SING HOLDINGS LIMITED

Co. Reg. No. 196400165G

ANNUAL REPORT **2019**

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CORPORATE PROFILE

Founded in 1964, Sing Holdings Limited and its subsidiaries (the "Group") is a property development and investment group currently listed on the Mainboard of the Singapore Exchange. It has an established track record of development experiences in a wide spectrum of properties ranging from landed houses, condominiums to commercial and industrial buildings. Some of the Group's past residential projects include Robin Residences at Robin Drive, Waterwoods in Punggol and The Laurels at Cairnhill Road. For commercial and industrial projects, the Group developed BizTech Centre at Aljunied Road, EastGate building along East Coast Road and Ocean Towers in Shanghai, an award-winning Grade-A office building in the People's Republic of China.

The Group currently owns a 291-room, limited service hotel known as Travelodge Docklands in Melbourne and 43 strata units in BizTech Centre. Its ongoing residential project, Parc Botannia in Sengkang, is a private condominium development comprising 4 blocks of 22-storey buildings with 735 apartment units.

The Group prides itself in delivering quality developments to its purchasers and tenants. From the conceptualisation of project layouts and designs to the selection of fittings and finishes, the construction of the development to the final touches upon completion, every detail is meticulously combed to ensure finest quality. As a testament to this, the Company received the prestigious FIABCI[1] Singapore Property Award for its project, The Laurels. Another two projects, Waterwoods and Parc Botannia, were also bestowed the BCA[2] Green Mark Award (Gold Plus).

Going forward, the Group will continue to focus on its core business of property development and investment. It shall continue to leverage on its development experience and expertise to deliver dream homes to its purchasers, in its bid to be a Developer of Premier Living.

Notes:

(1) FIABCI is the French acronym for "Federation Internationale des Administrateurs de Bien-Conselis Immobiliers" which means "The International Real Estate Federation". The FIABCI awards recognise outstanding developments evaluated on their overall concept, architecture and design, development and construction, community benefit and environmental impact as well as financing and marketing.

(2) BCA refers to the Building and Construction Authority of Singapore.

CHAIRMAN'S MESSAGE

"I am pleased to inform you that as at the date of this report, 100% of the units in Parc Botannia have been issued an option to purchase, amounting to sales value of about $730.6 million."

LEE SZE LEONG
Chairman

On behalf of the Board of Directors, I am pleased to present the annual report of Sing Holdings Limited for the financial year ended 31 December 2019 ("FY2019").

FINANCIAL REVIEW

The Group reported a stellar set of financial results for FY2019. Profit attributable to shareholders increased more than fourfold to $45.4 million compared to the preceding financial year. This was mainly attributable to the recognition of profit from Parc Botannia, a residential development at Fernvale Street, Singapore.

Revenue for the year comprised recognition of sales proceeds from Parc Botannia and rental income from a hotel in Melbourne, Travelodge Docklands. Other income arose mainly from rental income from completed properties, interest income, dividend income and gain on sale of investment securities. Administrative expenses increased due to higher staff costs and accrual for performance bonus. Loss on fair value adjustment of the hotel resulted in an increase in other operating expenses. Finance costs dropped as a result of repayment of bank loans during the year.

Equity attributable to shareholders rose by $39.0 million to $295.5 million as at end of FY2019, due mainly to profit reported for the year, partly offset by foreign currency translation loss arising from the weakening Australian Dollar and payment of dividends in respect of the preceding financial year.

CHAIRMAN'S MESSAGE

Parc Botannia

DIVIDENDS

Subject to approval by shareholders at the forthcoming Annual General Meeting, the Board is pleased to recommend a first and final one-tier tax exempt dividend of 1.85 cents per ordinary share.

BUSINESS REVIEW

Singapore's private residential property market was fairly stable throughout 2019. According to statistics released by the Urban Redevelopment Authority, prices of non-landed private residential properties grew by 1.9% for the whole of 2019. Overall, number of private residential units sold by developers remained healthy and Government land tenders continued to draw keen competition, albeit at more measured bids. The Group participated in a few land tenders but was not successful.

The Melbourne hotel market saw a surge in supply in 2019, with an increase of just under 2,400 rooms during the year. The impact of this increase is evident, with decline in revenue per available room ("RevPAR") of almost 5% across the market.

The Group's portfolio comprises the following:

- ***Parc Botannia, Singapore***
  Parc Botannia is a 99-year leasehold residential development at Fernvale Street with a gross floor area of 51,588 square metres. It is located next to the Thanggam LRT station and is easily accessible via the Tampines Expressway. Amenities within its vicinity include The Seletar Mall, eateries along Jalan Kayu, Sengkang Sports Centre, Sengkang Riverside Park and Seletar Aerospace Park.

CHAIRMAN'S MESSAGE

The proposed private condominium development will comprise 4 blocks of 22-storey buildings with 735 apartment units. The Group has a 70% interest in this development project. As at the date of this report, 100% of the units at Parc Botannia have been issued an option to purchase, amounting to sales value of about $730.6 million, and approximately 93% of these options have been exercised. Revenue from sales will continue to be recognised progressively over time as performance obligations are satisfied. Barring any unforeseen circumstances, the project is expected to obtain temporary occupation permit during the first half of 2021.

- ***BizTech Centre, Singapore***
  BizTech Centre is a freehold light industrial building along Aljunied Road. It is within walking distance to the Mattar MRT station on the Downtown Line. The Group currently owns 43 strata units in the building with a saleable area of 44,275 square feet. Of this, about 87% is leased to multiple tenants which provide a steady stream of recurring income to the Group.

- ***Travelodge Docklands, Australia***
  Travelodge Docklands is a freehold, 14-storey limited service hotel in Docklands, Melbourne. It comprises 291 guestrooms, a food and beverage outlet, a business centre, meeting rooms and other basic amenities. The hotel is strategically located near to the Southern Cross Railway Station and within minutes' walk to the all-purpose Marvel Stadium, the Melbourne Convention & Exhibition Centre and the Crown Casino. It enjoys close proximity to many office buildings which offer corporate account opportunities to the hotel. The hotel is under a long-term lease to TFE Hotels group, one of Australia's largest hotel companies which operates hotels across Australia, New Zealand and Europe.

