsibility and Human Assets" of Sustainability Report.
2-9	Governance structure and composition	"Corporate Governance" of Sustainability Report and Annual Report.
2-10	Nomination and selection of the highest governance body	"Corporate Governance" of Annual Report.
2-12	Role of the highest governance body in overseeing the management of impacts	"Corporate Governance" of Annual Report.
2-14	Role of the highest governance body in sustainability reporting	"Value Creation and Approaches" of Sustainability Report
2-15	Conflicts of interest	"Corporate Governance" of Sustainability Report and Annual Report.
2-19	Remuneration policies	"Social Responsibility and Human Assets" of Sustainability Report and Corporate Governance of the Annual Report.
2-20	Process to determine remuneration	"Social Responsibility and Human Assets" of Sustainability Report and Corporate Governance of the Annual Report.
2-22	Statement on sustainable development strategy	"Board Statement and Commitment Towards Sustainability" of Sustainability Report
2-23	Policy commitments	"Value Creation and Approaches" and "Corporate Governance" of Sustainability Report.
2-24	Embedding policy commitments	"Value Creation and Approaches" and "Corporate Governance" of Sustainability Report.
2-25	Processes to remediate negative impacts	"Care for Environment" of Sustainability Report.
2-27	Compliance with laws and regulations	There is no instance of non-compliance to the law and regulations.
2-29	Approach to stakeholder engagement	"Stakeholder Engagement" of Sustainability Report.
<b>3</b>	<b>Material Topics 2021</b>	
3-1	Process to determine material topics	"ESG Materiality Topics" of Sustainability Report.
3-2	List of material topics	
3-3	Management of material topics	



# SUSTAINABILITY REPORT

## SUSTAINABILITY AT TUAN SING

GRI Standard		Page Reference and Remarks
<b>TOPIC MANAGEMENT DISCLOSURES</b>		
<b>Material Issue: Economic Performance</b>		
<b>3</b>	<b>Material Topics 2021</b>	“5-Year Financial Highlights,” “Statutory Reports and Accounts” and “Management Discussion and Analysis” of the Annual Report.
3-3	How organization manages economic performance	
<b>201</b>	<b>Economic Performance 2016</b>	
201-1	Direct economic value generated and distributed	
201-2	Financial implications and other risks and opportunities due to climate change	
201-3	Financial implications and other risks and opportunities due to climate change	
201-4	Financial assistance received from government	
<b>Material Issue: Anti-corruption</b>		
<b>3</b>	<b>Material Topics 2021</b>	“Corporate Governance for Fair and Conducive Business Environment” of Sustainability Report and “Corporate Governance” of Annual Report.
3-3	How organization manages anti-corruption	
<b>205</b>	<b>Anti-corruption 2016</b>	
205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
<b>Material Issue: Energy</b>		
<b>3</b>	<b>Material Topics 2021</b>	“Care for Environment” of Sustainability Report.
3-3	How organization manages energy	
<b>302</b>	<b>Energy 2016</b>	
302-1	Energy consumption within the organization	
302-2	Energy consumption outside of the organization	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
302-5	Reductions in energy requirements of products and services	
<b>Material Issue: Water</b>		
<b>3</b>	<b>Material Topics 2021</b>	“Care for Environment” of Sustainability Report.
3-3	How organization manages water	
<b>303</b>	<b>Water and Effluents 2018</b>	
303-1	Interactions with water as a shared resource	
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
303-4	Water discharge	
303-5	Water consumption	

# SUSTAINABILITY REPORT

## SUSTAINABILITY AT TUAN SING

GRI Standard		Page Reference and Remarks
<b>TOPIC MANAGEMENT DISCLOSURES</b>		
<b>Material Issue: Waste</b>		
<b>3</b>	<b>Material Topics 2021</b>	"Care for Environment" of Sustainability Report.
3-3	How organization manages waste	
<b>306</b>	<b>Waste 2020</b>	
306-1	Waste generation and significant waste-related impacts	
306-2	Management of significant waste-related impacts	
306-3	Waste generated	
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
<b>Material Issue: Employment</b>		
<b>3</b>	<b>Material Topics 2021</b>	"Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages employment	
<b>401</b>	<b>Employment 2015</b>	
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3	Parental leave	
<b>Material Issue: Occupational Health and Safety</b>		
<b>3</b>	<b>Material Topics 2021</b>	"Board Statement and Commitment Towards Sustainability", "Value Creation and Approaches" and "Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages occupational health and safety	
<b>403</b>	<b>Occupational Health and Safety 2018</b>	
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment, and incident investigation	
403-3	Occupational health services	
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	"Board Statement and Commitment Towards Sustainability", "Value Creation and Approaches" and "Social Responsibility and Human Assets" of Sustainability Report.
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Board Statement and Commitment Towards Sustainability", "Value Creation and Approaches" and "Social Responsibility and Human Assets" of Sustainability Report.
403-8	Workers covered by an occupational health and safety management system	
403-9	Work-related injuries	
403-10	Work-related ill health	

# SUSTAINABILITY REPORT

## SUSTAINABILITY AT TUAN SING

GRI Standard		Page Reference and Remarks
<b>TOPIC MANAGEMENT DISCLOSURES</b>		
<b>Material Issue: Training and Education</b>		
<b>3</b>	<b>Material Topics 2021</b>	“Social Responsibility and Human Assets” of Sustainability Report.
3-3	How organization manages training and education	
<b>404</b>	<b>Training and Education 2016</b>	
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
<b>Material Issue: Diversity and Equal Opportunity</b>		
<b>3</b>	<b>Material Topics 2021</b>	“Social Responsibility and Human Assets” of Sustainability Report.
3-3	How organization manages diversity and equal opportunity	
<b>405</b>	<b>Diversity and Equal Opportunity 2016</b>	
405-1	Diversity of governance bodies and employees	
405-2	Ratio of basic salary and remuneration of women to men	
<b>Material Issue: Local Communities</b>		
<b>3</b>	<b>Material Topics 2021</b>	“Social Responsibility and Human Assets” of Sustainability Report.
3-3	How organization manages local community	
<b>413</b>	<b>Local Communities 2016</b>	
413-1	Operations with local community engagement, impact assessments, and development programs	
413-2	Operations with significant actual and potential negative impacts on local communities	

## CORPORATE GOVERNANCE

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## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

*"A robust corporate governance framework is instrumental to creating long-term value for shareholders. At Tuan Sing Holdings Limited, we are committed to walking the talk. From the Board to senior management as well as dedicated staff, we engage our stakeholders with transparency, accountability and integrity."*

— William Liem, Business Times, 13 October 2021

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

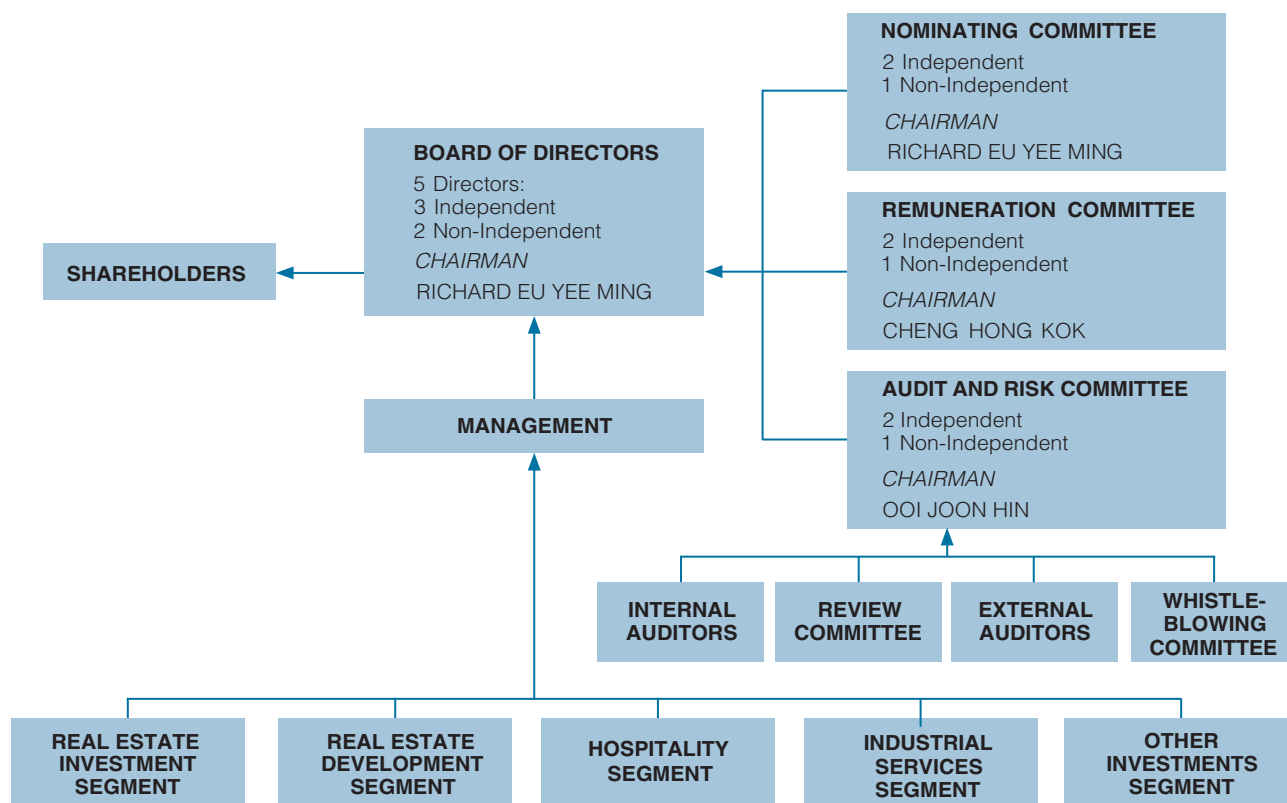
In 2021, the Company continued to fare well in its governance achievements and was ranked 23rd in The Singapore Governance and Transparency Index (SGTI) 2021 (General Category) out of 519 Singapore-listed companies. The Company is accepted by SGXFast Track which recognises the efforts and achievements of listed issuers which have upheld high standards of corporate governance and maintained a good compliance track record.

#### Welcome to the Corporate Governance section of our Annual Report

This report sets out the Company's corporate governance processes, practices and activities in the financial year ended 31 December 2021 ("FY2021") with specific reference to the Code of Corporate Governance 2018 ("Code").

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

#### Corporate Governance Framework as at 24 March 2022<sup>(1)</sup>



#### Annotation

<sup>(1)</sup> Date of the Audited Financial Statements and Directors' Statement for FY2021.

## I. BOARD MATTERS

### BOARD'S CONDUCT OF ITS AFFAIRS

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

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

#### Provisions 1.1 and 1.2

##### Board roles and Directors' duties

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

- i. providing entrepreneurial leadership, setting corporate strategies and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- ii. reviewing and approving the Group's annual business plan, including the annual budget, operational and capital expenditure plans as well as constructively challenging Management on the strategic options and planning process;
- iii. reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational, compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;
- iv. effectively monitoring and managing risks, achieving appropriate balance between risks and the Company's performance;
- v. overseeing the long-term succession planning for Management and ensuring that Management observes the code of conduct as applied to them;
- vi. ensuring that policies are in place to ensure compliance with legislative and regulatory requirements;
- vii. monitoring the Group's performance, position and prospects and reviewing the performance of Management against agreed goals and objectives and satisfying themselves that the Group's businesses are properly managed;
- viii. reviewing and approving the release of the Group's half-year and full-year financial results and a variety of other strategic initiatives tabled by Management; and
- ix. ensuring transparency and accountability to key stakeholder groups.

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

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

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

##### Conflicts of interest

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

##### Directors' competencies

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

The Company scaled back the organisation of training programmes for the Directors in FY2021 due to the COVID-19 pandemic and encouraged Directors to participate in seminars such as those organised by the Singapore Institute of Directors and SGX. The Directors continued to keep themselves abreast of changes and developments in the business environment.

The Management organises an offsite strategy meeting at interval of between one to three years. At each strategy meeting, the Board and Management meet to discuss and review the Company's strategic plans. The last strategy meeting was held in December 2021.

In addition, site visits to the Group's overseas projects are arranged to provide the Directors an opportunity to understand these projects better. There was no site visit in FY2021 due to the COVID-19 travel restrictions.

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

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

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

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

Mr Ooi Joon Hin was appointed as an Independent Director of the Company on 7 May 2021. He had completed all mandatory trainings as prescribed by SGX-ST Mainboard Listing Rule 210(5) on 12 October 2021.

#### Provision 1.3

##### Internal guidelines on matters requiring Board’s approval

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

- i. business plans and budgets/forecasts
- ii. material acquisition and disposal of land/assets/investments
- iii. corporate/financial restructuring/corporate exercises
- iv. financial results announcements and press releases
- v. declaration of dividends
- vi. delegation of authority matrix, significant policies and procedures
- vii. material financial/funding arrangements and provision of corporate guarantees
- viii. interested person transactions (“IPTs”) above certain threshold

The Delegation of Authority Matrix is reviewed and revised periodically. The Matrix was last reviewed in August 2021.

##### Key Activities of the Board – FY2021

##### Standard agenda:

- Reports of the ARC, NC and RC
- Group Chief Executive Officer (“CEO”)’s monthly management report and periodic updates (quarterly or half-yearly as appropriate) on:
  - businesses including risk profiles
  - development/operations in Australia, China and Indonesia
  - Group’s borrowing profile
  - Group’ cash flow projection
  - litigation cases
- Review and approval of all announcements including those for half-year and full-year financial statements
- IPT Register

- Whistle-blowing Register
- Disclosure of Directors’ interests pursuant to Section 156 of the Companies Act 1967 (“Companies Act”)

##### Other key items deliberated during FY2021:

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

##### Matters reserved for specific Board approval:

- i. Documents for distribution to shareholders, annual report and financial statements
- ii. Annual budgets and business plans
- iii. Dividend pay-out
- iv. CEO’s Key Performance Indicators (“KPIs”) and performance review

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

#### Board organisation and support

##### Provision 1.4

##### Delegation to Board Committees

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

#### Provision 1.5

##### Board and Board Committee meetings and attendance records

Meetings of the Board, Board Committees and shareholders of the Company (“Shareholders”) are scheduled in advance of each financial year in consultation with the Directors to ensure optimal participation. Ad hoc meetings of the Board and Board Committees may be called where necessary or warranted by particular circumstances. On occasions when Directors are unable to attend meetings in person, telephonic or video conference participation is permitted in accordance with the Constitution of the Company. In FY2021, the Directors were given the option to attend virtual meetings via video conferencing facilities such as Zoom and Teams.

## CORPORATE GOVERNANCE CORPORATE GOVERNANCE REPORT

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

The attendance record (includes both physical and virtual meetings) of the Directors in FY2021 is set out below:

	Board	ARC	NC	RC	General Meeting
<b>Total Number of Meetings held</b>	4	4	2	1	1
	<b>Total Number of Meetings attended</b>				
<b>Executive Director</b>					
William Nursalim alias William Liem	4	N.A.	N.A.	N.A.	1
<b>Non-Executive Director</b>					
Albert Choo Teow Huat <sup>(1)</sup>	1	1	1	1	0
Cheng Hong Kok	4	1	2	1	1
Michelle Liem Mei Fung	4	4	2	1	1
Richard Eu Yee Ming	4	4	N.A.	N.A.	1
Ooi Joon Hin <sup>(2)</sup>	2	3	N.A.	N.A.	N.A.

**Annotations:**

<sup>(1)</sup> Mr Albert Choo Teow Huat retired at the conclusion of the Company's AGM on 23 April 2021

<sup>(2)</sup> Mr Ooi Joon Hin was appointed as an Independent Director and ARC Chairman on 7 May 2021.

### **Provision 1.6**

#### **Access to information**

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

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

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

### **Provision 1.7**

#### **Independent professional advice/Company Secretary**

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

The role of the Company Secretary(ies) has been clearly defined and includes, *inter alia*, advising the Board on all matters regarding the proper function of the Board, compliance with the Company's Constitution and applicable regulations, requirements of the Companies Act, the Securities and Futures Act 2001 and the SGX-ST Listing Manual.

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

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



# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE REPORT

### BOARD COMPOSITION AND GUIDANCE

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

#### Board Composition at a glance

The Board consists of members who have the appropriate level of independence and diversity of thought and background. Collectively, their established track record in real estate, business, finance, accounting, legal, strategic planning and management, have enabled the Board to make decisions in the best interests of the Company. The Directors' Profile can be found on pages 8 to 10 of this Annual Report.