  For the whole of 2019, with intense competition from existing and new supply, the hotel's average occupancy rate dropped to about 91%. Consequently, RevPAR for the year took a slight hit of approximately 2%.

OUTLOOK

Outlook for 2020 is unpromising with the current COVID-19 pandemic. Global trade and economic growth are adversely impacted by lockdowns and travel restrictions, which result in disruptions to business operations and a drop in global consumption. The uncertainty over US-China trade relations and the geopolitical tensions in the Middle East further aggravate the situation. In view of the global and domestic economic environment, the Ministry of Trade and Industry has, in March 2020, downgraded the Singapore economic growth forecast for 2020 to be in the range of -4.0% to -1.0%.

The ongoing COVID-19 outbreak has significantly impacted the demand for travel and accommodation services in Melbourne. Hotel occupancy rates dipped drastically since mid-March 2020. In line with the market, the occupancy rates of Travelodge Docklands have also plunged, affecting its earnings, cash flow and financial condition badly. The Group will work closely with the hotel operator to mitigate such declines and manage operating costs.

Notwithstanding the challenges ahead, the Board will continue to focus on the Group's core businesses of property development and investment. We will actively seek land replenishment and property investment opportunities and carefully evaluate the merits of each project in our bid to achieve sustainable growth for the Group.

CHAIRMAN'S MESSAGE

APPRECIATION

We welcomed Dr Joseph Yeong Wee Yong to the Board on 1 January 2020. Dr Yeong brings with him much management skills and experience. His addition to the Board further strengthens the level of independence within the Board.

On behalf of the Board, I would like to express our gratitude to our valued shareholders, customers, bankers and business partners for their unwavering support and trust in us. I would also like to thank my fellow directors for their invaluable insight and guidance, and our management team and staff members for their commitment and hard work.

LEE SZE LEONG
Chairman
27 March 2020

FINANCIAL HIGHLIGHTS

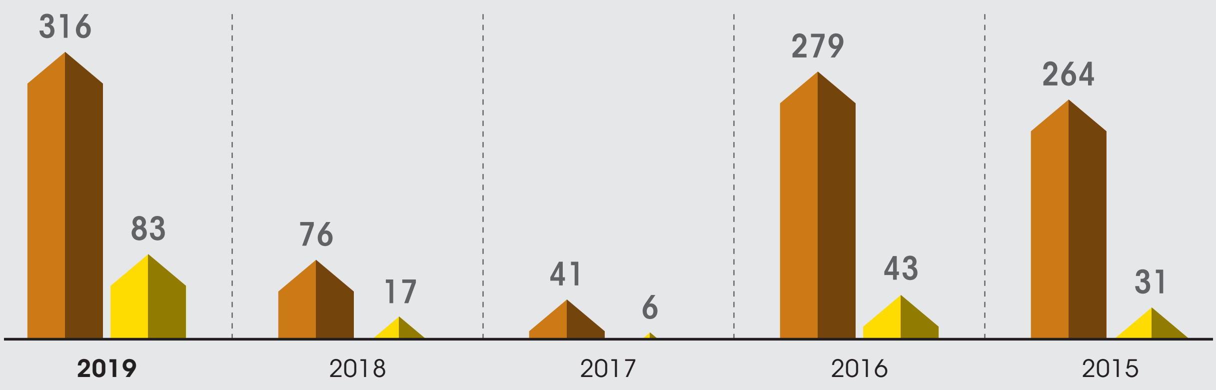
	2019	2018	2017	2016	2015
Group Income Statements ($'000)					
Revenue	316,357	76,220	41,248	279,498	263,570
Profit before tax	83,170	16,685	5,771	42,813	30,996
Profit attributable to shareholders	45,371	11,154	3,305	26,266	20,315
Group Balance Sheets ($'000)					
Investment property	97,263	105,666	114,851	–	–
Development properties	168,336	305,166	323,579	295,915	325,312
Completed properties	23,675	23,675	24,268	114,769	26,858
Cash and cash equivalents	54,196	87,896	108,828	53,366	30,379
Other assets	149,258	25,418	36,335	49,137	128,607
Total assets	492,728	547,821	607,861	513,187	511,156
Interest-bearing bank loans	84,500	200,839	274,463	200,970	110,160
Other liabilities	83,641	82,692	73,552	47,571	155,621
Shareholders' funds	295,547	256,542	254,749	256,680	235,551
Non-controlling interests	29,040	7,748	5,097	7,966	9,824
Total liabilities and equity	492,728	547,821	607,861	513,187	511,156
Shareholders' Return					
Earnings per share (cents)	11.31	2.78	0.82	6.55	5.07
Net asset value per share (cents)	73.70	63.98	63.53	64.01	58.74
Dividend per share (cents)	1.850	1.200	1.000	1.375	1.250

PROFIT ATTRIBUTABLE TO SHAREHOLDERS $ million

FINANCIAL HIGHLIGHTS

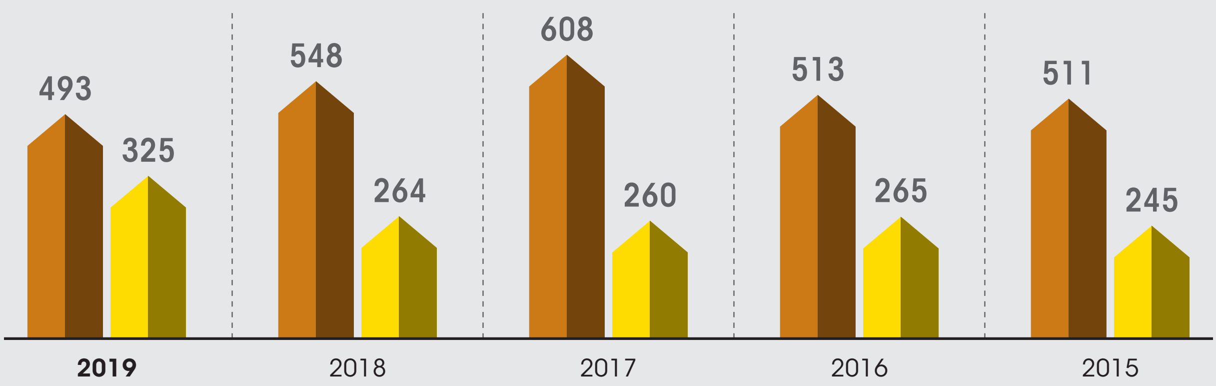
GROUP INCOME STATEMENTS $ million

- Revenue
- Profit before tax



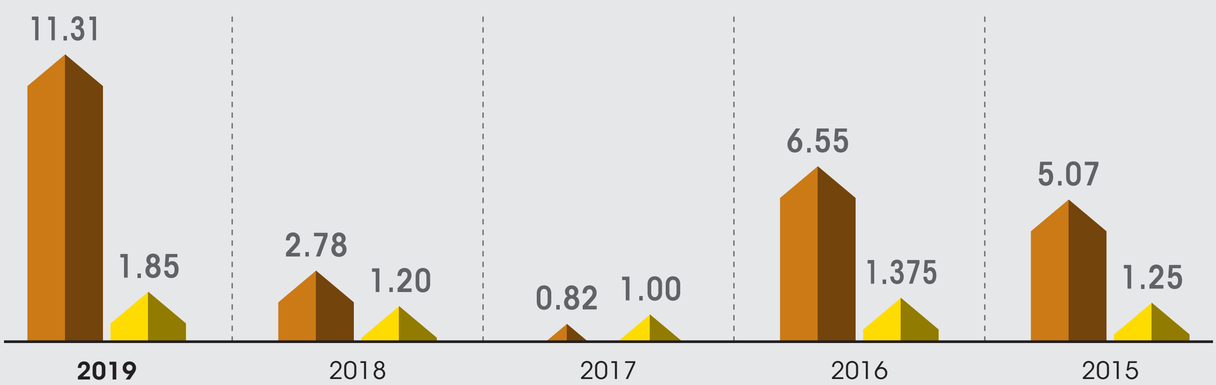
GROUP BALANCE SHEETS $ million

- Total assets
- Net assets



SHAREHOLDERS' RETURN cents

- Earnings per share
- Dividend per share



CORPORATE DATA

DIRECTORS

Mr Lee Sze Leong
Chairman

Mr Lee Sze Hao
Managing Director and Chief Executive Officer

Mr Ong Loke Min David
Independent Director

Mr Tan Tong Guan
Independent Director

Dr Joseph Yeong Wee Yong
Independent Director

AUDIT COMMITTEE

Mr Tan Tong Guan
Chairman

Mr Ong Loke Min David
Dr Joseph Yeong Wee Yong
Mr Lee Sze Leong

NOMINATING COMMITTEE

Mr Ong Loke Min David
Chairman

Mr Tan Tong Guan
Dr Joseph Yeong Wee Yong
Mr Lee Sze Leong

REMUNERATION COMMITTEE

Mr Ong Loke Min David
Chairman

Mr Tan Tong Guan
Dr Joseph Yeong Wee Yong
Mr Lee Sze Leong

COMPANY SECRETARIES

Ms Ong Beng Hong
Ms Lee Yuan

MANAGEMENT TEAM

Mr Lee Sze Hao
Chief Executive Officer

Ms Tay Puay Kuan
Chief Financial Officer

Mr Koh Nghee Kwang
Director, Development Management

Ms Teo Peek Shang, Casey
Director, Business Development and Marketing

REGISTRATION NUMBER

196400165G

REGISTERED OFFICE

96 Robinson Road
#10-01 SIF Building
Singapore 068899

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Website: www.singholdings.com

AUDITORS

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge:
Ms Lee Kim Lin Eleanor
Year of appointment:
Financial year ended 31 December 2016

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Telephone: (65) 6536 5355
Facsimile: (65) 6536 1360