#### Board composition as at 24 March 2022<sup>(1)</sup>

##### Non-Executive and Independent Directors

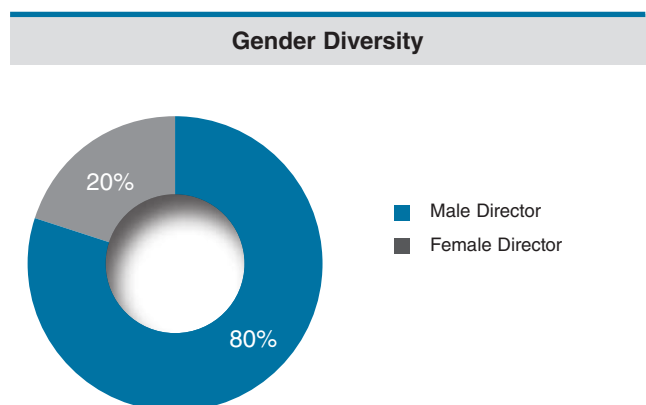
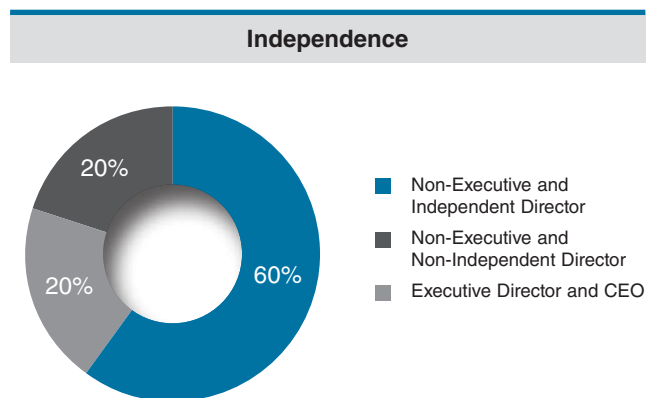
1. Cheng Hong Kok
2. Ooi Joon Hin
3. Richard Eu Yee Ming

##### Non-Executive and Non-Independent Director

Michelle Liem Mei Fung

##### Executive Director and CEO

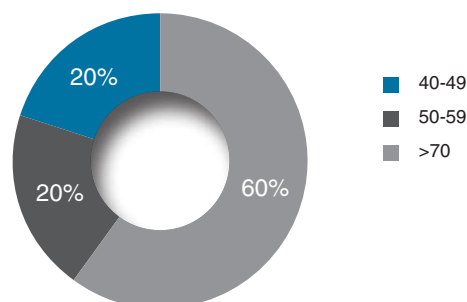
William Nursalim alias William Liem



#### Annotation

<sup>(1)</sup> Date of the Audited Financial Statements and Directors' Statement for FY2021.

### Age Group of Our Directors



#### Provision 2.1

##### Independence of Directors

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

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

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

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

In FY2021, the NC conducted its annual review of the Directors' independence and was satisfied that the Company had complied with Provision 2.1 of the Code, the Practice Guidance and SGX-ST Listing Rule 210(5)(d)(i) and (ii).

In line with the SGX-ST Listing Rule 210(5)(d)(iii) which came into effect on 1 January 2022, the continued appointment of an Independent Director who has served the Board for an aggregate period of more than nine years will be subject to the approval of (i) all Shareholders; and (ii) all Shareholders, excluding Shareholders who are Directors and the CEO of the Company (and their associates). Subsequent to the retirement of Mr Albert Choo Teow Huat at the Company's last annual general meeting held on 23 April 2021, who is a former Independent Director of the Company and the only Independent Director having served the Board beyond nine years, there is no Director on the Board who is subjected to this mandatory two-tier voting process at the forthcoming annual general meeting ("2022 AGM").

For FY2021, the NC noted Mr Cheng Hong Kok's directorship in the Company's subsidiary, SP Corporation Limited ("SP Corporation"). Mr Cheng's appointment was solely for board service and he was neither employed by the Company nor SP Corporation. In FY2021, the Company provided management support services and leasing of office space to SP Corporation. The company secretarial support services were provided by the Company to SP Corporation until 3 September 2021. SP Corporation subsequently appointed an external corporate secretarial provider. The aggregate value of these transactions was not material compared to the revenues of the Company and SP Corporation. Mr Cheng was not involved in determining the value of these transactions and he did not participate in the review and approval process. The NC was of the view that Mr Cheng's directorship with SP Corporation had neither interfered, nor was reasonably perceived to interfere, with his ability to exercise independent judgement to act in the best interests of the Company.

For FY2021, the NC and the Board had assessed the independence of Messrs Ooi Joon Hin, Cheng Hong Kok and Richard Eu Yee Ming, and were satisfied that there was no relationship (based on the aforesaid assessments) or other factors such as gifts or financial assistance, past or present association, business dealings, representative of shareholder, financial dependence, relationship with the Group or the Group's management which would impair their independent judgement. During the process, each Independent Director had recused himself in the determination of his own independence.

#### **Provision 2.2**

##### **Composition of Independent Directors on the Board**

Provision 2.2 of the Code requires the Independent Directors to make up a majority of the Board where the Chairman of the Board is not independent. The Board Chairman, Mr Richard Eu Yee Ming (appointed on 24 February 2021) is an Independent Director.

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

For FY2021, the NC reviewed the composition of the Board and its Committees, and was of the view that the current Board size of five Directors was adequate to facilitate effective decision making for the current needs and demands of the Group's businesses. The Board concurred with the NC's assessment and recommendation.

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

#### **Provision 2.3**

##### **Proportion of Non-Executive Directors**

Throughout FY2021, Non-Executive Directors constituted a majority of the Board and as such the Company had complied with Provision 2.3 of the Code.

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

#### **Provision 2.4**

##### **Board composition and size**

For FY2021, the NC conducted its annual review on the composition and size of the Board and concluded that they were appropriate, taking into account the scope and nature of the operations of the Group. The NC also noted that there was adequate diversity in that the Board comprised members of both genders and from different backgrounds whose core competencies, qualifications, skills and experience met with the requirements of the Group.

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

##### **Board diversity policy**

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

The Board had adopted a written Board Diversity Policy (the "Policy") at the recommendation of the NC last year, details of which can be found at the Company's website at: <https://tuansing.com/board-diversity-policy/>. The Policy sets out certain quantitative and qualitative objectives. Among others, the Board has set "diversity" as a key criterion for any search process for the Board and KMP.

The Board has also set its gender diversity objectives of (i) having at least one female Director on the Board and at least one female KMP; (ii) having at least one female candidate in any search process for Directors and KMP; and (iii) to endeavour to align with the target set by the national diversity body (e.g. Council for Board Diversity ("CBD")) for female board representation as much as possible. Nevertheless, gender is but one aspect of diversity and new Directors will continue to be selected based on their merits and the potential contributions which they can bring to the Board. The Board has also set skills diversity objectives which include (i) experience in public appointments; (ii) experience as director of listed companies; (iii) sector experiences – knowledge of countries where the Company primarily operates; (iv) sector knowledge of Group's principal business activities; and (v) functional experience of the Directors. The Board, through the NC, will assess this Board competency matrix whenever the NC reviews board diversity.

The current Board has one female Director (constituting 20% of the Board), namely Ms Michelle Liem Mei Fung and meets the target set by the CBD for 2021. Ms Liem has been a Board member since 2001 and the Company continues to benefit from her membership in terms of improved discussions, debates and decision-making at the Board level.

## CORPORATE GOVERNANCE

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

#### **Provision 2.5**

##### **Regular meetings of Non-Executive Directors**

In FY2021, the Non-Executive Directors met during the periodic meetings of the Board and Board Committees. In addition, the Non-Executive Directors met informally (online or offline) with the KMP (including the CEO) and other senior management of the Group from time to time to discuss matters relating to the Group. After the meetings, they provided feedback to Management to review and resolve specific issues and matters discussed during the meetings. The Company has benefitted from Management’s ready access to the Non-Executive Directors for guidance and exchange of views, both within and outside of Board and Board Committee meetings in 2021.

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

#### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

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

#### **Provisions 3.1 and 3.2**

##### **Separation of the role of Chairman and CEO**

In FY2021, the Board Chairmanship was helmed by Mr Richard Eu Yee Ming (Non-Executive Independent Director) with effect from 24 February 2021.

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

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

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

There is no familial relationship between the CEO, Mr William Nursalim alias William Liem and the Board Chairman, Mr Richard Eu Yee Ming.

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

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

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

#### **Provision 3.3**

##### **Lead Independent Director**

The Code provides for a Lead Independent Director to be appointed by the Board in situations where the Chairman is conflicted and when the Chairman is not independent. For FY2021, the NC and the Board, having taken into consideration the Company’s current business operations and current Board size were of the view that the appointment of a Lead Independent Director was not necessary.

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

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

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

## BOARD MEMBERSHIP

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

#### Provisions 4.1 and 4.2

##### NC membership and key terms of reference

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

- Mr Richard Eu Yee Ming, Chairman  
(Non-Executive and Independent)
- Mr Cheng Hong Kok  
(Non-Executive and Independent)
- Ms Michelle Liem Mei Fung  
(Non-Executive and Non-Independent)

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

- i. review the nomination, appointment and re-appointment of Directors to the Board;
- ii. review annually the independence of Directors;
- iii. determine a suitable size of the Board;
- iv. develop and maintain internal guidelines to assess a Director's ability and his/her performance in carrying out his/her duties as Director of the Company;
- v. review the Directors' mix of skills, attributes/qualities, experiences and diversity that the Board requires;
- vi. recommend to the Board on internal guidelines to address the competing time commitments faced by Directors serving on multiple boards;
- vii. develop and maintain, as appropriate, a formal assessment process and criteria to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board;
- viii. review, as appropriate, the independence of any Director who has served on the Board beyond nine years from the date of his/her first appointment; and
- ix. review the succession plans for Directors, appointment and/or replacement of the Chairman, the CEO, and other KMP for recommendation to the Board.

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

Other than as stated above, the NC is also involved in the review of training and professional development programmes for the Board. For FY2021, the task of this review was assisted by the in-house Company Secretary(ies).

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

In discharging its key responsibilities, the NC reviewed the followings in FY2021:

- i. the independence of Directors, particularly any Director who has served more than nine years;
- ii. the size of the Board and its composition;
- iii. the commitment of Directors serving on multiple boards;
- iv. the performance of the Board as a whole and the Board Committees;
- v. contribution by each individual Director to the effectiveness of the Board;
- vi. the Directors' continued training and professional development;
- vii. the disclosure of Board matters in the annual report; and
- viii. Board succession and renewal plans.

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

#### Provision 4.3

##### Selection, appointment and re-appointment of Directors

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

The Company has in place a process for selecting and appointing new Directors. This process includes, *inter alia*, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board. The NC may have recourse to both internal sources as well as external sources to draw up a list of potential candidates. Shortlisted candidates will be required to furnish their curriculum vitae, stating in detail their qualifications, working experience and employment history, and to complete certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines. These processes were applied for the appointment of new Director, Mr Ooi Joon Hin in FY2021.



## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

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

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

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

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

#### **Provision 4.4**

##### **Continuous review of Directors' independence**

For FY2021, the NC had conducted, *inter alia*, an annual review of the independence of the Directors based on their declaration which was drawn up in accordance with the guidelines provided under the Code, its Practice Guidance and relevant SGX-ST listing rules, and had determined, having regard to the circumstances set forth in Provision 2.1 of the Code, the independence of each Director. Please refer to Provision 2.1 of this Corporate Governance Report on the process and details of the NC's review of Directors' independence. The NC is also committed to reassess the independence of each Independent Director as and when warranted.

#### **Provision 4.5**

##### **Multiple directorships**

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

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

For FY2021, there were no Directors who exceeded the Internal Guideline Limit. The NC and the Board were satisfied that all the Directors had discharged their duties adequately and satisfactorily.

## **BOARD PERFORMANCE**

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

#### **Provisions 5.1 and 5.2**

##### **Board evaluation process, Board performance criteria and individual Director evaluation**

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

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

For FY2021 and as in previous years, the Board conducted an annual evaluation of the performance of the Board and individual Directors by having each Director complete a questionnaire for "Board Performance Assessment" with comments where necessary.

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

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

- (a) Board structure including independent element on the Board, working partnership between the Board and Management, Board size, and contribution by the Chairman and each Director to the Board;
- (b) conduct of meetings including their regularity, adequacy of notice, leadership of the chair, quality of discussion and consensus of decision;
- (c) corporate strategy and planning including provision of entrepreneurial leadership to the Management, resources allocation and approval of annual business plan;
- (d) risk management and internal controls including its framework and a review of their implementation effectiveness;
- (e) measuring and monitoring Management's performance, including conducting reviews in comparison with the previous year's performance and budget;
- (f) recruitment, evaluation and compensation, including approval for KMP appointments, remuneration framework, annual compensation and bonus for the KMP;
- (g) succession planning for the Board and Management;
- (h) financial reporting including the integrity of financial statements, principles applied and approval for announcements; and
- (i) communication with Shareholders.

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

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

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

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

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

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

The Board was satisfied with the results of the annual evaluation of the performance of the Board, its Board Committees and individual Directors’ assessment for FY2021.

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

The Board did not engage any independent external consultant to facilitate the annual review of the performance of the Board, the Board Committees and the individual Directors for FY2021. However, the NC and the Board are open to the idea should such a need arise to enhance or enliven the Board performance evaluation process.

## II. REMUNERATION MATTERS

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

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

## PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

#### Provisions 6.1 and 6.2

#### Remuneration Committee composition and terms of reference

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

- Mr Cheng Hong Kok, Chairman  
(Non-Executive and Independent)
- Mr Richard Eu Yee Ming  
(Non-Executive and Independent)
- Ms Michelle Liem Mei Fung  
(Non-Executive and Non-Independent)

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

- i. offers an independent perspective in assisting the Board to establish a formal and transparent procedure for developing a remuneration policy for Directors and KMP (or executives of equivalent rank) of the Company;
- ii. establishes an appropriate remuneration framework to motivate and retain Directors and KMP (or executives of equivalent rank), and ensure that the Company is able to attract appropriate talent from the market in order to maximise value for Shareholders;
- iii. develops a remuneration policy for the Executive Director and KMP (or executives of equivalent rank), structuring it to link rewards to corporate and individual performance;
- iv. determines specific remuneration packages for the Executive Director and KMP (or executives of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company;
- v. reviews and approves the compensation of the KMP (or executives of equivalent rank); and
- vi. reviews the appropriateness and transparency of remuneration matters for disclosure to Shareholders.

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

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

#### Provision 6.3

#### Developing remuneration framework

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

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

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

For FY2021, the RC reviewed and recommended to the Board the remuneration package of the Executive Director/CEO and the KMP (or executives of equivalent rank). In addition, the RC also reviewed the performance of the Group's other heads of department ("HOD") (excluding those employed by the listed subsidiary which has its own remuneration committee), after taking into consideration the CEO's assessment of, and recommendation for, bonus and remuneration. The RC also reviewed and endorsed the Management's recommendation of other employees' bonuses for 2021 and salary increments for 2022.

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

#### **Provision 6.4**

##### **RC's access to advice on remuneration matters**

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

#### **LEVEL AND MIX OF REMUNERATION**

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

#### **Provisions 7.1, 7.2 and 7.3**

##### **Remuneration of Directors and KMP**

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

Throughout FY2021, the Board had only one Executive Director, namely the CEO. As stipulated in the Company's remuneration framework, the Executive Director and KMP of the Group do not receive Director's fees from the Company or from its subsidiaries/associated entities if they are nominated and appointed to these boards.

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

Each year, the RC reviews and approves the remuneration packages of the Executive Director/CEO and the KMP (or executives of equivalent rank) for recommendation to the Board. This includes the review of their basic salary, allowance, benefits and bonus. In the process, the RC takes into account the KPI performance of each individual for the financial year under review.

For FY2021, the RC was satisfied that the adjustments made to the salaries as well as the performance-related bonuses granted to the Executive Director/CEO and KMP were reflective of their performance and contributions made by them taking into account the extent to which their KPIs were met.

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

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

##### **Remuneration framework for Non-Executive Directors**

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

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

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

## CORPORATE GOVERNANCE CORPORATE GOVERNANCE REPORT

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

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

The remuneration framework for Non-Executive Directors was last reviewed in FY2018, using data obtained from a survey of such fees disclosed by comparable peers in property companies listed in Singapore in their annual reports. The Board concurs with the RC's proposal for Non-Executive Directors' fees for FY2021 which

are computed in accordance with the current framework. The RC and the Board will accordingly table the Non-Executive Directors' fees for FY2021 for Shareholders' approval at the 2022 AGM. The Chairman and Non-Executive Directors will abstain from voting in respect of the resolution. The RC and the Board were of the opinion that the current framework remains relevant.

The RC and the Board are collectively of the view that the remuneration for FY2021 is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company, and for KMP to successfully manage the Company for the long term.

### DISCLOSURE ON REMUNERATION

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

#### Provision 8.1

#### Remuneration report

Details on the remuneration of Directors and the KMP for FY2021 are reported below. During FY2021, there were no termination, retirement or post-employment benefits granted to any of them.

The remuneration of the Executive Director/CEO and Non-Executive Directors for FY2021 is set out in Table A below:

**TABLE A**

Name of Directors	Directors' Fees <sup>(1)</sup> \$	Salary <sup>(2)</sup> \$	Benefits <sup>(3)</sup> \$	Variable Bonus \$	Total \$
<b>Executive Director</b>					
William Nursalim alias William Liem <sup>(4)</sup>	—	1,045,440	48,026	740,520	1,833,986
<b>Non-Executive Directors</b>					
Albert Choo Teow Huat <sup>(5)</sup>	38,829	—	—	—	38,829
Richard Eu Yee Ming <sup>(6)</sup>	128,432	—	—	—	128,432
Michelle Liem Mei Fung	96,000	—	—	—	96,000
Cheng Hong Kok	79,500	—	—	—	79,500
Ooi Joon Hin <sup>(7)</sup>	63,932	—	—	—	63,932
<b>Total Directors' Remuneration</b>	<b>406,693 (18%)</b>	<b>1,045,440 (47%)</b>	<b>48,026 (2%)</b>	<b>740,520 (33%)</b>	<b>2,240,679 (100%)</b>

#### Annotations:

<sup>(1)</sup> If approved, the aggregate amount of Directors' fees of \$406,693 will be paid to the Non-Executive Directors upon approval by Shareholders at the forthcoming AGM.