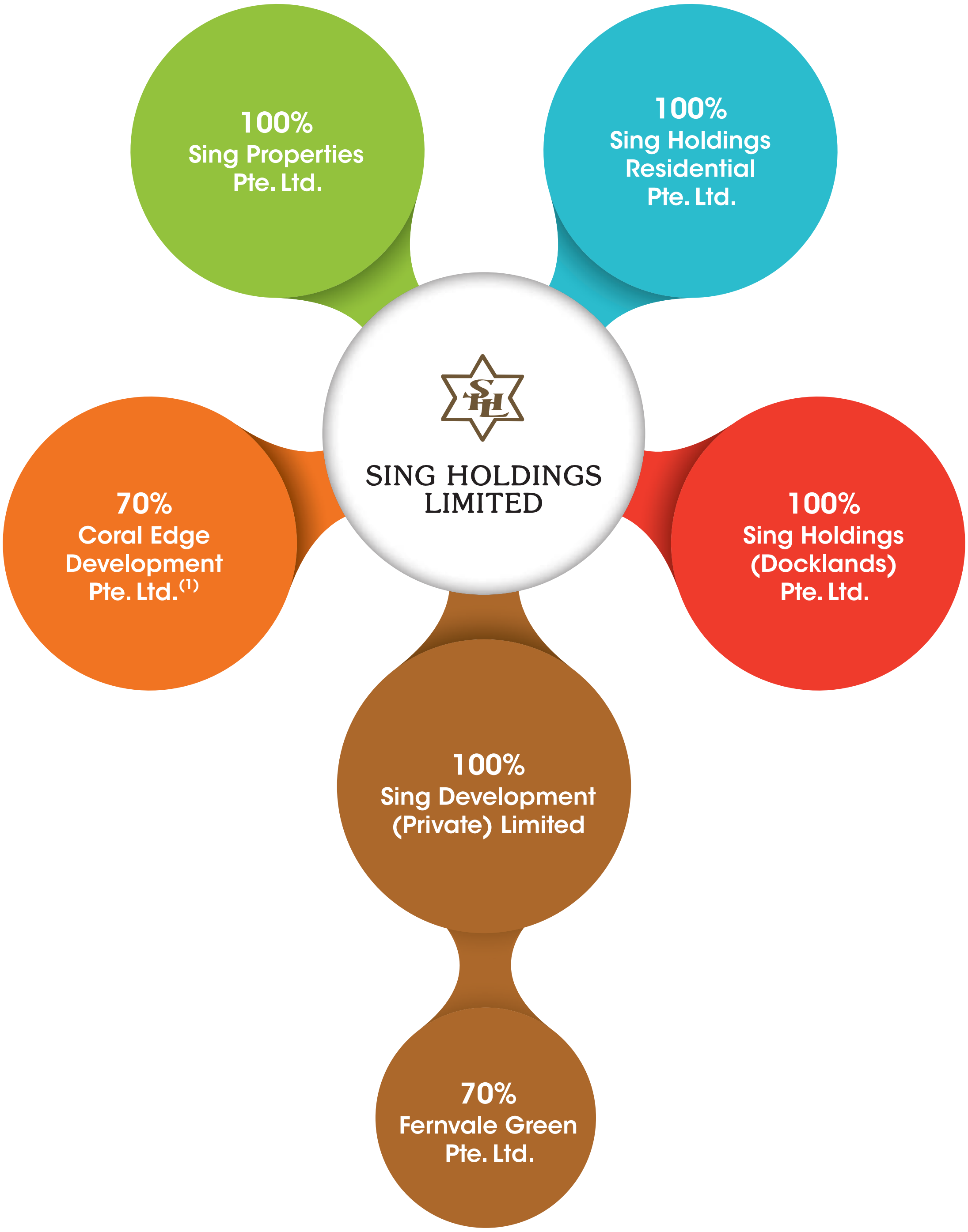
BANKERS

Malayan Banking Berhad

Oversea-Chinese Banking Corporation Limited

United Overseas Bank Limited

CORPORATE STRUCTURE



Notes:

(1) Under members' voluntary liquidation

(2) The Company owns, directly and indirectly, 100% interest in two property trusts constituted in Australia.

BOARD OF DIRECTORS

AS AT 12 MARCH 2020

MR LEE SZE LEONG, 61

CHAIRMAN

Mr Lee was appointed non-executive Chairman of the Company in April 2015 and sits on its Audit Committee, Nominating Committee and Remuneration Committee. He has been the Company's director for more than 25 years. He was last re-elected as director at the Company's Annual General Meeting on 26 April 2019.

Mr Lee is the Managing Director and Chief Executive Officer of Sing Investments & Finance Limited, a finance company listed on the Mainboard of the Singapore Exchange, and has more than 30 years of experience in the finance business.

Mr Lee has been active in various grassroots organisations and associations. He is presently the Honorary Chairman of the Tanjong Pagar-Tiong Bahru Citizens' Consultative Committee. He is the Chairman of the Hire Purchase, Finance and Leasing Association of Singapore and the Chairman of the Finance Houses Association of Singapore. Mr Lee is a council member of the 60th Council of Singapore Chinese Chamber of Commerce & Industry (SCCCI), and also a member of its Finance Committee and General Affairs Committee. He sits on the Board of Trustees of the Chinese Development Assistance Council and is a member of its Investment Committee. Mr Lee was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 1997 and Public Service Star (Bintang Bakti Masyarakat) in 2007. He holds a Bachelor of Business Administration degree from the University of Hawaii, Manoa, United States of America.

MR LEE SZE HAO, 56

MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER

Mr Lee joined the Group as an Executive Director in 1992 and was appointed the Company's Managing Director in March 2001. He was designated as Chief Executive Officer of the Company in March 2009. Mr Lee has been running the property business for more than 25 years and he plays a pivotal role in the management of the Group's business. He is responsible for implementing the Group's strategies and policies, financial planning, recommending new business initiatives and overseeing the day-to-day operations of the Group. He was last re-elected as director at the Company's Annual General Meeting on 26 April 2017 and is proposed for re-election in accordance with Regulation 104 of the Company's Constitution at the Company's forthcoming Annual General Meeting. Mr Lee is also the Managing Director of the various subsidiaries of the Company.

Prior to joining the Group, Mr Lee has more than seven years of experience in property financing during his previous employment with Sing Investments & Finance Limited as a senior manager. Mr Lee is presently the Honorary President of the Singapore Chung Hwa Medical Institution. He holds a Bachelor of Science in Business degree from Indiana University, Bloomington, United States of America.

BOARD OF DIRECTORS
AS AT 12 MARCH 2020

MR TAN TONG GUAN, 56
INDEPENDENT DIRECTOR

Mr Tan is an Independent Director of the Company. He is the Chairman of the Company's Audit Committee and a member of its Nominating Committee and Remuneration Committee. He was last re-elected as director at the Company's Annual General Meeting on 26 April 2019.

Mr Tan is the Executive Chairman and Chief Executive Officer of Asia Vets Holdings Ltd., a company listed on the Catalist of the Singapore Exchange. He holds a Bachelor of Accountancy degree from the National University of Singapore and is a Fellow (Non-Practising) member of the Institute of Singapore Chartered Accountants.

MR ONG LOKE MIN DAVID, 64
INDEPENDENT DIRECTOR

Mr Ong is an Independent Director of the Company. He is the Chairman of the Company's Nominating Committee and Remuneration Committee and a member of its Audit Committee. He was last re-elected as director at the Company's Annual General Meeting on 26 April 2018.

Mr Ong has more than 30 years of experience in the construction industry. He is currently the director of LMO group of companies, a project management consultancy group serving both Singapore and overseas projects. Prior to this, he held various managerial positions in Bovis Lend Lease Pte Ltd and was its Managing Director when he left the company. He is a member of the Singapore Institute of Surveyors & Valuers and a member of the Royal Institute of Chartered Surveyors, United Kingdom. Mr Ong holds a Bachelor of Science degree in Building Surveying from Liverpool Polytechnic, United Kingdom and a Master of Science degree in Project Management from the National University of Singapore.

BOARD OF DIRECTORS

AS AT 12 MARCH 2020

DR JOSEPH YEONG WEE YONG, 68

INDEPENDENT DIRECTOR

Dr Yeong was appointed an Independent Director of the Company on 1 January 2020. He is a member of the Company's Audit Committee, Nominating Committee and Remuneration Committee. He is proposed for re-election in accordance with Regulation 108 of the Company's Constitution at the Company's forthcoming Annual General Meeting.

Dr Yeong is the founder of SGP International Management Academy, an institute of management education and customized corporate training. Prior to this, he was a full-time professor and an administrator in different capacities in the National University of Singapore ("NUS"). His administrative appointments include NUS University Council and Senate Member, Acting Dean & Vice-Dean of Faculty of Business Administration, Deputy Director of the School of Post-Graduate Management Studies and Head of Department of Decision Sciences. He is currently still holding an Adjunct Professorship at the NUS Lee Kuan Yew School of Public Policies.

Besides being active in the education field, Dr Yeong also served as Council/Board Member of many public and private organisations in Singapore and the Peoples' Republic of China, such as Singapore-Shandong Business Council, Singapore Government Pro-Enterprise Panel, Sing Investments & Finance Limited, Singapore Clinical Research Institute, Tan Kah Kee Foundation and Tan Kah Kee International Society. Dr Yeong holds a Bachelor of Science (Hons) degree from the former Nanyang University, as well as a Master of Mathematics degree and a Doctor of Philosophy (Ph.D.) degree in Management Sciences, both from the University of Waterloo, Canada.

MANAGEMENT **TEAM**

AS AT 12 MARCH 2020

MS TAY PUAY KUAN
CHIEF FINANCIAL OFFICER

Ms Tay joined the Group in 1998 and has been with the Group for more than 20 years. She is responsible for its financial management, accounting, tax, banking and secretarial matters. Prior to joining the Group, she was with an international accounting firm and foreign securities houses. Ms Tay holds a Bachelor of Accountancy degree from the National University of Singapore and is a non-practising member of the Institute of Singapore Chartered Accountants.

MR KOH NGHEE KWANG
DIRECTOR, DEVELOPMENT MANAGEMENT

Mr Koh joined the Group in 2014 to lead its property development management activities. He is responsible for the planning, development and management of the Group's properties and participates actively in the evaluation of potential sites for acquisition. Prior to joining the Group, he held various appointments in the property-related fields. He has more than 30 years' post graduate experience in the construction industry in various leadership roles as Director/Associate Partner of a consultancy firm, Project Director of a design and build contracting company and Director of Development Management of a public listed company. Mr Koh holds a Bachelor of Engineering degree from the National University of Singapore. He is a professional engineer registered with the Singapore Professional Engineers Board and a senior member of The Institution of Engineers Singapore.

MS TEO PEEK SHANG CASEY
DIRECTOR, BUSINESS DEVELOPMENT AND MARKETING

Ms Teo joined the Group in 2014 to head its business development and marketing functions. She is responsible for identifying and evaluating investment opportunities. She is also in charge of formulating marketing strategies for the Group's properties and participates actively in the design and concept of development projects. Prior to joining the Group, she held various appointments with listed property developers and real estate consultancy companies. She has more than 25 years' experience in marketing and sales of properties, of which nearly 20 years also included business development activities. Ms Teo is a licensed appraiser and holds a Bachelor of Science (Estate Management) (Hons) degree and a Master of Science (Real Estate) degree, both from the National University of Singapore.

CORPORATE GOVERNANCE REPORT

The Company is committed to setting and maintaining high standards of corporate governance to establish an ethical and accountable corporate environment, to ensure greater transparency, to safeguard the assets of the Group and to protect shareholders' interests. It has put in place practices in accordance with the principles and guidelines set out in the Code of Corporate Governance 2018 (the "Code"). The following outlines the corporate governance principles applied by the Company with specific references to the Code. Where there is any material deviation from the provisions of the Code, an explanation has been provided within this report.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board's primary roles are to set and review the Company's overall business direction and strategies, provide guidance and leadership and ensure the proper management and conduct of the Company's affairs. The Board assesses and approves major investment, material divestment, capital-related matters, returns to shareholders and funding proposals. It identifies major risk areas and ensures implementation of controls to manage such risks, formulates and reviews the corporate policies, monitors and reviews management performance, evaluates the Group's financial performance and approves the Company's financial reporting. The Board is also responsible for identifying the key stakeholder groups, setting the Company's core values and standards, ensuring that obligations to shareholders and other stakeholders are met, establishing corporate governance framework and considering sustainability issues in its strategic formulation.

All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group. The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. Decisions are made objectively in the interests of the Group at all times. The Board is in the process of formalising a formal code of conduct and ethics which will set an appropriate tone from the top and desired organisational culture and ensures proper accountability within the Company. Any Director facing conflicts of interest will recuse himself from discussions and decisions involving the issues of conflict.

The Board conducts meetings at least once every quarter and ad hoc meetings are convened as and when warranted. Board decisions may also be made by way of circulating resolutions. The Company's Constitution allows for meetings of its Board to be held by teleconferencing and other electronic means. Matters requiring the Board's decision and approval are documented and clearly communicated to Management. Such matters include, *inter alia*, major acquisition and investment, material divestment, capital-related matters, distributions to shareholders, funding proposals, material contracts, adoption of financial statements, appointment and cessation/termination of Directors, company secretaries and key management personnel and remuneration of Directors and key management personnel.

CORPORATE GOVERNANCE REPORT

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Before each Board and Board Committee meeting, Management will provide the Directors with the agenda and the meeting materials relating to matters to be discussed during the meeting. Such meeting materials may include financial statements, forecasts, disclosure documents, industry information and explanations of material variances from projections. This is to allow the Directors some time to better understand the matters and to deliberate over any issues. Management staff who can explain and provide insight into the matters may also be invited from time to time to attend such meetings. Directors are entitled to request for additional information and explanations from Management and such information shall be provided in a timely manner. Other than having separate and independent access to the Joint Company Secretaries and management team on an ongoing basis, the Directors may, whether as a group or individually, seek external independent professional advice at the Company's expense in the furtherance of their duties where necessary. One Company Secretary or her representative attends all Board and Board Committee meetings and ensures that Board procedures are followed. Together with Management, the Company Secretary ensures that applicable statutory and regulatory rules are complied with. Appointment and removal of the Joint Company Secretaries is a collective decision to be taken by the Board as a whole.

Board Committees comprising the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC"), which were constituted with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board, were established to assist the Board in the discharge of its duties. These Committees review and decide or make recommendations to the Board on matters within their specific terms of reference. The Board accepts that while the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Directors' attendance at the various meetings during the last financial year are set out as follows:

Board/Board Committees	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	7	4	2	2
Number of meetings attended:				
Mr Lee Sze Leong	7	4	2	2
Mr Lee Sze Hao	7	NM	NM	NM
Mr Ong Loke Min David	7	4	2	2
Mr Tan Tong Guan	7	4	2	2
Dr Joseph Yeong Wee Yong(1)	–	–	–	–

Note:
"NM" denotes non-member
(1) Dr Joseph Yeong Wee Yong was appointed to the Board, the AC, RC and NC on 1 January 2020.