<sup>(2)</sup> Salary refers to basic salary (CPF contribution is not applicable).

<sup>(3)</sup> Benefits refer to car and handphone benefits.

<sup>(4)</sup> As an Executive Director, Mr William Nursalim alias William Liem does not receive Director's fees.

<sup>(5)</sup> Mr Albert Choo Teow Huat retired at the conclusion of the Company's AGM on 23 April 2021. His Retainer Fees for Board and Committees are pro-rated to 113/365 days.

<sup>(6)</sup> Mr Richard Eu Yee Ming was appointed as Board Chairman on 24 February 2021, NC Chairman and RC member on 7 May 2021. His Retainer Fees for Board and Committees are pro-rated to 311/365 days and 239/365 days respectively.

<sup>(7)</sup> Mr Ooi Joon Hin was appointed as a Board director and Chairman of ARC on 7 May 2021. His Retainer Fee is pro-rated to 239/365 days.



## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

For FY2021, there was no change in the fee structure for Directors.

The total proposed Directors' Fees for FY2021 is \$406,693 which is 7.5% lower than FY2020 (FY2020: \$439,664) reflecting mainly the reduced number of Directors on the Board.

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

**TABLE B**

Name of Top 5 Management Personnel including KMP	Designation	Breakdown of Remuneration by Percentage (%)				Total Remuneration in Compensation Bands of \$250,000
		Salary <sup>(1)</sup>	Benefits <sup>(2)</sup>	Incentives <sup>(3)</sup>	Total	
Alexander Loh	Director, Group Human Resources	63%	1%	36%	100%	\$250,000 - \$499,999
Nick Ng	SVP, Business Development	72%	1%	27%	100%	\$250,000 - \$499,999
Patrick Tan	Head, Asset & Fund Management	63%	1%	36%	100%	\$500,000 - \$749,999
Peggy Wong	General Counsel	67%	1%	32%	100%	\$500,000 - \$749,999
Tan Choong Kiak	Group Chief Financial Officer	60%	1%	39%	100%	\$500,000 - \$749,999
<b>Total Remuneration of Top 5 Management Personnel including the KMP</b>		<b>1,708,843 64%</b>	<b>11,820 1%</b>	<b>912,319 35%</b>	<b>2,632,782 100%</b>	

**Annotations:**

<sup>(1)</sup> Salary refers to basic salary, allowance and employer's provident fund or equivalent contribution thereof.

<sup>(2)</sup> Benefits refer to handphone benefits.

<sup>(3)</sup> Bonus refers to variable bonus and employer's provident fund or equivalent contribution thereof.

<sup>(4)</sup> The KMP of the Company are the CEO, the CFO and the General Counsel. The CEO's compensation is disclosed in Table A above.

The aggregate remuneration paid to the above top five management personnel including the KMP (excluding the Executive Director/CEO of the Group) for FY2021 was \$2,632,782.

#### **Provision 8.2**

##### **Employee who is a Substantial Shareholder or is an immediate family member of a Director, CEO or Substantial Shareholder**

Except for the Executive Director/CEO, Mr William Nursalim alias William Liem, whose remuneration is disclosed in Table A above, there is no other employee who is a substantial shareholder or is an immediate family member of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds \$100,000 for FY2021.

#### **Provision 8.3**

##### **Details of all forms of remuneration and other payments and benefits paid to Directors and KMP**

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

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

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

### **III. ACCOUNTABILITY AND AUDIT**

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

During FY2021, the half-year and full-year results of the Group were announced within the prescribed timeline after the end of each period.

#### **RISK MANAGEMENT & INTERNAL CONTROLS**

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

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

**Provision 9.1**

**Significant risks, objectives and value creation**

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

During FY2021 and as in the previous years, the ARC assisted the Board in the identification of risks and oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management systems and internal controls. The ARC reported to the Board on risks facing the Group; suggested level of risk tolerance for the Company to achieve its strategic objectives and value creation; and its review of updated risk policies.

A detailed Group Risks Management Report is prepared by Management and reviewed by the ARC and recommended to the Board for approval each year. For FY2021, the Report identified twenty-eight risks and ways to manage them. The Board has since endorsed the Group Risks Management Report for FY2021. A summary of the contents may be referred to under "Business Dynamics and Risk Factors Statement" section of this Annual Report.

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

The framework takes into account changes in the business and operation environments as well as evolving corporate governance requirements. The framework outlines the principles, process, tools, risk categories and types, key responsibilities, reporting requirements and communication timelines within the Group, and intends to provide reasonable assurance that the Group's objectives can be achieved and that its obligations to stakeholders – customers, shareholders, employees and community can be met.

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

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

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

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

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

i. Information Security Policy

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

ii. Personal Data Protection Policy

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

iii. Anti-bribery and Anti-corruption Policy

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

iv. Sustainability Policy

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

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

In accordance with the SGX-ST Listing Rules 711A and 711B, the Board has reviewed the Company's Sustainability Report and approved its inclusion in the Annual Report. For more details, please refer to pages 39 to 56 of this Annual Report.

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

#### **Provision 9.2**

##### **Assurance from CEO, CFO and other responsible KMP**

The CEO and the CFO have provided assurances to the Board that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company and the Group's operations and finances for the year ended 31 December 2021.

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

Based on the Compliance Checklists that were confirmed and signed off by the relevant HOD within the Group, the CEO and the relevant HOD have provided assurances that the Company's risk management and internal control systems were adequate and effective as at 31 December 2021.

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

Based on internal controls established and maintained by the Group, work performed by the Company's internal auditors ("**Internal Auditors**") and external auditors ("**External Auditors**"), reviews performed by Management, and written representations by the CEO and the CFO and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control framework and systems were adequate and effective as at 31 December 2021 to address financial, operational and compliance risks including information technology controls and risk management systems, which the Group considers relevant and material to its operations.

## AUDIT AND RISK COMMITTEE

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

#### **Provisions 10.1, 10.2 and 10.3**

##### **Composition, roles and expertise of the ARC**

As at 31 December 2021, the ARC comprises the following Directors, all of whom are non-executive and the majority, including its Chairman, are independent:

- Mr Ooi Joon Hin, Chairman  
(Non-Executive and Independent)
- Mr Richard Eu Yee Ming  
(Non-Executive and Independent)
- Ms Michelle Liem Mei Fung  
(Non-Executive and Non-Independent)

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

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

The ARC Chairman, Mr Ooi Joon Hin, is an accountant by training and has over 25 years of experience in financial management experience throughout his professional career. Mr Ooi is currently a Managing Director and Co-founder of Millenia Investment Management Pte Ltd, a registered fund management company in Singapore. He was previously with Ivory Capital Group and Lehman Brothers' Investment Banking Division and had served in Lehman Brothers' New York, Hong Kong and Singapore offices.

Mr Richard Eu Yee Ming brings with him extensive corporate expertise and knowledge, having served as Group CEO of Eu Yan Sang International for 29 years, and where he remains as Non-Executive Chairman. With various corporate leadership positions in several other organisations under his belt, Mr Eu has a wide range of experience across a variety of roles that includes corporate finance.

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

For FY2021, no former partner or Director of the Company's incumbent auditing firm or its member firms was a member of the ARC.

During FY2021, the ARC met four times, of which three were scheduled meetings and one was ad hoc. The KMP attended all the four meetings. The Internal Auditors and the External Auditors attended two and three scheduled meetings respectively.

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

#### **Duties of the ARC**

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

- i. Reviewing the adequacy and effectiveness of the internal controls over financial, operational, compliance, information technology, and risk management policies and systems established by Management;
- ii. Reviewing the assurance from the CEO and the CFO on the Group's financial records and financial statements;
- iii. Monitoring compliance with the laws and regulations, the SGX-ST Listing Manual and the Code;
- iv. Reviewing the principal business risks and assessing the appropriateness of the mechanisms in place to identify, preventing and minimising these business risks;
- v. Reviewing the relevance and consistency of the accounting standards used by the Group, significant financial reporting issues and judgements;
- vi. Reviewing the monthly management reports as well as the half-year and full-year financial statements, assessing and challenging where necessary, their correctness, completeness, integrity and consistency before submission to the Board or made public;
- vii. Meeting with Management and External Auditors to review the financial statements, the process and the results of the audit and other sections of the annual report including disclosure on corporate governance practices before its release;
- viii. Reviewing and recommending for the Board's approval, IPTs as defined under Chapter 9 of the SGX-ST Listing Manual and those that require the ARC's approval as specified in the general mandate approved by Shareholders ("IPT Mandate");
- ix. Reviewing the Internal Auditors' program with regard to the complementary roles of the internal and external audit functions; ensuring that there are no unjustified restrictions or limitations to the Internal Auditors' work scope; reviewing the Internal Auditors' reports and ensuring timely response by Management;
- x. Reviewing and recommending to the Board for approval the Whistle-blowing Policy, by which employees of the Company and/or external parties may, in confidence, raise concerns about suspected improprieties including financial irregularities;
- xi. Reviewing the audit representation letters to be issued by the Company before consideration by the Board; reviewing the contents of the External Auditors' management letters, monitoring the responsiveness of Management to the recommendations made, and ensuring that the External Auditors have direct and unrestricted access to officers of the Company and the Chairman of the ARC;

- xii. Reviewing audit fees, the terms of the audit, the nature and extent of non-audit services provided by the External Auditors, and making recommendations to the Board on the proposals to Shareholders on the appointment, re-appointment or removal of the External Auditors; and
- xiii. Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit functions.

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

#### **Activities of the ARC**

In FY2021 and as in past years, the ARC met with the Internal and External Auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the Auditors. Where relevant, the ARC makes reference to best practices and guidance in the Guidebook for Audit Committee in Singapore; practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority ("ACRA"); as well as guidance provided by the Singapore Exchange Regulations ("SGX RegCo") via its Regulator's Column and news/notices.

In FY2021, with the guidance provided by the External Auditors and the assistance given by Management, the ARC had reviewed the financial statements to ensure that any significant coronavirus (COVID-19) pandemic impacts were accounted for and treated in compliance to the Singapore Financial Reporting Standards (International) and guidance issued by the accountancy body (i.e. Financial Reporting Bulletin issued by the Institute of Singapore Chartered Accounts ("ISCA")).

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

The ARC reviewed the External Auditor's audit plan for FY2021 and agrees with the Auditor's proposed significant areas of focus that impact the financial statements. In the ARC's review of financial statements of the Group for FY2021, it had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements, and also considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the following key audit matters as reported by the External Auditors for FY2021:

- (1) Revenue recognition of development properties in Singapore;
- (2) Valuation of development properties; and
- (3) Valuation of investment properties, and hotel, owner-managed and owner-occupied properties

#### **("Key Audit Matters")**



## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

#### Audit & Risk Committee's commentary on Key Audit Matters

The ARC discussed the Key Audit Matters for FY2021 with Management and the External Auditors, Deloitte & Touche LLP ("Deloitte"). The ARC concurred with the basis and conclusions included in the Auditors' report with respect to the Key Audit Matters for FY2021. For more information on the Key Audit Matters, please refer to pages 85 to 86 of this Annual Report.

Following the review, the ARC is satisfied that all the aforesaid Key Audit Matters have been properly dealt with and recommended the Board to approve the financial statements. The Board has on 24 March 2022 approved the Audited Financial Statements.

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

In FY2021, the External Auditors briefed the ARC on (i) significant new financial reporting standards impacting the Group; (ii) Interest Rate Benchmark Reform; (iii) SORA transition milestones and key challenges and considerations; and (iv) Revisions to SGX's Listing Rules in respect of auditors, valuers, valuation reports and interim reporting, and climate and diversity.

#### Whistle-blowing policy

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

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

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

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

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

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

#### Evaluation of External Auditors

During FY2021 and as in past years, the ARC reviewed the "Professional Services Planning Memorandum" prepared by Deloitte, the independent Auditors, discussed about the terms of engagement, materiality in auditing, significant risks assessment, areas of audit focus, internal control plans and audit quality indicators, before the commencement of their audit work.

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

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

The ARC reviewed and concurred with the nature of non-audit work performed and fees charged by Deloitte and its member firms. A breakdown of the fees paid or payable to Deloitte and its member firms are analysed in the table below (excluding fees paid or payable by the Group's associates and joint ventures):

	FY2021		FY2020	
	S\$	% of Total Fees	S\$	% of Total Fees
Audit fees to Deloitte Singapore	470,000	42	433,000	39
Audit fees to Deloitte member firms outside Singapore	294,000	26	276,000	25
Total Audit Fees	764,000	68	709,000	64
Total Non-Audit Fees (both Singapore and member firms)	353,000	32	404,000	36
<b>Total Fees</b>	<b>1,117,000</b>	<b>100</b>	<b>1,113,000</b>	<b>100</b>

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

On the recommendation of the ARC, the Board approved the re-appointment of Deloitte as the independent Auditors of the Group at the forthcoming AGM for Shareholders' approval. During FY2021, the Group's associates and joint ventures also engaged Deloitte and its member firms for the audit work. In view of the aforesaid, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the Company's appointment of auditing firms.

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

#### **Provision 10.4**

##### **Internal Auditors, reporting line, compliance and function**

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

Upon the recommendation by ARC, the Board approved the re-engagement of PwC as the Internal Auditor of the Group in the ensuing year. In FY2021 and as in the past years, the ARC assessed the adequacy of the internal audit function through reviewing of PwC's audit plan submitted at the beginning of the year and the quality of its reports during the year.

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

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

In FY2021, the Internal Auditors audited, inter alia, (i) cash management, procurement, payables and payments, tenancy and rental management in respect of selected investment property; and (ii) project management and procurement, payables and payments of construction business.

Having reviewed the FY2021 audit plan and concluding audit report of PwC, the ARC is satisfied that the Company's internal audit function is adequately resourced to perform the work for the Group for FY2021.

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

For FY2021, the ARC reviewed the adequacy of the internal audit function to ensure that the internal audits were conducted effectively, and that Management provided the necessary co-operation to enable PwC to perform its function. After having reviewed the PwC reports and remedial actions implemented by Management, the ARC was satisfied that the internal audit functions were independent, effective and adequately resourced.

#### **Provision 10.5**

##### **Independent meeting with External and Internal Auditors**

During FY2021, the Company's External Auditors and Internal Auditors were invited to attend the ARC meetings. They also met separately with the ARC without the presence of Management.

## **IV. SHAREHOLDER RIGHTS AND ENGAGEMENT**

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

### **SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

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

#### **Provision 11.1**

##### **Providing opportunity for Shareholders to participate and vote at general meetings**

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

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

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

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

In FY2021, due to the unprecedented pandemic crisis and in line with the initiatives implemented by the regulatory bodies (i.e. the Joint Guidance issued by the ACRA, the Monetary Authority of Singapore and the SGX RegCo) the Company successfully conducted a virtual AGM via a "live" webcast for the second time.

The virtual AGM was conducted on 23 April 2021 in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Ministry of Law (the "Meeting Order"). The "live" webcast AGM was made available to participating Shareholders who had registered and were assigned a unique link to access the audio and visual streaming.

At the start of the virtual AGM, the CFO gave a presentation on the Group's financial performance for FY2021. This was followed by the Executive Director/CEO's presentation on the Group's businesses. The presentation session ended with a Question & Answer section on replies to address certain substantial questions received from Shareholders before the AGM in accordance with the prescribed guidelines.

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

#### **Provision 11.2** **Separate resolutions at general meetings**

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

#### **Provision 11.3** **Attendees at general meetings**

In FY2021, due to the COVID-19 safe distancing restrictions continued being imposed by the authorities and the evolving COVID-19 situation, only the Directors and KMP attended the virtual AGM in person. The External Auditors participated by virtual means by accessing the assigned link to the "live" webcast.

The Company had allowed a period of 7 calendar days for Shareholders to submit questions in advance of the AGM held on 23 April 2021 via various means including submission by post, via dedicated email address and via AGM pre-registration website. For the upcoming AGM to be held in April 2022, the Company will continue to allow such avenues to its Shareholders. In addition, the Company will be publishing its responses for AGM's questions no later than 72 hours before the proxy cut-off to enable Shareholders to make sound voting decisions.

#### **Provision 11.4** **Absentia voting at general meetings**

Provision has been made under Article 76 of the Constitution, allowing for Shareholders to vote in absentia. Examples of absentia voting are voting via mail, electronic mail or facsimile at the general meetings. For purpose of the virtual AGM held in 2021 and for AGM to be held in 2022, Shareholders were allowed to send in their votes by mailing the proxy form to the Company's registered office or via electronic mail. Such Shareholders could only appoint the Chairman of the meeting as their proxy to vote on their behalf in accordance with the prescribed guidelines.

**Provision 11.5**

**Minutes of general meetings**

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

Following the virtual AGM held in 2021, the minutes of AGM were announced via SGXNet and posted on the Company's website within the prescribed timeframe (i.e. within one month of the AGM).

**Provision 11.6**

**Dividend Policy**

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

**ENGAGEMENT WITH SHAREHOLDERS**

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

**Provisions 12.1, 12.2 and 12.3**

**Communication with Shareholders**

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

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

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

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

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

**Avenues of communication**

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

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

The planned dates of release of financial results were disclosed twelve months ahead in the annual report of the preceding year. Such dates were confirmed approximately two weeks prior to the actual dates of announcement via SGXNet. Following the lifting of quarterly financial reporting by the SGX-ST, the Company has adopted half-yearly reporting for FY2021.

For FY2021, the financial results were announced within the prescribed timeline. The financial results for the half year ended 30 June 2021 were announced on 6 August 2021. The full-year results were released on 25 February 2022. Each results announcement was accompanied by a press release and a PowerPoint presentation. The 2021 Annual Report will be distributed to Shareholders twenty-one days before the AGM scheduled to be held on 28 April 2022.

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

In view of the COVID-19 situation, the Board has decided to conduct its forthcoming 2022 AGM by "live" webcast in accordance with the Meeting Order announced by the authorities on 6 April 2021 and extended beyond 30 June 2021. For purpose of the "live" webcast AGM, Shareholders are invited to send in their queries before the closing date as set out in the Company's SGXNet announcement of 5 April 2021 (accompanying the release of the Notice of AGM) on the alternative arrangements relating to the 2022 AGM.

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

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



## CORPORATE GOVERNANCE

# CORPORATE GOVERNANCE REPORT

### V. MANAGING STAKEHOLDER RELATIONSHIPS

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

#### ENGAGEMENT WITH STAKEHOLDERS

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

##### *Provisions 13.1, 13.2 and 13.3*

Managing stakeholder relationships

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

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

#### OTHER CORPORATE GOVERNANCE MATTERS

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

##### INTERESTED PERSON TRANSACTIONS

*Listing Manual Rule 907*

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

For IPTs outside the ambit of the IPT Mandate, a list of IPTs including those less than \$100,000 and their aggregate is submitted quarterly/half-yearly to the ARC for its review. For any IPT exceeding \$100,000, the ARC's recommendation and the Board's approval must be sought before it is entered into. Where an IPT or its aggregate reached 3% of the Group's latest audited net tangible assets, an immediate announcement is made after the Board's approval. Where an IPT or its aggregate reached 5% of the Group's latest audited net tangible assets, Shareholders' approval will be sought through a general meeting, while the interested Shareholder (and any associate) will abstain from voting. In FY2021, the aforesaid 3% and 5% thresholds were about \$34.7 million and \$57.9 million respectively based on the Company's audited consolidated balance sheet as at 31 December 2020.

Details of IPTs for FY2021 and FY2020 are presented in the "SGX-ST Listing Manual Requirements" section of this Annual Report.

##### DEALINGS IN SECURITIES

*Listing Manual Rule 1207(19)*

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

#### CODE OF CONDUCT AND PRACTICES

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

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

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

#### WHISTLE-BLOWING POLICY

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

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

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

A mechanism for the submission of issues/concerns has been established. This includes a dedicated email address allowing whistle-blowers to contact the WBC and the ARC Chairman directly, and in confidence so that his/her identity will be protected from reprisals within the limits of the law. The Whistle-blowing Policy also requires that the identity of the whistle-blower is kept confidential at all times. Where the whistle-blower has disclosed his/her identity, such disclosure and/or the issues submitted by the whistle-blower will be kept confidential and within the knowledge of the WBC and/ or the ARC only (as the case maybe). In addition, there may be exceptional circumstances where the identity of the whistle-blower(s) or the issues raised could/ would not be kept confidential and will need to be disclosed. In such circumstances, the WBC and/ or ARC will endeavour to discuss the need for such disclosures with the whistle-blower(s) first, if it is appropriate to do so. More information on the Whistle-Blowing Policy may be found on the Company's website at the following URL: <https://www.tuansing.com/whistle-blowing-policy/>.

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

#### ➤ **Whistle-blowing Committee**

The WBC consists of:

- CEO;
- CFO;
- General Counsel; and
- Director, Group Human Resources

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

During FY2021, there was no incident reported to the WBC.

#### **DIVIDEND POLICY**

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

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

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

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

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

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

Full details of the Tuan Sing Holdings Limited Scrip Dividend Scheme Statement are available on the Company's website at [www.tuansing.com](http://www.tuansing.com).

## CORPORATE GOVERNANCE

### ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

The information required under Rule 720(6) and Appendix 7.4.1 of the SGX-ST Listing Manual in respect of the Directors seeking re-election at the 52nd Annual General Meeting is set out below.

Name of Director and appointment	<b>WILLIAM NURSALIM ALIAS WILLIAM LIEM</b> Chief Executive Officer and Executive Director
Date of appointment	15 January 2004
Date of last re-appointment (if applicable)	24 April 2019
Age	48
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the Nominating Committee's recommendation for the re-appointment of William Nursalim Alias William Liem.
Whether appointment is executive, and if so, the area of responsibility	Chief Executive Officer and Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	Chief Executive Officer
Professional qualifications	Refer to "Directors' Profile" on page 8 of this Annual Report.
Working experience and occupation(s) during the past 10 years	Refer to "Directors' Profile" on page 8 of this Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interests in 638,956,697 ordinary shares in the Company and 28,146,319 ordinary shares in SP Corporation Limited by virtue of his interest in Nuri Holdings (S) Pte Ltd.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Liem is deemed to be a substantial shareholder of the Company by virtue of his interests in Nuri Holdings (S) Pte Ltd. Mr Liem is the brother of Ms Michelle Liem Mei Fung, a Non-Independent and Non-Executive Director of the Company. He is also the brother-in-law of Dr Tan Enk Ee, a substantial shareholder of the Company.
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer.	Yes
Other Principal Commitments including directorships <ul style="list-style-type: none"> <li>Past (for the last 5 years)</li> </ul>	SP Corporation Limited (Director) Gul Technologies Singapore Pte. Ltd. (Director) Nuri Holdings (S) Pte Ltd (Director)
Other Principal Commitments including directorships <ul style="list-style-type: none"> <li>Present</li> </ul>	Refer to "Directors' Profile" on page 8 of this Annual Report.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Mr Liem's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

## ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director and appointment	Ooi Joon Hin Non-Executive & Independent Director
Date of appointment	7 May 2021
Date of last re-appointment (if applicable)	N.A.
Age	56
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the Nominating Committee's recommendation for the re-appointment of Mr Ooi Joon Hin.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	Chairman of Audit and Risk Committee
Professional qualifications	Refer to "Directors' Profile" on page 9 of this Annual Report.
Working experience and occupation(s) during the past 10 years	Refer to "Directors' Profile" on page 9 of this Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Except as disclosed under Provision 2.1 of the Corporate Governance Report on page 63, there is no relationship to be disclosed.
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer.	Yes
Other Principal Commitments including directorships <ul style="list-style-type: none"> <li>Past (for the last 5 years)</li> </ul>	<ul style="list-style-type: none"> <li>Millennia Investment Management Pte. Ltd. (Managing Director and Co-founder)</li> <li>Areca Partners Limited (Director)</li> <li>Millennia China Technology Pte. Ltd. (Director)</li> <li>Millennia-VFT Ventures Pte. Ltd. (Director and Investment Committee member)</li> <li>NACT Engineering Pte Ltd (Director)</li> <li>Millennia Capital Limited (Director)</li> <li>Millennia Asset Management (Wuhan) Co., Ltd (Director)</li> </ul>
Other Principal Commitments including directorships <ul style="list-style-type: none"> <li>Present</li> </ul>	Refer to "Directors' Profile" on page 9 of this Annual Report.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Mr Ooi's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".



## STATUTORY REPORTS AND ACCOUNTS

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# STATUTORY REPORTS AND ACCOUNTS

## 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 89 to 172 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
<b>The Company (Ordinary Shares)</b>				
Michelle Liem Mei Fung	—	—	639,206,697 <sup>(1)(2)</sup>	629,064,529 <sup>(1)(2)</sup>
William Nursalim alias William Liem	—	—	638,956,697 <sup>(1)</sup>	628,814,529 <sup>(1)</sup>
<b>The Company</b>				
<u>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")</u>				
William Nursalim alias William Liem	— <sup>(3)</sup>	\$750,000	—	—
<u>S\$200 million 3-year 6.90% per annum Notes due 2024 pursuant to the MTN Programme<sup>(5)</sup></u>				
Michelle Liem Mei Fung	—	—	\$5,000,000 <sup>(4)</sup>	—
William Nursalim alias William Liem	\$1,000,000	—	\$5,000,000 <sup>(4)</sup>	—
<b>Subsidiary</b>				
<b>SP Corporation Limited (Ordinary Shares)</b>				
Michelle Liem Mei Fung	—	—	28,146,319 <sup>(1)</sup>	28,146,319 <sup>(1)</sup>
William Nursalim alias William Liem	—	—	28,146,319 <sup>(1)</sup>	28,146,319 <sup>(1)</sup>

#### Note

- <sup>(1)</sup> By virtue of interest in Nuri Holdings (S) Pte Ltd.
- <sup>(2)</sup> Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.
- <sup>(3)</sup> 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.
- <sup>(4)</sup> By virtue of interest in Ardent Investment Partners Pte Ltd.
- <sup>(5)</sup> 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.

## STATUTORY REPORTS AND ACCOUNTS

### DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 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.

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

**Mr Richard Eu Yee Ming**  
Chairman

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

24 March 2022

# STATUTORY REPORTS AND ACCOUNTS 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 89 to 172.

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.

### 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.



# STATUTORY REPORTS AND ACCOUNTS

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

### **Key Audit Matters (cont'd)**

#### **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.

# STATUTORY REPORTS AND ACCOUNTS 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.

## STATUTORY REPORTS AND ACCOUNTS

### 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

# STATUTORY REPORTS AND ACCOUNTS

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
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
<b>Non-current assets</b>					
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
<b>Total assets</b>		<b>2,764,328</b>	<b>3,143,671</b>	<b>1,370,764</b>	<b>1,101,096</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
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
<b>Non-current liabilities</b>					
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
<b>Capital, reserves and non-controlling interests</b>					
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
<b>Total liabilities and equity</b>		<b>2,764,328</b>	<b>3,143,671</b>	<b>1,370,764</b>	<b>1,101,096</b>

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



# STATUTORY REPORTS AND ACCOUNTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group	
		2021 \$'000	2020 \$'000
<b>Revenue</b>	28	<b>245,341</b>	196,817
Cost of sales		<b>(188,536)</b>	(148,240)
<b>Gross profit</b>		<b>56,805</b>	48,577
Other operating income		<b>96,310</b>	28,505
Distribution costs		<b>(9,042)</b>	(5,931)
Administrative expenses		<b>(39,726)</b>	(33,469)
Other operating expenses		<b>(3,522)</b>	(5,658)
Share of results of equity accounted investees	16	<b>28,332</b>	25,645
Interest income	29	<b>2,356</b>	4,833
Finance costs	30	<b>(43,964)</b>	(47,803)
<b>Profit before tax and fair value adjustments</b>		<b>87,549</b>	14,699
Fair value adjustments	31	<b>(3,434)</b>	45,188
<b>Profit before tax</b>	32	<b>84,115</b>	59,887
Income tax expense	33	<b>(2,295)</b>	(1,356)
<b>Profit for the year</b>		<b>81,820</b>	58,531
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of properties	35	<b>6,912</b>	(27,263)
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	35	<b>(1,997)</b>	8,179
Fair value gain / (loss) on investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")	35	<b>296</b>	(1,573)
		<b>5,211</b>	(20,657)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	35	<b>(3,301)</b>	26,938
Share of exchange differences on translation of equity accounted investees	35	<b>2,752</b>	(2,516)
Cash flow hedges	35	<b>1,986</b>	(1,027)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	35	<b>(596)</b>	308
		<b>841</b>	23,703
<b>Other comprehensive income for the year, net of tax</b>	35	<b>6,052</b>	3,046
<b>Total comprehensive income for the year</b>		<b>87,872</b>	61,577
<b>Profit attributable to:</b>			
Owners of the Company		<b>83,662</b>	59,009
Non-controlling interests		<b>(1,842)</b>	(478)
		<b>81,820</b>	58,531
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>89,650</b>	62,146
Non-controlling interests		<b>(1,778)</b>	(569)
		<b>87,872</b>	61,577
<b>Basic and diluted earnings per share (in cents)</b>			
Including fair value adjustments	34	<b>7.0</b>	5.0
Excluding fair value adjustments	34	<b>7.5</b>	1.5

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

# STATUTORY REPORTS AND ACCOUNTS

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group	
		2021 \$'000	2020 \$'000
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>84,115</b>	<b>59,887</b>
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
<b>Operating cash flows before movements in working capital</b>		<b>26,329</b>	<b>36,544</b>
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
<b>Cash generated from operations</b>		<b>77,119</b>	<b>70,430</b>
Interest received		2,419	5,225
Income tax refunded/(paid)		54	(6,530)
<b>Net cash from operating activities</b>		<b>79,592</b>	<b>69,125</b>
<b>Investing activities</b>			
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
<b>Net cash from investing activities</b>		<b>485,687</b>	<b>67,054</b>
<b>Financing activities</b>			
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)	—
<b>Net cash used in financing activities</b>		<b>(366,546)</b>	<b>(30,194)</b>
<b>Net increase in cash and cash equivalents</b>		<b>198,733</b>	<b>105,985</b>
Cash and cash equivalents at the beginning of the year	5	198,398	88,986
Foreign currency translation adjustments		(1,325)	3,427
<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>395,806</b>	<b>198,398</b>

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

# STATUTORY REPORTS AND ACCOUNTS

## 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 <sup>#</sup> \$'000	Revenue reserve \$'000	Attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>											
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
<b>Total comprehensive income for the year</b>											
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
<b>Transactions with owners, recognised directly in equity</b>											
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

<sup>#</sup> Details of "Other capital reserves" are disclosed in Note 26.

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

# STATUTORY REPORTS AND ACCOUNTS

## 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
<b>Group</b>											
At 1 January 2020		175,234	(2,955)	(62,652)	142,155	–	184,924	668,257	1,104,963	14,110	1,119,073
<b>Total comprehensive income for the year</b>											
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
<b>Transactions with owners, recognised directly in equity</b>											
Transfer from revenue reserve to other capital reserves		–	–	–	–	–	9,624	(9,624)	–	–	–
Effects of acquiring non-controlling interests of a subsidiary	15	–	–	–	(70)	–	68	–	(2)	(110)	(112)
Issue of shares under the Scrip Dividend Scheme	24	1,000	–	–	–	–	–	–	1,000	–	1,000
Repurchase of shares	25	–	(936)	–	–	–	–	–	(936)	–	(936)
Dividend paid to shareholders:											
- Cash	27	–	–	–	–	–	–	(6,104)	(6,104)	–	(6,104)
- Share	27	–	–	–	–	–	–	(1,000)	(1,000)	–	(1,000)
Total		1,000	(936)	–	(70)	–	9,692	(16,728)	(7,042)	(110)	(7,152)
At 31 December 2020		176,234	(3,891)	(38,139)	123,001	(1,573)	193,897	710,538	1,160,067	13,431	1,173,498

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

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



# STATUTORY REPORTS AND ACCOUNTS

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share capital \$'000	Treasury shares \$'000	Other capital reserves# \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Company</b>						
<b>At 1 January 2021</b>		176,234	(3,891)	101,264	315,560	589,167
<b>Profit for the year, representing total comprehensive income for the year</b>		–	–	–	432	432
<b>Transactions with owners, recognised directly in equity</b>						
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)
<b>Total</b>		<b>5,461</b>	<b>(276)</b>	<b>–</b>	<b>(7,124)</b>	<b>(1,939)</b>
<b>At 31 December 2021</b>		<b>181,695</b>	<b>(4,167)</b>	<b>101,264</b>	<b>308,868</b>	<b>587,660</b>
<b>At 1 January 2020</b>		175,234	(2,955)	101,264	321,865	595,408
<b>Profit for the year, representing total comprehensive income for the year</b>		–	–	–	799	799
<b>Transactions with owners, recognised directly in equity</b>						
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)
<b>Total</b>		<b>1,000</b>	<b>(936)</b>	<b>–</b>	<b>(7,104)</b>	<b>(7,040)</b>
<b>At 31 December 2020</b>		<b>176,234</b>	<b>(3,891)</b>	<b>101,264</b>	<b>315,560</b>	<b>589,167</b>

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

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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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*.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (b) Basis of consolidation (cont'd)

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

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.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (b) Basis of consolidation (cont'd)

##### *Business combinations (cont'd)*

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.

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.

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.



## STATUTORY REPORTS AND ACCOUNTS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 2 Summary of significant accounting policies (cont'd)

##### (b) Basis of consolidation (cont'd)

###### *Associates and joint ventures (equity accounted investees) (cont'd)*

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

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.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (c) Foreign currency transactions and translation (cont'd)

##### *Foreign currency translation*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation 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.

#### (d) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification of financial assets*

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

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

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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (d) Financial instruments (cont'd)

##### *Classification of financial assets (cont'd)*

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.

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).

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (d) Financial instruments (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.

##### 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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (d) Financial instruments (cont'd)

##### *Significant increase in credit risk (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.

##### 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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (d) Financial instruments (cont'd)

##### Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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.

##### 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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (d) Financial instruments (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.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (d) Financial instruments (cont'd)

##### 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.

##### 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.

##### 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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (d) Financial instruments (cont'd)

##### Hedge accounting (cont'd)

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.

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.