CORPORATE GOVERNANCE REPORT

Upon appointment to the Board, a Director will be provided with a formal letter setting out, *inter alia*, a director's duties and obligations and the terms of reference of the Board Committees. Newly-appointed Directors are briefed on the Company's business operations, strategic directions, group structure, policies and corporate governance practices. They are introduced to key management personnel and provided with essential information about the Company. Regulatory requirements concerning disclosure of interests and restrictions on dealings in the Company's shares are highlighted to the newly-appointed Directors. In addition, first-time Directors who have no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") will also undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 210(5)(a) of the Listing Rules of the SGX-ST ("SGX-ST Listing Manual").

Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). On an ongoing basis, the Board is updated on regulatory, industry and accounting changes by the Management, the Company Secretary, auditor and other professional advisers. The Executive Director routinely briefs the Non-executive Directors on the Group's development and the property market. Where appropriate, arrangements are made for business associates such as financiers, project consultants and property advisers to present their areas of expertise to the Board so as to facilitate their understanding of the Company's business. Directors may also attend appropriate courses and seminars to develop and maintain their skills and knowledge at the Company's expense when necessary. The Directors had also attended briefings by the external auditor on the changes and amendments to accounting standards in FY2019.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board currently comprises five members. Other than the Chief Executive Officer ("CEO") who is also the Managing Director, the other members are Non-executive Directors and, accordingly, Non-executive Directors make up a majority of the Board. Of the four Non-executive Directors, three are considered to be independent. As at the date of this Annual Report, as the Chairman of the Board is not an independent director, an additional Independent Director has been appointed on 1 January 2020 such that the Independent Directors make up a majority of the Board. Accordingly, there is a strong independent element in the Board and the Company is in compliance with the Code.

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a declaration form annually to confirm his independence. The NC deliberates the independence of the Directors against a checklist and determines whether the Directors are independent in conduct, character and judgment, having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. For the latest annual evaluation, the NC has adopted the guidelines set out in the Code and the Listing Rules of the SGX-ST Listing Manual including the Practice Guidance. An independent director is one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Company. Each Director is required to disclose to the Board any such relationship or circumstance as and when it arises. The Board will assess whether the existence of such relationship or circumstance impacts the independence of the Director. In the event where the Board decides that the Director is to be considered as independent, it will provide reasons for its determination. The independence of any director who has served the Board beyond nine years from the date of his first appointment is subject to particularly rigorous review by the Board.

CORPORATE GOVERNANCE REPORT

The Board's policy in identifying director candidates is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board's structure, size and composition is reviewed annually by the NC. The NC, with the concurrence of the Board, opines that the Board and Board Committees are of an appropriate size and comprise Directors who as a group have a good balance and mix of skills, knowledge, experience, diversity and core competencies including accounting, compliance, finance, business and management experience and industry knowledge, so as to avoid groupthink and foster constructive debate. Given the scope and nature of the operations of the Company, the Board is of the view that its current size and composition are appropriate in facilitating effective decision making. No individual or small group of individuals dominates the Board's decision making. To maintain or enhance the Board's balance and diversity, the Board, with the assistance of the NC, monitors the existing attributes and core competencies of the Board to ensure that they are complementary and enhance the efficacy of the Board.

Non-executive Directors provide constructive advice and alternate perspectives to the Group's business. They participate actively in Board meetings, in the development of the Company's strategies and in reviewing the Management's performance. As and when warranted, Non-executive Directors meet to discuss the Company's affairs without the presence of Management. Thereafter, the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

A brief profile of each Director is presented on pages 10 to 12 of this Annual Report.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The CEO of the Company is a brother of its Non-executive Chairman. Notwithstanding this relationship, the Board is of the view that there is a clear division of responsibilities between the two roles with adequate accountability.

As its Non-executive Chairman, Mr Lee Sze Leong ensures the proper and effective functioning of the Board and charts the Company's overall business direction. He also ensures effective communication with shareholders in that all shareholders' queries and concerns are addressed promptly and appropriately. In addition, he promotes constructive relationship and openness between Executive Director, Non-executive Directors and Management and ensures that high standards of corporate governance are maintained.

The CEO, Mr Lee Sze Hao, is responsible for implementing the Company's strategies and policies, financial planning, recommending new business initiatives and review of acquisitions or disposals. He oversees the day-to-day operation of the Group and ensures proper conduct of the Group's affairs. In addition, he leads the management team and monitors the Group's performance.

CORPORATE GOVERNANCE REPORT

The Board is of the opinion that with the active participation from its Non-executive and Independent Directors during Board meetings and transparency in the Company's dealings, the Directors are able to exercise objectivity on corporate matters notwithstanding that the Non-executive Chairman and the CEO are related. In addition, the division of responsibilities between the Non-executive Chairman and the CEO have been established by the Board and is set out in writing. All major decisions on significant matters are made in consultation with the entire Board without any individual or group of individuals exercising undue concentration of power or influence, thus ensuring sufficient check and balance of power and authority on the Board. Notwithstanding that the Non-executive Chairman is not independent, there is a strong and independent element on the Board as Independent Directors form the majority of the Company's board of directors, as recommended in Provision 2.2 of the Code.

The Board has not appointed a lead independent director. Considering the Company's business operations and a board size of five members with three being Independent Directors, the Board is of the view that the appointment of a lead independent director is not necessary. Shareholders with serious concerns and for which contact through the normal channels of the Non-executive Chairman, the CEO or the Chief Financial Officer ("CFO") has failed to resolve or is inappropriate can contact either of the three Independent Directors, two of whom are also the chairman of the AC or the chairman of the NC and RC. The Board will continue to examine the need to appoint a lead independent director periodically.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises four members, Mr Ong Loke Min David, Chairman of the NC, Mr Tan Tong Guan, Mr Lee Sze Leong and Dr Joseph Yeong Wee Yong. Mr Ong, Mr Tan and Dr Yeong are Independent Directors and Mr Ong, the Chairman, is not a substantial shareholder nor directly associated with a substantial shareholder.