##### 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:

	<u>Useful lives</u>
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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (e) Property, plant and equipment (cont'd)

##### *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.

#### (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.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (h) Development properties (cont'd)

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.

#### (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.

#### (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.

##### 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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (k) Leases (cont'd)

##### *The Group as lessee (cont'd)*

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
- 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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (k) Leases (cont'd)

##### *The Group as lessee (cont'd)*

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.

#### (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.

##### *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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (m) Revenue recognition (cont'd)

##### *Sale of development properties (cont'd)*

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.

##### *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 is recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion which 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).

##### *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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (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.

#### (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.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 2 Summary of significant accounting policies (cont'd)

#### (q) Income tax (cont'd)

##### *Deferred tax (cont'd)*

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.

#### (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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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.

##### 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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

#### Key sources of estimation uncertainty (cont'd)

*Deferred tax liabilities arising from changes in the carrying amount of investment in Grand Hotel Group (cont'd)*

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.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 4 Segment information (cont'd)

#### Segment revenues and results

	Real Estate Investment \$'000	Real Estate Development \$'000	Hospitality \$'000	Industrial Services \$'000	Other Investments <sup>1</sup> \$'000	Corporate <sup>2</sup> \$'000	Inter-Segment Eliminations \$'000	Consolidated \$'000
<b>2021</b>								
<b>Revenue</b>								
External revenue	49,216	91,643	45,096	59,217	–	169	–	245,341
Inter-segment revenue	3,510	74	–	–	–	9,972	(13,556)	–
	<b>52,726</b>	<b>91,717</b>	<b>45,096</b>	<b>59,217</b>	<b>–</b>	<b>10,141</b>	<b>(13,556)</b>	<b>245,341</b>
<b>Adjusted EBIT*</b>	<b>31,787</b>	<b>(8,192)</b>	<b>1,433</b>	<b>(598)</b>	<b>26,441</b>	<b>(14,494)</b>	<b>3,593</b>	<b>39,970</b>
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
<b>Profit before tax and fair value adjustments</b>								<b>87,549</b>
Fair value adjustments								(3,434)
<b>Profit before tax</b>								<b>84,115</b>
Income tax expense								(2,295)
<b>Profit for the year</b>								<b>81,820</b>
<b>2020</b>								
<b>Revenue</b>								
External revenue	51,660	75,158	32,454	37,365	–	180	–	196,817
Inter-segment revenue	3,131	–	374	–	–	7,650	(11,155)	–
	<b>54,791</b>	<b>75,158</b>	<b>32,828</b>	<b>37,365</b>	<b>–</b>	<b>7,830</b>	<b>(11,155)</b>	<b>196,817</b>
<b>Adjusted EBIT*</b>	<b>44,169</b>	<b>3,081</b>	<b>(5,999)</b>	<b>(648)</b>	<b>25,031</b>	<b>(11,550)</b>	<b>3,159</b>	<b>57,243</b>
Interest income								4,833
Finance costs								(47,803)
Net foreign exchange gain								421
Net gain on disposal of property, plant and equipment								5
<b>Profit before tax and fair value adjustments</b>								<b>14,699</b>
Fair value adjustments								45,188
<b>Profit before tax</b>								<b>59,887</b>
Income tax expense								(1,356)
<b>Profit for the year</b>								<b>58,531</b>

\* 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:

- No revenue is reported under "Other Investments" as the Group's investments in GulTech is equity accounted for.
- "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.
- Comparative was adjusted after the reorganisation of the business segments into five segments by segregating the development and investment arms of the Property segment.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 4 Segment information (cont'd)

*Segment assets, liabilities and other segment information*

	Real Estate Investment \$'000	Real Estate Development \$'000	Hospitality \$'000	Industrial Services \$'000	Other Investments \$'000	Corporate \$'000	Consolidated \$'000
<b>As at 31 December 2021</b>							
<b>Assets</b>							
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
<b>Total assets</b>	<b>1,599,696</b>	<b>391,543</b>	<b>402,411</b>	<b>66,214</b>	<b>104,838</b>	<b>199,626</b>	<b>2,764,328</b>
<b>Liabilities</b>							
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)
<b>Total liabilities</b>	<b>(842,311)</b>	<b>(192,300)</b>	<b>(207,765)</b>	<b>(2,163)</b>	<b>(5,032)</b>	<b>(250,340)</b>	<b>(1,499,911)</b>
<b>Net assets/(liabilities)</b>	<b>757,385</b>	<b>199,243</b>	<b>194,646</b>	<b>64,051</b>	<b>99,806</b>	<b>(50,714)</b>	<b>1,264,417</b>
<b>Other information</b>							
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)

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 4 Segment information (cont'd)

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

	Real Estate Investment \$'000	Real Estate Development \$'000	Hospitality \$'000	Industrial Services \$'000	Other Investments \$'000	Corporate \$'000	Consolidated \$'000
<b>As at 31 December 2020</b>							
<b>Assets</b>							
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
<b>Total assets</b>	<b>2,021,193</b>	<b>440,792</b>	<b>407,084</b>	<b>74,244</b>	<b>137,432</b>	<b>62,926</b>	<b>3,143,671</b>
<b>Liabilities</b>							
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)
<b>Total liabilities</b>	<b>(1,395,734)</b>	<b>(216,199)</b>	<b>(230,015)</b>	<b>(8,803)</b>	<b>(5,119)</b>	<b>(114,303)</b>	<b>(1,970,173)</b>
<b>Net assets/ (liabilities)</b>	<b>625,459</b>	<b>224,593</b>	<b>177,069</b>	<b>65,441</b>	<b>132,313</b>	<b>(51,377)</b>	<b>1,173,498</b>
<b>Other information</b>							
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

#### 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 \$'000	2020 \$'000	2021 \$'000	2020 \$'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
	<b>245,341</b>	<b>196,817</b>	<b>1,838,545</b>	<b>1,860,212</b>

#### 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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 5 Cash and cash equivalents

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'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

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 \$'000	2020 \$'000
<b>Cash and cash equivalents per consolidated statement of cash flows</b>		
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.

# **STATUTORY REPORTS AND ACCOUNTS** **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## **6 Trade and other receivables**

		Group		Company	
	Note	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Trade</b>					
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	—	—
<b>Non-trade</b>					
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	—	—

(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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 6 Trade and other receivables (cont'd)

#### 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.

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

	Lifetime ECL - credit-impaired \$'000
<b>Group</b>	
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	<b>1,839</b>

#### Analysis of other receivables

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

	Lifetime ECL - credit-impaired \$'000
<b>Group</b>	
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	<b>125</b>
<b>Company</b>	
Balance as at 1 January 2020, 31 December 2020 and 2021	<b>72</b>

## STATUTORY REPORTS AND ACCOUNTS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	2021 \$'000	2020 \$'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
	<b>16,523</b>	<b>31,140</b>

##### 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 \$'000	2020 \$'000
Raw materials	926	737
Work-in-progress	748	788
Finished goods	455	621
At cost	<b>2,129</b>	<b>2,146</b>

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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
	<b>241,324</b>	<b>290,261</b>
Completed properties held for sale	287	13,554
	<b>241,611</b>	<b>303,815</b>
<u>The above comprises:</u>		
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
	<b>241,611</b>	<b>303,815</b>

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.

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
	<b>248,882</b>	<b>297,480</b>
Less: Allowance for diminution in value	(7,558)	(7,219)
	<b>241,324</b>	<b>290,261</b>
<u>Completed properties held for sale</u>		
Completed properties, at cost	287	14,053
Less: Allowance for diminution in value	—	(499)
	<b>287</b>	<b>13,554</b>

#### 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).

	Note	Group	
		2021	2020
		\$'000	\$'000
<b>Movements in allowance for diminution in value</b>			
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		<b>(7,558)</b>	<b>(7,718)</b>



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 10 Development properties (cont'd)

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.

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
<b>Properties in the course of development</b>						
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%
Batam Land (I) Indonesia <sup>(a)</sup>	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%
<b>Land held for future development</b>						
Land in Jin'an District, Fuzhou, Fujian Province, China	Residential	70 years from 1994	163,740	**	**	100%
<b>Completed properties held for sale</b>						
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.

<sup>(a)</sup> Excluding Balmoral Tower, Opus Bay and Cluny Villas, Opus Bay

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 11 Assets classified as held for sale

	Group	
	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.

# STATUTORY REPORTS AND ACCOUNTS NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 12 Property, plant and equipment

	Note	Building and freehold land \$'000	Leasehold land, buildings and improvements \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>						
<b>Cost or valuation:</b>						
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
<b>Comprising:</b>						
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

**STATUTORY REPORTS AND ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

	Note	Building and freehold land \$'000	Leasehold land, buildings and improvements \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group (cont'd)</b>						
<b>Accumulated depreciation:</b>						
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
<b>Accumulated impairment:</b>						
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
<b>Carrying amount:</b>						
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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 12 Property, plant and equipment (cont'd)

	Plant and equipment \$'000
<b>Company</b>	
<b>Cost:</b>	
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
<b>Accumulated depreciation:</b>	
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
<b>Carrying amount:</b>	
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.

#### 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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 12 Property, plant and equipment (cont'd)

#### *Fair value measurement of hotel, owner-managed and owner-occupied properties (cont'd)*

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.

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

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

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

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

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

<sup>(b)</sup> 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.

<sup>(c)</sup> 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.

# STATUTORY REPORTS AND ACCOUNTS NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 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 <sup>(2)</sup> (sq. m)	Group's effective equity interest	2021 A\$'000 <sup>(1)</sup>	2020 A\$'000 <sup>(1)</sup>	2021 S\$'000	2020 S\$'000
<b>Australia</b>								
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

<sup>(1)</sup> Figures in A\$ are for information.

<sup>(2)</sup> 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
<b>Singapore</b>						
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	–

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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

	Note	Leasehold land \$'000	Leasehold building \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>						
<b>Cost:</b>						
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
<b>Accumulated depreciation:</b>						
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

# **STATUTORY REPORTS AND ACCOUNTS** **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## **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.

	Leasehold building \$'000	Plant and equipment \$'000	Total \$'000
<b>Company</b>			
<b>Cost:</b>			
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
<b>Accumulated depreciation:</b>			
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
<b>Carrying amount:</b>			
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

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 14 Investment properties

Completed investment properties	Note	Group \$'000	Company \$'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		<b>1,342,245</b>	<b>811</b>
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		<b>1,452,351</b>	<b>498</b>

	Group	
	2021	2020
	\$'000	\$'000
<b>Represented by:</b>		
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
	<b>1,342,245</b>	<b>1,452,351</b>

#### Fair value adjustments

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).

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:



# STATUTORY REPORTS AND ACCOUNTS NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 14 Investment properties (cont'd)

*Fair value adjustments (cont'd)*

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range	
			2021	2020
Singapore				
18 Robinson <sup>(a)</sup> 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin <sup>*(1)</sup> Capitalisation rate <sup>(2)</sup>	67% - 76% 3.1%	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate <sup>(2)</sup> Terminal yield rate <sup>(2)</sup>	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 <sup>(1)</sup>	\$29,200 - \$39,200	\$23,200 - \$40,300
Link @896 <sup>(a)</sup> 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area <sup>(1)</sup>	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 <sup>*(1)</sup> Capitalisation rate <sup>(2)</sup>	68% - 73% 3.5%	67% - 74% 3.5%
The Oxley <sup>(b)</sup> 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 <sup>(1)</sup>	\$18,800 - \$26,900	\$19,500 - \$35,600
	Income Method	Net income margin <sup>*(1)</sup> Capitalisation rate <sup>(2)</sup>	80% - 85% 3%	80% - 85% 3%
L&Y Building <sup>(a)</sup> #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area <sup>(1)</sup>	\$6,200 - \$9,500	\$6,600 - \$9,100
Far East Finance Building <sup>(a)</sup> #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area <sup>(1)</sup>	\$27,000 - \$31,000	\$28,000 - \$35,000
Shop unit #01-30 & #01-32 within Sennett Residence <sup>(c)</sup> 39 Pheng Geck Avenue, Singapore (Classified as assets held for sale)	Direct Comparison Method	Price per square metre of strata floor area <sup>(1)</sup>	—	\$19,600 - \$23,400
Australia				
Commercial Centre & Carpark within Hyatt Regency Perth complex <sup>(d)</sup> 99 Adelaide Terrace East Perth, Western Australia	Capitalisation Method	Capitalisation rate <sup>(2)</sup>	7.75%	8%
	Discounted Cash Flow Method	Discount rate <sup>(2)</sup> Terminal yield rate <sup>(2)</sup>	7.25% 7.75%	7.5% 8%
	Comparison Method	Price per square metre of land area <sup>(1)</sup>	\$3,934	\$4,039

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 14 Investment properties (cont'd)

*Fair value adjustments (cont'd)*

		Significant unobservable inputs (Level 3)	Range	
Name of property	Valuation methodology		2021	2020
<b>Australia (cont'd)</b>				
Commercial Centre and Carpark within Grand Hyatt Melbourne complex <sup>(e)</sup>	Capitalisation Method	Capitalisation rate <sup>(2)</sup>	<b>Retail: 4.75%</b>	Retail: 5% Carpark: 5%
123 Collins Street Melbourne, Victoria	Discounted Cash Flow Method	Discount rate <sup>(2)</sup>	<b>Retail: 6.25%</b>	Retail: 6.5% Carpark: 7%
		Terminal yield rate <sup>(2)</sup>	<b>Retail: 5%</b>	Retail: 5.25% Carpark: 5.25%
Single-storey commercial Building <sup>(d)</sup>	Capitalisation Method	Capitalisation rate <sup>(2)</sup>	—	3%
25 George Parade Melbourne, Victoria	Comparison Method	Price per square metre of land area <sup>(1)</sup>	<b>\$29,500 - \$32,000</b>	\$27,700 - \$30,300
		Building value rate <sup>(1)</sup>	—	\$32,800 - \$33,900
<b>China</b>				
Three-storey commercial building <sup>(f)</sup>	Comparison Method	Price per square metre of gross floor area <sup>(1)</sup>	<b>\$6,600 - \$8,200</b>	\$6,100 - \$7,700
No. 2950 Chunshen Road Shanghai, China	Discounted Cash Flow Method	Discount rate <sup>(2)</sup>	<b>7%</b>	7%
		Terminal yield rate <sup>(2)</sup>	<b>5%</b>	5%
6 shop units and basement commercial spaces within Lakeside Ville <sup>(f)</sup>	Comparison Method	Price per square metre of gross floor area <sup>(1)</sup>	<b>Aboveground: \$6,400 - \$9,000</b> <b>Basement: \$1,100 - \$1,300</b>	Aboveground: \$6,600 - \$7,700 Basement: \$1,100 - \$1,400
Qingpu District, Shanghai	Discounted Cash Flow Method	Discount rate <sup>(2)</sup>	<b>Aboveground: 6.5%</b> <b>Basement: 6.5%</b>	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate <sup>(2)</sup>	<b>Aboveground: 4.5%</b> <b>Basement: 4.5%</b>	Aboveground: 4.5% Basement: 4.5%
55 underground carpark lots at Luyinyuan <sup>(f)</sup>	Comparison Method	Sale price per car park lot <sup>(1)</sup>	<b>\$51,300 - \$68,400</b>	\$57,100 - \$61,200
Lane 558, Baochun Road, Minhang District, Shanghai				
Apartment unit at Lakeside Ville <sup>(f)</sup>	Comparison Method	Price per square metre of gross floor area <sup>(1)</sup>	<b>\$11,300 - \$12,800</b>	\$10,000 - \$12,200
Unit 201, No. 363 Lakeside Ville, Qingpu District, Shanghai				
Apartment unit at Lakeside Ville <sup>(f)</sup>	Comparison Method	Price per square metre of gross floor area <sup>(1)</sup>	<b>\$11,300 - \$12,800</b>	\$9,500 - \$12,200
Unit 1102, No. 391 Lakeside Ville, Qingpu District, Shanghai,				
<b>Assets held for sale</b>				
Robinson Point <sup>(g)</sup>	Comparison Method	Price per square metre of lettable area <sup>(1)</sup>	—	\$17,000 - \$37,900
39 Robinson Road Singapore				
	Income Capitalisation Method	Net income margin* <sup>(1)</sup>	—	78%
		Capitalisation rate <sup>(2)</sup>	—	2.6%
	Discounted Cash Flow Method	Discount rate <sup>(2)</sup>	—	6%
		Terminal yield rate <sup>(2)</sup>	—	2.85%

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 14 Investment properties (cont'd)

#### *Fair value adjustments (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.

#### *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
<b>Singapore</b>						
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%	<b>671,500</b>	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%	<b>388,000</b>	388,000
The Oxley <sup>(a)</sup> 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%	<b>37,926</b>	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%	<b>14,820</b>	14,820

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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
<b>Singapore (cont'd)</b>						
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 <sup>(b)</sup> 39 Pheng Geck Avenue Singapore	2 shop Units (#01-30 & #01-32)	99 years from 2011	61	100%	–	1,590
					<b>1,122,246</b>	<b>1,160,910</b>
<b>Asset classified as held for sale:</b>						
Robinson Point <sup>(c)</sup> 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	–	405,000
Sennett Residence <sup>(b)</sup> 39 Pheng Geck Avenue Singapore	2 shop units (#01-30 & #01-32)	99 years from 2011	61	100%	1,542	–
					<b>1,123,788</b>	<b>1,565,910</b>

**Notes:**

- <sup>(a)</sup> 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).
- <sup>(b)</sup> 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.
- <sup>(c)</sup> 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 <sup>(1)</sup>	2020 A\$'000 <sup>(1)</sup>	2021 S\$'000	2020 S\$'000
<b>Australia</b>								
Commercial Centre & Carpark within Grand Hyatt Melbourne complex <sup>(2)</sup>	4 retail tenancies located along Collins Street, additional tenancy space within the complex and a basement tenancy space	Freehold	3,024 <sup>(3)</sup>	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 <sup>(3)</sup>	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
					<b>200,800</b>	<b>267,400</b>	<b>197,507</b>	<b>270,021</b>

**Notes:**

- <sup>(1)</sup> Figures in A\$ are for information only.
- <sup>(2)</sup> 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).
- <sup>(3)</sup> Refers to the estimated lettable area of the commercial centre.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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 <sup>(1)</sup>	2020 RMB'000 <sup>(1)</sup>	2021 S\$'000	2020 S\$'000
<b>China</b>								
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
					<b>105,300</b>	<b>105,000</b>	<b>22,492</b>	<b>21,420</b>

**Note:**

<sup>(1)</sup> Figures in RMB are for information only.