The principal responsibilities of the NC, as set out in its Terms of Reference, are as follows:

- review the Board size and composition, taking into account the expertise and experience required, and make recommendations to the Board with regard to any adjustments and board succession plans that are deemed necessary, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- identify and nominate candidates for approval by the Board to fill any Board vacancies;
- review and make recommendations on re-nomination and re-election of Directors;
- determine annually the independence of Directors;
- review the ability of a Director to carry out his duties effectively when he has multiple board representations;

CORPORATE GOVERNANCE REPORT

- evaluate the effectiveness of the Board and the Board Committees as a whole and assess the contribution and performance of individual Directors; and

- review training and professional development programs for the Board.

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a declaration form annually to confirm his independence. The NC deliberates the independence of the Directors against a checklist and determines whether the Directors are independent in conduct, character and judgment, having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. For the latest annual evaluation, the NC has adopted the guidelines set out in the Code and the Listing Rules of the SGX-ST Listing Manual including the Practice Guidance. Each Director is required to disclose to the Board any such relationship or circumstance as and when it arises. The Board will assess whether the existence of such relationship or circumstance impacts the independence of the Director. In the event where the Board decides that the Director is to be considered as independent notwithstanding the existence of relationships with the Company, it will provide reasons for its determination in the annual report.

The Constitution of the Company provides that at least one third of the Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one third) are required to retire from office at every Annual General Meeting ("AGM") of the Company. The Directors submit themselves for re-nomination and re-election at regular intervals. The composition of the Board Committees and the dates of first appointment and last re-election of the Directors are set out below:

Board Members	Audit Committee	Nominating Committee	Remuneration Committee	Date of first appointment to the Board	Date of last re-election to the Board
Mr Lee Sze Leong	M	M	M	06.11.1992	26.04.2019
Mr Lee Sze Hao	–	–	–	01.04.1997	26.04.2017
Mr Ong Loke Min David	M	C	C	16.05.2011	26.04.2018
Mr Tan Tong Guan	C	M	M	19.04.2016	26.04.2019
Dr Joseph Yeong Wee Yong	M	M	M	01.01.2020	–

Notes:
"C" denotes chairman
"M" denotes member

CORPORATE GOVERNANCE REPORT

The Company has not stipulated the maximum number of listed company board representations a Director may hold. Each Director is required to declare their board representations to the Board. The NC will review and consider the Directors' time commitment to the Company's affairs and the contributions made at the meetings of the Board and Board Committees. Currently, none of the Directors hold an excessive number of board representations. Only two Directors sit on the board of another listed company. The current listed company directorship(s) and principal commitments of the Directors are set out below:

Board Members	Current listed company directorships	Principal commitments
Mr Lee Sze Leong	Sing Investments & Finance Limited (Managing Director and Chief Executive Officer)	• Sing Investments & Finance Limited (Managing Director and Chief Executive Officer) • Sing Investments & Finance Nominees (Pte.) Ltd. (Director) • F.H. Lee Holdings (Pte) Limited (Director) • Hire Purchase, Finance and Leasing Association of Singapore (Chairman) • Finance Houses Association of Singapore (Chairman) • 60th Singapore Chinese Chamber of Commerce & Industry (SCCCI) (Council Member) • 60th SCCCI Finance Committee (Chairman) • 60th SCCCI Property Management Committee (Member) • Chinese Development Assistance Council (CDAC) Board of Trustees (Member) • CDAC Investment Committee (Member) • Tanjong Pagar – Tiong Bahru Citizens' Consultative Committee (Honorary Chairman)
Mr Lee Sze Hao	–	• F.H. Lee Holdings (Pte) Limited (Director)
Mr Ong Loke Min David	–	• LMO & Associates Pte Ltd (Director)

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Board Members	Current listed company directorships	Principal commitments
Mr Tan Tong Guan	• Asia Vets Holdings Ltd. (Executive Chairman and Chief Executive Officer)	• Asia Vets Holdings Ltd. (Executive Chairman and Chief Executive Officer) • Tan Gee Beng Private Ltd (Executive Director) • AVH Animal Ark Pte Ltd (Director) • TGB Properties Pte Ltd (Director) • Cosmos Investment Pte Ltd (Director) • Teck Gee Investments (International) Pte Ltd (Director) • TGB Properties (NZ) Pte Ltd (Director) • Wellington First Properties (NZ) Pte Ltd (Director) • Perusahaan TGB Sdn Bhd (Director) • Red Blue Development Sdn Bhd (Director) • Centrepoint Tiara (M) Sdn Bhd (Director) • Tan Gee Beng (Hong Kong) Limited (Director) • Suzhou Hongchang Packing Materials Co. Ltd (Director) • Ningbo Shino Cosmetic Cotton Co. Ltd (Director) • D.E. Cosmetics Ningbo Co. Ltd (Director)
Dr Joseph Yeong Wee Yong	–	• Adjunct Professor of Lee Kuan Yew School of Public Policy, National University of Singapore

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The NC is satisfied that the Directors have discharged their duties adequately with sufficient time and attention given to the affairs of the Group. The NC will continue to review the need to set a maximum number of board representations and other principal commitments a Director may hold.

The Board does not approve the appointment of alternate directors, except for limited periods in exceptional cases. Since its listing on the SGX-ST, the Company has not had alternate director on its Board.

The search for new directors is conducted through contacts and recommendations. In reviewing new director appointments, the NC will take into consideration the qualifications, skills, knowledge, experience, character, independence, existing directorships and other principal commitments of the candidates. After careful deliberation, the NC will recommend the candidates to the Board, which will then appoint the new directors. Such new directors must submit themselves for re-election at the next AGM of the Company immediately following the appointment. At appropriate times, the Company will announce the appointment or cessation of its Directors via SGXNET. Thereafter, the NC will also ensure that new directors are aware of their duties and obligations.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

On an annual basis, the Board, with the assistance of the NC, assesses the effectiveness of the Board as a whole, each of its Board Committees and the contribution by each individual Director to the effectiveness of the Board. This assessment takes into consideration the performance of the Company vis-à-vis previous years and industry peers, as well as the ability of the Board to steer the Group in the predetermined direction. In evaluating the Board's performance, the NC implements a formal assessment checklist which covers areas such as the composition and quality of the Board, the presence of independence, the responsibilities of the Board and the conduct of meetings. As the Board's principal responsibilities are to formulate the overall business direction and strategy and to set policies, rather than to execute them, the NC is of the opinion that financial indicators may not be a good measure of the effectiveness of the Board. Nevertheless, as a guide to objective performance criteria, the Board considers the Company's share price performance with its peers in the industry and the returns from the Group's development projects.