### 15 Investments in subsidiaries

	Company	
	2021 \$'000	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
	<b>905,472</b>	<b>877,007</b>
Less: Allowance for impairment	(139,619)	(121,084)
	<b>765,853</b>	<b>755,923</b>
Fair value of investment in a subsidiary for which there are published price quotations	<b>19,280</b>	<b>13,932</b>

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



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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
<b>Allowance for impairment</b>		
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.

#### 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	2020	2021	2020
				\$'000	\$'000	\$'000	\$'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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 15 Investments in subsidiaries (cont'd)

#### *Non-wholly owned subsidiaries (cont'd)*

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

	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	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	2020 \$'000
<b>Share of net assets</b>			
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
<b>Share of total comprehensive income</b>			
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
<b>Amount due from associate</b>			
Amount due from associate (non-trade)	6	945	—

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 16 Investments in equity accounted investees (cont'd)

#### Equity accounted investees (cont'd)

##### Associates (cont'd)

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.

#### 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 <sup>1</sup>	US\$'000 <sup>1</sup>	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

<sup>1</sup> 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 <sup>1</sup>	RMB'000 <sup>1</sup>	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)

<sup>1</sup> 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.

# STATUTORY REPORTS AND ACCOUNTS NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 16 Investments in equity accounted investees (cont'd)

### *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
<b>Share of net assets</b>			
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	—
<b>Share of total comprehensive income</b>			
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		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	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.

#### *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 S\$'000	2020 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	—

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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).

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 <sup>(1)</sup> Discount rate <sup>(2)</sup>	0% - 8% 10.7%

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

<sup>(2)</sup> 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 <sup>(1)</sup> Discount rate <sup>(2)</sup>	6% - 8% 11.9%

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

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



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 18 Loans and borrowings

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

#### 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).

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 18 Loans and borrowings (cont'd)

#### Interest rate profile

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Loans and borrowings</b>				
Fixed rate	500,837	367,141	196,668	63,795
Variable rate	851,891	1,097,812	—	—
	<b>1,352,728</b>	<b>1,464,953</b>	<b>196,668</b>	<b>63,795</b>

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.

#### 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 <sup>(i)</sup>	New lease liabilities	Foreign exchange movement	Other changes <sup>(ii)</sup>	31 December 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
Loans and borrowings <sup>(1)</sup>	1,757,651	(396,340)	—	(9,350)	767	1,352,728
Lease liabilities	138	(54)	58	(2)	(26)	114

<sup>(1)</sup> 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 <sup>(i)</sup>	New lease liabilities	Foreign exchange movement	Other changes <sup>(ii)</sup>	31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
Loans and borrowings <sup>(1)</sup>	1,711,332	20,131	—	25,462	726	1,757,651
Lease liabilities	115	(82)	103	7	(5)	138

<sup>(1)</sup> Includes borrowings of \$292,698,000 under liabilities directly associated with asset classified as held for sale as at 31 December 2020.

<sup>(i)</sup> The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

<sup>(ii)</sup> Other changes include capitalised finance costs and payments.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 19 Trade and other payables

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Trade</b>					
Trade payables - current		11,392	20,917	—	—
<b>Non-trade</b>					
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 \$'000	2020 \$'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)

# STATUTORY REPORTS AND ACCOUNTS

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### 20 Amounts due from/(to) subsidiaries (cont'd)

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

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

		Group		Company	
	Note	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Amounts due from related parties:</b>					
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
<b>Total</b>		<b>12,813</b>	<b>30,042</b>	<b>–</b>	<b>57</b>
<b><i>Presented as:</i></b>					
Amounts due from related parties, trade	6	6,973	15,629	–	–
Amounts due from related parties, non-trade	6	5,840	14,413	–	57
		<b>12,813</b>	<b>30,042</b>	<b>–</b>	<b>57</b>
<b>Amounts due to related parties:</b>					
Non-trade – current	19	(2,311)	(2,193)	–	–

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

- 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
<b>Deferred tax assets and liabilities arising from</b>		
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)
	<b>45,205</b>	<b>45,138</b>
<b>Represented by:</b>		
Deferred tax assets	(172)	(1,721)
Deferred tax liabilities	45,377	46,859
	<b>45,205</b>	<b>45,138</b>

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.



# STATUTORY REPORTS AND ACCOUNTS

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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 \$'000	Deferred development costs \$'000	Revaluation of properties \$'000	Foreign income not remitted \$'000	Unutilised tax losses \$'000	Others \$'000	Total \$'000
<b>Group</b>								
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
<b>At 31 December 2021</b>		<b>176</b>	<b>–</b>	<b>4,720</b>	<b>46,708</b>	<b>(6,806)</b>	<b>407</b>	<b>45,205</b>
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)
<b>At 31 December 2020</b>		<b>164</b>	<b>2,121</b>	<b>4,331</b>	<b>44,689</b>	<b>(5,967)</b>	<b>(200)</b>	<b>45,138</b>

#### 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 Number of shares ('000)	2020	2021 \$'000	2020 \$'000
<b>Issued and paid up:</b>				
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)	–	–
<b>At 31 December</b>	<b>1,201,565</b>	<b>1,187,490</b>	<b>181,695</b>	<b>176,234</b>

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 24 Share capital (cont'd)

#### 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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 27 Dividend

	Group and Company	
	2021	2020
	\$'000	\$'000
<b>Tax-exempt one-tier first and final dividend paid in respect of the previous year</b>		
Cash	1,663	6,104
Share	5,461	1,000
	<b>7,124</b>	<b>7,104</b>

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:

	Note	Group	
		2021	2020
		\$'000	\$'000
<b>Segment Revenue</b>			
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
		<b>203,034</b>	<b>149,995</b>
Rental income from investment properties	14	42,307	46,822
		<b>245,341</b>	<b>196,817</b>
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
		<b>203,034</b>	<b>149,995</b>

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).

## STATUTORY REPORTS AND ACCOUNTS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 28 Revenue (cont'd)

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
	<b>2,356</b>	<b>4,833</b>

#### 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
	<b>43,964</b>	<b>47,803</b>

#### 31 Fair value adjustments

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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 31 Fair value adjustments (cont'd)

The fair value adjustments are analysed as follows:

		Group		
	Note	Gross \$'000	Deferred tax \$'000	Net \$'000
<b>31 December 2021</b>				
<b>Fair value gain/(loss) on investment properties</b>				
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)
<b>Revaluation loss on property, plant and equipment</b>				
Subsidiaries	12	(71)	21	(50)
<b>Fair value loss on financial instruments</b>				
Share of an equity accounted investee	16	(351)	–	(351)
		(3,434)	(2,062)	(5,496)
<b>31 December 2020</b>				
<b>Fair value gain on investment properties</b>				
Subsidiaries	14	47,385	(4,332)	43,053
<b>Revaluation loss on property, plant and equipment</b>				
Subsidiaries	12	(2,308)	692	(1,616)
<b>Fair value gain on financial instruments</b>				
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 \$'000	2020 \$'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



# **STATUTORY REPORTS AND ACCOUNTS** **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## **32 Profit before tax (cont'd)**

	Group	
	2021 \$'000	2020 \$'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 <sup>(i)</sup> (included in other operating income)	–	(8,744)
<b>Auditors' remuneration<sup>(ii)</sup></b>		
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
<b>Directors' remuneration</b>		
Of the Company:		
- Salaries and wages	2,241	1,977
Of the subsidiaries:		
- Salaries and wages	410	531
- Defined contribution plans	20	25
	<b>2,671</b>	<b>2,533</b>
<b>Employees benefit expenses (excluding Directors' remuneration)</b>		
- Salaries and wages	21,371	16,602
- Defined contribution plans	2,108	1,440
- Others	237	390
	<b>23,716</b>	<b>18,432</b>

<sup>(i)</sup> 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.

<sup>(ii)</sup> 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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 33 Income tax expense

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

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	2020 \$'000
Profit before income tax	<b>84,115</b>	<b>59,887</b>
Income tax calculated at 17% (2020 : 17%)	<b>14,300</b>	<b>10,181</b>
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)
	<b>2,295</b>	<b>1,356</b>

# STATUTORY REPORTS AND ACCOUNTS NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 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	Fair value adjustments	After fair value adjustments
		\$'000	\$'000	\$'000
<b>31 December 2021</b>				
<b>Profit before tax</b>		<b>87,549</b>	<b>(3,434)</b>	<b>84,115</b>
Income tax expense	31, 33	<b>(233)</b>	<b>(2,062)</b>	<b>(2,295)</b>
<b>Profit for the year</b>		<b>87,316</b>	<b>(5,496)</b>	<b>81,820</b>
Non-controlling interests		<b>1,842</b>	<b>–</b>	<b>1,842</b>
<b>Profit attributable to owners of the Company</b>		<b>89,158</b>	<b>(5,496)</b>	<b>83,662</b>
<b>31 December 2020</b>				
<b>Profit before tax</b>		14,699	45,188	59,887
Income tax benefit / (expense)	31, 33	2,284	(3,640)	(1,356)
<b>Profit for the year</b>		16,983	41,548	58,531
Non-controlling interests		478	–	478
<b>Profit attributable to owners of the Company</b>		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	2020
	\$'000	\$'000
<b>Profit attributable to owners of the Company</b>		
Before fair value adjustments	89,158	17,461
Fair value adjustments	(5,496)	41,548
After fair value adjustments	<b>83,662</b>	<b>59,009</b>
<b>Basic and diluted earnings per share (cents)</b>		
Including fair value adjustments	<b>7.0</b>	5.0
Excluding fair value adjustments	<b>7.5</b>	1.5
<b>Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share ('000)</b>	<b>1,194,929</b>	1,186,580

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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 35 Other comprehensive income

		Group		
	Note	Before tax	Deferred tax	After tax
		\$'000	\$'000	\$'000
<b>31 December 2021</b>				
<b>Other comprehensive income / (loss)</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Revaluation of properties	12	6,912	(1,997)	4,915
Fair value gain on investment in equity instrument designated at FVTOCI	17	296	–	296
<i>Items that may be reclassified subsequently to profit or loss</i>				
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
		<b>8,645</b>	<b>(2,593)</b>	<b>6,052</b>
<b>31 December 2020</b>				
<b>Other comprehensive income / (loss)</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
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)
<i>Items that may be reclassified subsequently to profit or loss</i>				
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)
		<b>(5,441)</b>	<b>8,487</b>	<b>3,046</b>

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 \$'000	2020 \$'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.

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

# STATUTORY REPORTS AND ACCOUNTS NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 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
<b>Transactions with major shareholder</b>		
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 <sup>(a)</sup>	(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	—
<b>Transactions with associates</b>		
Management fee income	135	180
<b>Transactions with Directors of the Company and their associates</b>		
Option deposits received from sale of 3 property units	23	—
MTN interest expense	(60)	(93)
<b>Transactions with key management personnel of the Group</b>		
Sales of development properties	159	—
MTN interest expense	(91)	(24)

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

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 \$'000	2020 \$'000
<b>Commitment with major shareholder</b>		
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



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 36 Significant related party transactions (cont'd)

#### *Remuneration of Directors and key management personnel*

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

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

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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 38 Commitments

#### *Capital commitments*

	Group	
	2021 \$'000	2020 \$'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

#### *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 \$'000	2020 \$'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 \$'000	2020 \$'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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

#### Factors behind financial risks

The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise potentially adverse effects arising from the unpredictability of the financial markets on the Group's financial performance.

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables 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.

#### 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
<b>Financial assets</b>				
Financial assets at FVTOCI	29,639	29,343	—	—
Financial assets at amortised cost	495,871	371,311	592,059	331,729
	<b>525,510</b>	<b>400,654</b>	<b>592,059</b>	<b>331,729</b>
<b>Financial liabilities</b>				
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
	<b>1,434,875</b>	<b>1,561,524</b>	<b>783,104</b>	<b>511,711</b>
Derivative financial instruments	—	2,038	—	—
	<b>1,434,875</b>	<b>1,563,562</b>	<b>783,104</b>	<b>511,711</b>

#### (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.

# STATUTORY REPORTS AND ACCOUNTS NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 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 \$'000	USD \$'000	AUD \$'000	Others \$'000
<b>Group</b>				
<b>31 December 2021</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,330	51,026	13,947	653
Trade and other receivables	30	961	–	33
	<b>2,360</b>	<b>51,987</b>	<b>13,947</b>	<b>686</b>
<b>Financial liabilities</b>				
Trade and other payables	(293)	(35)	–	(81)
<b>Net financial assets</b>	<b>2,067</b>	<b>51,952</b>	<b>13,947</b>	<b>605</b>
<b>Net currency exposure</b>	<b>2,067</b>	<b>51,952</b>	<b>13,947</b>	<b>605</b>
<b>31 December 2020</b>				
<b>Financial assets</b>				
Cash and cash equivalents	163	41	38,026	140
Trade and other receivables	27	–	3	29
	<b>190</b>	<b>41</b>	<b>38,029</b>	<b>169</b>
<b>Financial liabilities</b>				
Trade and other payables	(336)	(255)	–	(104)
<b>Net financial (liabilities)/assets</b>	<b>(146)</b>	<b>(214)</b>	<b>38,029</b>	<b>65</b>
<b>Net currency exposure</b>	<b>(146)</b>	<b>(214)</b>	<b>38,029</b>	<b>65</b>

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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

#### (a) Currency risk (cont'd)

##### *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.

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
<b>Group</b>				
Profit or Loss	(207)	15	(5,195)	21
<b>Company</b>				
Profit or Loss	—	—	(5,032)	—

	AUD		Others	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
Profit or Loss	(1,395)	(3,803)	(61)	(7)
<b>Company</b>				
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.

#### (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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

#### (b) Interest rate risk (cont'd)

##### *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).

#### (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

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Group</b>						
<b>31 December 2021</b>						
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
					<b>(1,964)</b>	
<b>31 December 2020</b>						
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
					<b>(1,125)</b>	

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

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Company</b>						
<b>31 December 2021</b>						
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)	–
					<b>(29,902)</b>	
<b>31 December 2020</b>						
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)	–
					<b>(24,348)</b>	

- (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.

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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

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

	Group	
	2021	2020
	\$'000	\$'000
<b>By geographical area</b>		
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
	<b>16,523</b>	<b>31,140</b>
<b>By type of customers</b>		
Related parties	6,973	15,629
Non-related parties	9,550	15,511
	<b>16,523</b>	<b>31,140</b>
<b>By industry sector</b>		
Real Estate Investment	5,412	4,486
Real Estate Development	11	385
Hospitality	2,468	3,265
Industrial Services	8,632	23,004
	<b>16,523</b>	<b>31,140</b>

#### (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 % p.a.	On demand or less than 1 year \$'000	Within 1 to 2 years \$'000	Within 2 to 5 years \$'000	Adjustment \$'000	Total \$'000
<b>Group</b>						
<b>31 December 2021</b>						
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
		<b>615,570</b>	<b>347,572</b>	<b>551,111</b>	<b>(79,378)</b>	<b>1,434,875</b>
<b>31 December 2020</b>						
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
		<b>329,199</b>	<b>907,009</b>	<b>364,627</b>	<b>(39,311)</b>	<b>1,561,524</b>

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

#### (d) Liquidity risk (cont'd)

*Analysis for liquidity and interest risk - non-derivative financial liabilities (cont'd)*

	Effective interest rate % p.a.	On demand or less than 1 year \$'000	Within 1 to 2 years \$'000	Within 2 to 5 years \$'000	Adjustment \$'000	Total \$'000
<b>Company</b>						
<b>31 December 2021</b>						
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
		<b>596,749</b>	<b>16,007</b>	<b>215,284</b>	<b>(44,936)</b>	<b>783,104</b>
<b>31 December 2020</b>						
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
		<b>447,902</b>	<b>68,894</b>	<b>6,270</b>	<b>(11,355)</b>	<b>511,711</b>

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.



# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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 % p.a.	On demand or less than 1 year \$'000	Within 1 to 2 years \$'000	Within 2 to 5 years \$'000	Over 5 years \$'000	Adjustment \$'000	Total \$'000
<b>Group</b>							
<b>31 December 2021</b>							
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
		<b>498,004</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,133)</b>	<b>495,871</b>
<b>31 December 2020</b>							
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
		<b>369,316</b>	<b>2,974</b>	<b>4</b>	<b>9</b>	<b>(992)</b>	<b>371,311</b>
<b>Company</b>							
<b>31 December 2021</b>							
Fixed interest rate instruments	0.4 – 7.5	292,144	–	–	–	(10,087)	282,057
Non-interest bearing	–	310,002	–	–	–	–	310,002
		<b>602,146</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(10,087)</b>	<b>592,059</b>
<b>31 December 2020</b>							
Fixed interest rate instruments	0.2 – 0.4	29,713	–	–	–	(23)	29,690
Non-interest bearing	–	302,039	–	–	–	–	302,039
		<b>331,752</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(23)</b>	<b>331,729</b>

#### (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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

#### (e) Fair value of financial assets and financial liabilities (cont'd)

The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2. The valuation technique and key input is future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

At the end of each reporting year, the Group's FVTOCI was measured based on Level 3. The fair value of the investment as at 31 December 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 \$'000	2020 \$'000
Balance at 1 January	29,343	30,916
Fair value gain / (loss)	296	(1,573)
Balance at 31 December	29,639	29,343

#### (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 \$'000	2020 \$'000
Total borrowings	1,352,728	1,464,953
Total equity	1,264,417	1,173,498
<b>Gross gearing (times)</b>	<b>1.07</b>	<b>1.25</b>
Net borrowings	947,684	1,190,561
Total equity	1,264,417	1,173,498
<b>Net gearing (times)</b>	<b>0.75</b>	<b>1.01</b>

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).

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 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 %
<i>Significant subsidiaries directly held by the Company</i>					
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
<i>Significant subsidiaries indirectly held by the Company</i>					
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.

# STATUTORY REPORTS AND ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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:

#### Impact of the initial application of Interest Rate Benchmark Reform

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:

#### Effective for annual periods beginning on or after 1 January 2022

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

#### Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- 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.

# SGX-ST LISTING MANUAL REQUIREMENTS

31 DECEMBER 2021

Name of interested persons	Nature of relationship	Group			
		Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		31.12.2021 \$'000	31.12.2020 \$'000	31.12.2021 \$'000	31.12.2020 \$'000
<b><u>Nuri Holdings (S) Pte Ltd and associates</u></b>	Nuri Holdings (S) Pte Ltd is the Company's major shareholder and controlling shareholder.				
Rendering of corporate support to interested persons		–	–	103	1,366
Rendering of corporate support from interested persons		–	–	–	540
Lease to an interested person		–	–	1,455	1,533
<b><u>Michelle Liem Mei Fung and Tan Enk Ee and associates</u></b>	Michelle Liem Mei Fung and Tan Enk Ee are deemed controlling shareholders of the Company.				
Rendering of corporate support to an interested person		–	–	240	311
Rendering of corporate support from an interested person		–	–	–	750
<b><u>William Nursalim alias William Liem and associates</u></b>	William Nursalim alias William Liem is the Executive Director / Chief Executive Officer and a deemed controlling shareholder of the Company.				
Interest expenses for Series III unsecured Notes subscribed by an interested person		–	116	–	–
Interest expenses for Series IV unsecured Notes subscribed by an interested person		–	–	207	–
Sale of 3 property units to an interested person		2,241	–	–	–
<b><u>William Nursalim alias William Liem and Liem Mei Kim and associates</u></b>	William Nursalim alias William Liem is the Executive Director / Chief Executive Officer and a deemed controlling shareholder of the Company. Liem Mei Kim is a sister of William Nursalim alias William Liem.				
Interest income from loan to an interested person		–	–	375	664
<b><u>William Nursalim alias William Liem, Michelle Liem Mei Fung and Tan Enk Ee and associates</u></b>	William Nursalim alias William Liem is the Executive Director / Chief Executive Officer of the Company. William Liem, Michelle Liem Mei Fung and Tan Enk Ee are deemed controlling shareholders of the Company.				
Interest expenses for Series IV unsecured Notes subscribed by an interested person		–	–	1,035	–



## SGX-ST LISTING MANUAL REQUIREMENTS

### SGX-ST LISTING MANUAL REQUIREMENTS

31 DECEMBER 2021

Name of interested persons	Nature of relationship	Group			
		Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		31.12.2021 \$'000	31.12.2020 \$'000	31.12.2021 \$'000	31.12.2020 \$'000
<b>Tan Enk Ee and associates</b>	Tan Enk Ee is a deemed controlling shareholder of the Company.				
Interest expenses for Series IV unsecured Notes subscribed by an interested person		–	–	155	–
<b>Aggregated interested person transactions</b>		<b>2,241</b>	<b>116</b>	<b>3,570</b>	<b>5,164</b>

#### MATERIAL CONTRACTS

##### – Listing Manual Rule 1207(8)

Save as disclosed above and those disclosed separately by the Company's listed subsidiary, SP Corporation Limited in its 2021 annual report, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of the Chief Executive Officer, Directors or controlling shareholders, which were either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

#### AUDITORS

##### – Listing Manual Rule 1207(6)

The aggregate amount of fees paid to the external auditors, broken down into audit and non-audit services are presented under Note 32 to the financial statements for the financial year ended 31 December 2021. The Audit and Risk Committee had reviewed the non-audit services provided by the external auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the external auditors.

The Board of Directors and the Audit and Risk Committee, having reviewed the adequacy of the resources and experience of Deloitte & Touche LLP, the audit engagement partner assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712 and 715 of the SGX-ST Listing Manual.

## SHAREHOLDING STATISTICS

### SHAREHOLDING STATISTICS

AS AT 8 MARCH 2022

#### SHARE CAPITAL

Issued and fully paid-up capital (including treasury shares)	:	\$181,694,851.60
Issued and fully paid-up capital (excluding treasury shares)	:	\$177,476,844.12
Number of issued shares (including treasury shares)	:	1,213,929,603
Number of issued shares (excluding treasury shares)	:	1,201,433,603
Number/percentage of treasury shares	:	12,496,000 (1.04%) <sup>(1)</sup>
Number/percentage of shares for subsidiary holdings <sup>(2)</sup>	:	Nil (0%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share, the Company cannot exercise any voting rights in respect of the shares held by it as treasury shares

#### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares <sup>(3)</sup>	%
1 - 99	409	2.77	19,503	0.00
100 - 1,000	1,192	8.07	685,210	0.06
1,001 - 10,000	7,624	51.63	41,110,217	3.42
10,001 - 1,000,000	5,503	37.27	253,843,271	21.13
1,000,001 & above	39	0.26	905,866,402	75.39
<b>TOTAL</b>	<b>14,767</b>	<b>100.00</b>	<b>1,201,524,603</b>	<b>100.00</b>

#### TWENTY LARGEST SHAREHOLDERS

as shown in the Register of Members and Depository Register

No.	Name of Shareholders	No. of Shares	%
1	UOB NOMINEES (2006) PRIVATE LIMITED	638,719,998	53.16
2	DBS NOMINEES PTE LTD	87,078,457	7.25
3	CITIBANK NOMINEES SINGAPORE PTE LTD	33,628,720	2.80
4	RAFFLES NOMINEES (PTE) LIMITED	30,853,232	2.57
5	SING INVESTMENTS & FINANCE NOMINEES (PTE) LTD	23,500,000	1.96
6	PHILLIP SECURITIES PTE LTD	10,721,572	0.89
7	UOB KAY HIAN PTE LTD	7,132,541	0.59
8	OCBC SECURITIES PRIVATE LTD	6,739,924	0.56
9	UNITED OVERSEAS BANK NOMINEES PTE LTD	6,142,095	0.51
10	LAMIPAK KMP PTE LTD	4,382,393	0.36
11	TAN THIAN HWEE	4,222,217	0.35
12	MAYBANK SECURITIES PTE. LTD.	4,047,067	0.34
13	OCBC NOMINEES SINGAPORE PTE LTD	3,733,001	0.31
14	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,463,095	0.29
15	DBS VICKERS SECURITIES (S) PTE LTD	3,312,082	0.28
16	IFAST FINANCIAL PTE LTD	3,252,866	0.27
17	CHIAM HOCK POH	3,061,315	0.25
18	LEH BEE HOE	2,798,797	0.23
19	LOW JUNRUI (LIU JUNRUI)	2,557,581	0.21
20	YEE LAT SHING	2,017,332	0.17
<b>TOTAL</b>		<b>881,364,285</b>	<b>73.35</b>

#### Notes:

<sup>(1)</sup> Percentage is calculated based on total issued and paid-up shares (excluding treasury shares).

<sup>(2)</sup> "Subsidiary holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

<sup>(3)</sup> The number of shares is based on report provided by The Central Depository (Pte) Limited which includes 91,000 shares repurchased by the Company from 3 March 2022 to 8 March 2022.

## SHAREHOLDING STATISTICS

## SHAREHOLDING STATISTICS

AS AT 8 MARCH 2022

### SUBSTANTIAL SHAREHOLDERS

as shown in the Register of Substantial Shareholders

Name	No. of Shares (Direct Interest)	% <sup>(1)</sup>	No. of Shares (Deemed Interest)	% <sup>(1)</sup>
Nuri Holdings (S) Pte Ltd	638,956,697	53.18	—	—
Michelle Liem Mei Fung <sup>(2)(3)</sup>	—	—	639,206,697	53.20
William Nursalim alias William Liem <sup>(2)</sup>	—	—	638,956,697	53.18
Dr Tan Enk Ee <sup>(2)</sup>	404,863	0.03	638,956,697	53.18
Koh Wee Meng	74,200,000	6.18	—	—

**Notes:**

<sup>(1)</sup> Percentages are calculated based on 1,201,433,603 issued shares (excluding treasury shares) as at 8 March 2022. Percentage figures have been rounded to 2 decimal places.

<sup>(2)</sup> By virtue of interest in Nuri Holdings (S) Pte Ltd.

<sup>(3)</sup> Ms Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.

### SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 8 March 2022, approximately 40.54% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 52nd Annual General Meeting of Tuan Sing Holdings Limited (the “**Company**”) will be convened and held by way of electronic means on Thursday, 28 April 2022 at 10.00 a.m. to transact the following business:

## ORDINARY BUSINESS:

- |  |                              |
|--|------------------------------|
| 1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2021 (“ <b>FY2021</b> ”) and the Auditor’s Report thereon.  | <b>Ordinary Resolution 1</b> |
| 2. To approve a first and final one-tier tax exempt dividend of 0.7 cent per ordinary share for FY2021.  | <b>Ordinary Resolution 2</b> |
| 3. To approve the payment of S\$406,693 as Directors’ fees for FY2021. (FY2020: S\$439,664).   | <b>Ordinary Resolution 3</b> |
| 4. To re-elect Mr William Nursalim alias William Liem, a Director who will retire by rotation pursuant to Regulation 105 of the Constitution of the Company and Rule 720(5) of the SGX Listing Manual and who, being eligible, offers himself for re-election. | <b>Ordinary Resolution 4</b> |
| 5. To re-elect Mr Ooi Joon Hin, a Director who will retire by rotation pursuant to Regulation 106 of the Constitution of the Company and Rule 720(5) of the SGX Listing Manual and who, being eligible, offers himself for re-election.                        | <b>Ordinary Resolution 5</b> |
| 6. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.   | <b>Ordinary Resolution 6</b> |

## SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

- |   |                              |
|---|------------------------------|
| 7. <b>Authority to allot and issue shares up to ten per centum (10%) of the issued shares</b> | <b>Ordinary Resolution 7</b> |
|---|------------------------------|

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the listing rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

## NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

and, in paragraph (1) above and this paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

### 8. **Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme**

**Ordinary Resolution 8**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.

### 9. **The Proposed Renewal of Share Purchase Mandate**

**Ordinary Resolution 9**

That:

- (a) (i) on-market purchase(s) of Shares (each an “**On-Market Purchase**”) effected on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
- (ii) off-market purchase(s) of Shares (each an “**Off-Market Purchase**”) effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next Annual General Meeting of the Company is held; or
  - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or
  - (iii) the date on which the purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“**Average Closing Price**” means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the last five market days on which the Shares are transacted on the SGX-ST immediately preceding the day of the On-Market Purchase by the Company or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted, in accordance with the Listing Manual of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the On-Market Purchase was made or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be;



## NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF ANNUAL GENERAL MEETING

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Maximum Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of an On-Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off Market Purchase, 110% of the Average Closing Price of the Shares; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

### 10. The Proposed Renewal of Interested Person Transactions Mandate

Ordinary Resolution 10

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix A to the Company’s Letter to Shareholders dated 5 April 2022 (the “**Appendix A**”), with any party who is of the classes of interested persons described in the Appendix A, provided that such transactions are carried out in the ordinary course of business and on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for interested person transactions as set out in Appendix A (the “**IPT Mandate**”);
- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Independent Directors for the purpose of the IPT Mandate be and are authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

By Order of the Board

Leow May Cin  
Company Secretary

5 April 2022  
Singapore

# NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES ON BUSINESSES TO BE TRANSACTED:

**Ordinary Resolution 1** – is to receive and adopt the Directors' Statement and the Audited Financial Statements for FY2021 and the Auditor's Report thereon which can be found under "Statutory Reports and Accounts" in the Company's 2021 Annual Report.

**Ordinary Resolution 2** – is to approve a first and final one-tier tax exempt dividend of 0.7 cent per ordinary share in respect of FY2021 (the "**Proposed Dividend**"). The Tuan Sing Holdings Limited Scrip Dividend Scheme is applicable if the Proposed Dividend is approved.

Under the Tuan Sing Holdings Limited Scrip Dividend Scheme, shareholders entitled to dividends may elect to receive either cash or an allotment of ordinary shares of the Company, credited as fully paid, *in lieu of* cash amount of the Proposed Dividend. Shareholders who elect to receive the Proposed Dividend in scrip, the issue price for the new shares to be allotted shall be set at not more than 10% discount to the average of the last dealt prices of Tuan Sing shares for each market day from the ex-dividend date to the record date.

**Ordinary Resolution 3** – is to approve the payment of Directors' fees of S\$406,693 for FY2021, for services rendered by the Directors on the Board and on various Board Committees. The framework for the proposed Directors' fees is set out in the "Corporate Governance Report" of the Company's 2021 Annual Report.

**Ordinary Resolution 4** – Mr William Nursalim alias William Liem will, upon re-election, continue to serve as the Executive Director and Chief Executive Officer of the Company. The detailed information on Mr William Nursalim alias William Liem (including information as set out in Appendix 7.4.1 of the SGX-ST Listing Manual can be found under "Directors' Profile" and "Additional Information On Director Seeking Re-election" in the Company's 2021 Annual Report.

**Ordinary Resolution 5** – Mr Ooi Joon Hin will, upon re-election, continue to serve as a member of the Board of Directors and the Chairman of the Audit and Risk Committee. He is considered an Independent and Non-Executive Director. The detailed information on Mr Ooi (including information as set out in Appendix 7.4.1 of the SGX-ST Listing Manual can be found under "Directors' Profile" and "Additional Information On Director Seeking Re-election" in the Company's 2021 Annual Report.

**Ordinary Resolution 6** – is to re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. The Company has complied with Rule 713(1) of the SGX-ST Listing Manual by ensuring that the audit partner is not in charge of more than five consecutive years of audits. The current audit partner, Mr Yang Chi Chih was appointed in FY2021.

**Ordinary Resolution 7** – is to empower the Directors to issue shares in the capital of the Company up to an amount not exceeding in aggregate 10% of the issued shares in the capital of the Company. This 10% limit is lower than the limit allowed under the SGX-ST Listing Manual. The Company is seeking a lower limit as it believes that this is adequate for the time being and will review the limit annually. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time that this Resolution is passed after adjusting for any subsequent consolidation or subdivision of shares.

**Ordinary Resolution 8** – is to authorise the Directors to issue shares in the Company pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme to participating shareholders who, in respect of that qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

**Ordinary Resolution 9** – is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use its internal sources of funds or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of profits or capital, the price at which such ordinary shares were purchased or acquired and whether the shares purchased or acquired are held as treasury shares or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for FY2021, based on certain assumptions, are set out in paragraph 2.7 of the Letter to Shareholders dated 5 April 2022 (the "**Letter**"). Please refer to the Letter for more details.

**Ordinary Resolution 10** – is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the SGX-ST Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix A to the Letter. Please refer to the Letter for more details.

### NOTES

- (1) The 52nd Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL <https://investor.tuansing.com/announcements.html> and on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice will also be sent by post to members.
- (2) Alternative arrangements relating to attendance at the 52nd Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the 52nd Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the 52nd Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the 52nd Annual General Meeting, are set out in the accompanying Company's announcement dated 5 April 2022. This announcement may be accessed at the Company's website at the URL <https://investor.tuansing.com/announcements.html> and on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
- (3) Due to the current COVID-19 situation in Singapore, a member will not be able to attend the 52nd Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the 52nd Annual General Meeting if such member wishes to exercise his/her/its voting rights at the 52nd Annual General Meeting. The accompanying proxy form for the 52nd Annual General Meeting may be accessed at the Company's website at the URL <https://investor.tuansing.com/announcements.html> and on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the proxy form will also be sent by post to members.

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- (4) Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
- (5) CPF and SRS investors who wish to appoint the Chairman of the Meeting as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 April 2022.
- (6) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- (7) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically via email, be submitted to the Company's Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in each case not less than 72 hours before the time appointed for holding the 52nd Annual General Meeting.

- (8) A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or SGXNet, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Due to the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

- (9) The Company's Annual Report 2021 and the Letter to Shareholders dated 5 April 2022 (in relation to the proposed renewal of the Share Purchase Mandate and the Interested Person Transactions Mandate) have been published and may be accessed at the Company's website as follows:
  - (a) the Annual Report 2021 may be assessed at the URL <https://www.tuansing.com/investor-centre/publications.html> by clicking on the hyperlink for "FY2021 Annual Report"; and
  - (b) the Letter to Shareholders dated 5 April 2022 may be assessed at the URL <https://www.tuansing.com/investor-centre/publications.html> by clicking on the hyperlink for "Letter to Shareholders 2022".

The above documents may also be assessed on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by completing and submitting the Request Form accompanying the printed copy of this Notice sent by post to members.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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### NOTICE OF DIVIDEND PAYMENT DATE AND RECORD DATE

**NOTICE IS HEREBY GIVEN THAT** subject to shareholders of the Company approving the proposed payment of the first and final one-tier tax exempt dividend of 0.7 cent per ordinary share (the **"Proposed Dividend"**) at the 52nd Annual General Meeting to be held on 28 April 2022, the share transfer books and register of members of the Company will be closed on Wednesday, 11 May 2022 after 5.00 p.m. for the preparation of dividend warrants.

Duly completed instruments of transfer received by the Company's Share Registrar in Singapore, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on Wednesday, 11 May 2022 will be registered to determine shareholders' entitlements to the Proposed Dividend.

Shareholders (being depositors) whose securities accounts with the The Central Depository (Pte) Limited ("CDP") are credited with shares in the capital of the Company as at 5.00 p.m. on 11 May 2022 will be entitled to the Proposed Dividend.

Shareholders with registered address outside Singapore and who have not provided to the Company or CDP, address in Singapore for the service of notices and documents by Thursday, 28 April 2022, will not participate in the Tuan Sing Holdings Limited Scrip Dividend Scheme which is applicable to the Proposed Dividend.

The Proposed Dividend, if approved by shareholders, will be paid on 28 June 2022.

# NOTICE OF ANNUAL GENERAL MEETING

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### ALTERNATIVE ARRANGEMENTS FOR 52ND ANNUAL GENERAL MEETING

#### INTRODUCTION

The Board of Directors (the “**Board**”) of Tuan Sing Holdings Limited (the “**Company**”) refers to the Company’s Notice of AGM dated 5 April 2022 (“**Notice of AGM**”) with respect to its Annual General Meeting (“AGM”) and the following:

- (a) The COVID-19 (Temporary Measures) Act 2020;
- (b) The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”); and
- (c) The Joint Statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation issued on 13 April 2020 (as updated on 27 April 2020, 22 June 2020, 1 October 2020 and 4 February 2022 (the “**Joint Statement**”).

#### DATE, TIME AND CONDUCT OF AGM

The AGM will be convened and conducted by way of electronic means under safe distancing measures pursuant to the Order and in accordance with the latest guidance under the Joint Statement on Thursday, 28 April 2022 at 10.00 a.m., and the physical location for the AGM is purely to facilitate the conduct of the AGM by way of electronic means.

#### NOTICE OF AGM AND PROXY FORM

The Notice of AGM and proxy form have been sent to shareholders by electronic means via publication on the Company’s website and on the SGXNet. For convenience, printed copies of these documents have also been mailed to shareholders.

#### NO PERSONAL ATTENDANCE AT THE AGM

The Company will arrange for (i) a “live” webcast of the AGM, which allows Shareholders to view the proceedings of the AGM contemporaneously (“**Live Webcast**”); and/or (ii) audio only means (via telephone), which allows Shareholders to observe the proceedings of the AGM contemporaneously (“**Audio Only Means**”). Shareholders can **ONLY** participate in the AGM via Live Webcast or Audio Only Means. The Company will **NOT** accept any physical attendance by Shareholders at the physical location of the AGM, and any Shareholder will **NOT** be allowed to attend the AGM in person.

Alternative arrangements are instead put in place to allow shareholders to participate in the AGM. Shareholders should note the following procedures and/or instructions to participate in the AGM via Live Webcast or Audio Only Means.

#### ALTERNATIVE ARRANGEMENTS FOR PARTICIPATION AT THE AGM

Shareholders may participate in the AGM by:

- (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;
- (b) submitting questions, if any, in advance of the AGM; and/or
- (c) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM. The steps for pre-registration, submission of questions and voting at the AGM by shareholders, including CPF and SRS investors, are set out in the Appendix to this announcement.

#### PROXY FORMS

Shareholders must submit proxy forms in order to cast their votes. Shareholders must give the Chairman of the AGM as their proxy specific instructions as to voting, or abstention from voting, in respect of each resolution in the proxy form. There will be no live voting at the AGM.

#### PERSONS WHO HOLD SHARES THROUGH RELEVANT INTERMEDIARIES

Persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act 1967), including CPF and SRS investors (the “**Investors**”), and who wish to participate in the AGM should contact the relevant intermediary through which they hold such shares **as soon as possible** in order for the necessary arrangements to be made for their participation in the AGM. In particular, Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by **5.00 p.m. on 18 April 2022**.

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### 2021 ANNUAL REPORT AND LETTER TO SHAREHOLDERS

The 2021 Annual Report and the Letter to Shareholders dated 5 April 2022 (in relation to the proposed renewal of the share purchase mandate and the interested person transactions mandate) have been published on SGXNet at <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's corporate website as follows:

- (a) the 2021 Annual Report may be accessed at the URL <https://www.tuansing.com/investor-centre/publications.html> by clicking on the hyperlink for "FY2021 Annual Report"; and
- (b) the Letter to Shareholders dated 5 April 2022 may be accessed at the URL <https://www.tuansing.com/investor-centre/publications.html> by clicking on the hyperlink for "Letter to Shareholders 2022".

Shareholders may request for printed copies of these documents by completing and submitting to the Company a copy of the Request Form in the printed copies of the Notice of AGM which had been mailed to shareholders.

### KEY DATES AND TIMELINE TO OBSERVE

The key dates and timeline which shareholders should take note of are set out in the table below:

Key dates	Actions
<b>5 April 2022 (Tuesday)</b>	<ul style="list-style-type: none"> <li>Pre-registration opens: Shareholders, CPF and SRS investors, may pre-register for the AGM at <a href="https://septusasia.com/tuansingfy2021agm">https://septusasia.com/tuansingfy2021agm</a>.</li> <li>Shareholders may begin to submit questions at AGM Pre-Registration site.</li> </ul>
<b>5.00 p.m. on 15 April 2022 (Friday)</b>	Deadline for shareholders to submit questions in advance.
<b>5.00 p.m. on 18 April 2022 (Monday)</b>	Deadline for CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Banks and SRS Operators to submit their votes.
<b>21 April 2022 (Thursday)</b>	Company's responses on shareholders' questions and/or answers to frequently asked questions made available to shareholders on AGM Pre-Registration site corporate website and on the SGXnet after trading hours.
<b>10.00 a.m. on 25 April 2022 (Tuesday)</b>	Deadline for shareholders to: <ul style="list-style-type: none"> <li>pre-register for the AGM; and</li> <li>submit instruments appointing the Chairman of the AGM as proxy.</li> </ul>
<b>10.00 a.m. on 27 April 2022 (Wednesday)</b>	Authenticated shareholders will receive an email which will contain unique user credentials and instructions on how to access the live audio-visual webcast or live audio-only stream of the AGM proceedings (the "Confirmation Email").  Shareholders who have registered on or before 25 April 2022 and have not received the Confirmation Email by <b>10.00 a.m. on 27 April 2022</b> , should contact the Share Registrar: B.A.C.S. Private Limited via email at <a href="mailto:main@zicoholdings.com">main@zicoholdings.com</a> <b>before 3.00 p.m. on 27 April 2022</b> .
<b>Date and time of AGM: 28 April 2022 (Thursday) at 10.00 a.m.</b>	<ul style="list-style-type: none"> <li>Click on the link in the Confirmation Email and follow the instructions to access the live audio-visual webcast of the AGM proceedings; or</li> <li>Call the Singapore telephone number and follow the instructions in the Confirmation Email to access the live audio-only stream of the AGM proceedings.</li> <li>Shareholders may email <a href="mailto:webcast@septusasia.com">webcast@septusasia.com</a> in the event there is any technical issue for login pre-AGM or during AGM.</li> </ul>

### FURTHER INFORMATION

For more information, shareholders can contact the Company via email at [ir@tuansing.com](mailto:ir@tuansing.com) or the Company's Share Registrar via email at [main@zicoholdings.com](mailto:main@zicoholdings.com).



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#### REMINDER

Due to the evolving COVID-19 situation in Singapore, the Company may be required to make changes to the arrangements for the AGM as set out hereof at short notice. Shareholders should thus check the Company's corporate website and/or the SGX's website for the latest updates on the status of the AGM.

We would like to thank all shareholders for your patience and co-operation in enabling us to hold the AGM in accordance with safe distancing measures amidst the current pandemic.

BY ORDER OF THE BOARD

William Nursalim alias William Liem  
Executive Director/Chief Executive Officer

5 April 2022

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### APPENDIX

#### Steps for pre-registration, submission of questions and voting at the AGM

Shareholders will be able to observe and/or listen to the AGM proceedings through a live audio-visual webcast or live audio-only stream via their phones, tablets or computers, submit questions in advance of the AGM and appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM.

To do so, they will need to complete the following steps:

No.	Steps	Details
1.	<b>Pre-registration</b>	<p><b>Shareholders, including CPF and SRS investors, can pre-register for the AGM at the pre-registration website which is accessible at the URL <a href="https://septusiasia.com/tuansingfy2021agm">https://septusiasia.com/tuansingfy2021agm</a> from 5 April 2022 up to 10.00 a.m. on 25 April 2022 to enable the Company to verify their status as shareholders.</b></p> <p>Following the verification, authenticated shareholders will receive an email by <b>10.00 a.m. on 27 April 2022</b>. The email will contain unique user credentials and instructions on how to access the live audio-visual webcast or live audio-only stream of the AGM proceedings.</p> <p>Shareholders who have registered on or before 10.00 a.m. on 25 April 2022 and have not received the email by <b>10.00 a.m. on 27 April 2022</b>, should contact the Share Registrar: B.A.C.S. Private Limited via email at <a href="mailto:main@zicoholdings.com">main@zicoholdings.com</a> <b>before 3.00 p.m. on 27 April 2022</b>.</p>
2.	<b>Submit questions in advance of the AGM</b>	<p><b>Submission of substantial and relevant questions in advance.</b> Shareholders, including CPF and SRS investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner:</p> <p>(a) <b>Via pre-registration website.</b> Shareholders who pre-register for the AGM may submit their questions via the pre-registration website which is accessible at the URL <a href="https://septusiasia.com/tuansingfy2021agm">https://septusiasia.com/tuansingfy2021agm</a>.</p> <p>(b) <b>Via email.</b> Shareholders may submit their questions via email to the Company at <a href="mailto:SHquestions@tuansing.com">SHquestions@tuansing.com</a>.</p> <p>(c) <b>By post.</b> Shareholders may submit their questions by post to the Company's registered address at 9 Oxley Road #03-02 The Oxley, Singapore 238697.</p> <p>When sending in your questions via email or by post, please provide us with the following details:</p> <ul style="list-style-type: none"> <li>• your full name;</li> <li>• your address; and</li> <li>• the manner in which you hold shares in the Company (e.g., via CDP, CPF, SRS and/or scrip).</li> </ul> <p>All questions must be submitted by <b>5.00 p.m. on 15 April 2022</b>.</p> <p><b>Addressing questions.</b> We will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from shareholders at least 72 hours in advance of the AGM by publishing our responses to such questions on our corporate website and on SGXNet prior to the AGM.</p> <p><b>Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.</b></p> <p><b>Minutes of AGM.</b> We will publish the minutes of the AGM on our corporate website and on SGXNet within the prescribed timeline. The minutes will include the responses to substantial and relevant questions from shareholders which are addressed during the AGM.</p>

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No.	Steps	Details
3.	Submit instruments appointing Chairman of the Meeting as proxy to vote	<p>Shareholders will not be able to vote during the live audio-visual webcast or live audio-only stream of the AGM proceedings. Shareholders (whether individual or corporate) who pre-register to observe and/or listen to the AGM proceedings and wish to vote on the resolutions to be tabled at the AGM must appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in accordance with the instructions on the instrument appointing a proxy.</p> <p><b>Specific voting instructions to be given.</b> Where shareholders (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the instrument appointing a proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.</p> <p><b>Submission of instruments of proxy.</b> The instrument appointing the Chairman of the AGM as proxy must be submitted in the following manner:</p> <p>(a) if submitted by post, be lodged with the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or</p> <p>(b) if submitted electronically, be submitted via email to the Company's Share Registrar at <a href="mailto:main@zicoholdings.com">main@zicoholdings.com</a>,</p> <p>in either case, by <b>10.00 a.m. on 25 April 2022</b>.</p> <p>A shareholder who wishes to submit an instrument appointing a proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above.</p> <p><b>Due to the current COVID-19 situation, shareholders are strongly encouraged to submit completed instruments appointing a proxy via email.</b></p> <p>CPF and SRS investors who wish to appoint Chairman of the AGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by <b>5.00 p.m. on 18 April 2022</b>.</p>

### Personal data privacy:

By pre-registering for the Live Webcast/Audio Only Means, submitting a Proxy Form appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- processing of the registration for purpose of granting access to Shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to the Live Webcast or Audio Only Means to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- addressing relevant and substantial questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions;
- preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a Shareholder of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

# TUAN SING HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Registration No. 196900130M)

## Proxy Form Annual General Meeting

### IMPORTANT

- The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting dated 5 April 2022 will accordingly be sent to members by electronic means via publication on the Company's website at the URL <https://investor.tuansing.com/announcements.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.
- Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 5 April 2022. This announcement may be accessed at the Company's website at the URL <https://investor.tuansing.com/announcements.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Due to the current COVID-19 situation, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.
- CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 April 2022.
- By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2022.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co Reg Number)

of \_\_\_\_\_ (Address)

being a member/members of Tuan Sing Holdings Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means at 10.00 a.m. (Singapore time) on Thursday, 28 April 2022 and at any adjournment thereof. I/We direct the Chairman of the Meeting as my/our proxy to vote for or against or to abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated below.

ORDINARY BUSINESS		For*	Against*	Abstain*
Ordinary Resolution 1	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report.			
Ordinary Resolution 2	Payment of a first and final dividend.			
Ordinary Resolution 3	Approval of Directors' fees.			
Ordinary Resolution 4	Re-election of Mr William Nursalim alias William Liem as a Director.			
Ordinary Resolution 5	Re-election of Mr Ooi Joon Hin as a Director.			
Ordinary Resolution 6	Re-appointment of Deloitte & Touche LLP as Auditors and authorisation for Directors to fix their remuneration.			
SPECIAL BUSINESS				
Ordinary Resolution 7	Authority to allot and issue shares (General Share Issue Mandate).			
Ordinary Resolution 8	Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.			
Ordinary Resolution 9	The Proposed Renewal of the Share Purchase Mandate.			
Ordinary Resolution 10	The Proposed Renewal of the Interested Person Transactions Mandate.			

\* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Shares in:	Total Number of Shares held
(a) Depository Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal

\* Delete whichever is inapplicable.

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**NOTES TO PROXY FORM:**

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing the Chairman of the Meeting as proxy will be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 situation, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be downloaded from the Company's website at the URL <https://investor.tuansing.com/announcements.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this proxy form will also be sent by post to members. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 April 2022.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the share registrar of the Company, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to the share registrar of the Company at [main@zicoholdings.com](mailto:main@zicoholdings.com), in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. The Company shall be entitled to reject the instrument appointing a proxy (ies) if it is incomplete or improperly completed.

**Due to the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

Fold here

Affix  
Postage  
Stamp

**TUAN SING HOLDINGS LIMITED**  
c/o B.A.C.S. Private Limited  
77 Robinson Road #06-03 Robinson 77  
Singapore 068896

Fold here

6. The instrument appointing the Chairman of the Meeting as proxy must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



**DISCLAIMER:** This Annual Report has been prepared by Tuan Sing Holdings Limited (the “Company”) and consists of general background information about the Company’s activities at the date of this Annual Report. The information in this Annual Report is provided in summary form only and does not purport to be complete. While every reasonable care has been taken in preparing this Annual Report, neither the Company nor its partners will be held responsible for any inaccuracies or omissions. All statements are believed to be correct but are not to be regarded as statements or representations of fact. All information and specifications are current at the time of going to press and are subject to such changes as may be required by the Company. Renderings and illustrations are artist’s impressions only and cannot be regarded as representations of fact. This Annual Report and its contents are confidential and proprietary to the Company, and no part of it or its subject matter may be reproduced, redistributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person (excluding the relevant person’s professional advisers) or published in whole or in part for any purpose without the prior written consent of the Company. If this Annual Report has been received in error, it must be returned immediately to the Company.



**TUAN SING HOLDINGS LIMITED**

(Company Registration No. 196900130M)

9 Oxley Rise | #03-02 The Oxley | Singapore 238697

Phone: (65) 6223 7211 | Fax: (65) 6224 1085

[www.tuansing.com](http://www.tuansing.com)