Assessment parameters for each Director's performance include attendance and contribution at meetings of the Board and Board Committees, the level of participation in the affairs of the Company and the sharing of strategic insight and expertise relevant to the Group. Where appropriate, new members with relevant knowledge and experience will be appointed to the Board. No external facilitator had been used for the assessment for the financial year ended 31 December 2019 ("FY2019").

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises four members, Mr Ong Loke Min David, Chairman of the RC, Mr Tan Tong Guan, Mr Lee Sze Leong and Dr Joseph Yeong Wee Yong. Mr Ong, Mr Tan and Dr Yeong are Independent Directors and Mr Lee is a Non-executive Director.

The principal responsibilities of the RC, as set out in its Terms of Reference, are as follows:

- review and recommend to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for the Executive Director, key management personnel and those employees related to the executive directors and controlling shareholders;

- review and recommend to the Board the terms of renewal of the service agreement of Executive Director; and

- review any major changes in employee benefit structures of the Group.

The RC will ensure that all aspects of remuneration, including the termination terms, are covered and that the remuneration packages are appropriate, fair and comparable within the industry and to similar-sized companies so as to attract, retain and motivate Directors and key management personnel needed to run the Company successfully.

In setting remuneration packages, the Company considered the employment conditions in the same industry and in comparable companies, evaluated the performance of the Group and the individual employee and reviewed publicly-available remuneration information. The RC is entitled to obtain independent professional advice on remuneration matters at the Company's expense when warranted. While the Company did not engage any external remuneration consultant during FY2019, the Company had engaged the services of AYP Search Pte Ltd ("AYP") to examine the competitive position of the remuneration package of the CEO for the preceding financial year. AYP is an independent professional firm with no relationship to the Group, its directors or substantial shareholders. The RC intends to commission such benchmarking exercise for the CEO's remuneration package biennially.

The RC also reviews the Company's obligations in the event of termination of the executive director's and key management personnel's contracts of service. Such contracts of service can be terminated by either party giving notice of resignation or termination. The RC is satisfied that there are no onerous removal clauses and that the termination terms are fair and reasonable.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The Company adopts a remuneration policy for Directors and staff comprising a fixed component, a variable component and benefits-in-kind. The remuneration structure aims to attract, retain and motivate Directors and staff to provide good stewardship to the Company, to run and manage the Company effectively and to be risk conscious, so as to promote the long-term success of the Company and to protect the interests of shareholders. The fixed component is in the form of a base salary and other fixed allowances while the variable component comprises variable bonus which is linked to the Company and the individual's performance. In determining the variable bonus, the Company ensures that the variable bonus is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

The CEO has a service agreement with the Company which, subject to the review and recommendation of the RC, is renewable every three years. The remuneration package includes a variable bonus which is a function of the financial performance of the Group.

Currently, the Company does not have an employee share option scheme or any long-term incentive scheme for executive directors and key management personnel. With a team of only one Executive Director and three key management personnel, the costs of implementing and maintaining a long-term incentive scheme outweighs the benefits. The RC has reviewed and is satisfied that the existing remuneration structure with variable components paid in cash is effective in incentivising performance. The RC will recommend the implementation of long-term incentive schemes when it considers appropriate.

Non-executive Directors do not have contracts of service with the Company. In determining the directors' fees payable to Non-executive Directors, consideration is given to factors such as roles, responsibilities, contributions, effort and time spent. Referencing against comparable benchmark is also carried out as a guide. Each Non-executive Director receives a base fee, with an additional fee payable to the chairman of the Board and the Board Committees to commensurate the expanded responsibilities. The RC has reviewed the fee structure and is of the view that it does not compromise the independence of the Non-executive Directors. The directors' fees, as recommended by the RC, are subject to shareholders' approval at the AGM.

The Company does not have any policy to prohibit or require the Non-executive Directors to hold shares in the Company. Non-executive and Independent Directors are advised to observe the guidelines set out in the Code. Presently, three out of four Non-executive Directors hold shares in the Company directly and/or indirectly.

There are no contractual provisions in the contracts of service with Executive Director and key management personnel which allow the Company to reclaim incentive components of remuneration in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC is of the view that there is no requirement to institute such contractual provisions, as the variable component of the remuneration packages of Executive Director and key management personnel are moderate.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Details on the remuneration of Directors of the Company for FY2019 are set out below. During the year, there was no termination, retirement or post-employment benefits granted to any Director or key management personnel.

	Salary	Directors' Fees(1)	Other Benefits(2)	Performance Bonus	Total	
Directors						
Mr Lee Sze Leong	–	100%	–	–	100%	$253,000
Mr Lee Sze Hao	23%	–	2%	75%	100%	$3,011,663
Mr Ong Loke Min David	–	100%	–	–	100%	$58,000
Mr Tan Tong Guan	–	100%	–	–	100%	$58,000
Dr Joseph Yeong Wee Yong(3)	–	–	–	–	–	–

Notes:

(1) Subject to approval by shareholders at the forthcoming AGM.

(2) Other benefits refer to car benefits, club subscription fees and unutilised leave balance.

(3) Dr Joseph Yeong Wee Yong was appointed to the Board, the AC, RC and NC on 1 January 2020.

The Code recommends that the remuneration of at least the top five key management personnel be disclosed in bands of $250,000 on a named basis, with a breakdown of their remuneration and the total remuneration in aggregate. This information is not disclosed in this annual report, as the Board is of the opinion that such disclosure is not to the Company's business interests, given the highly competitive conditions in the industry and the size of its management team.

Other than the CEO/Managing Director, whose remuneration has been disclosed above, there are no employees of the Company who are substantial shareholders or who are immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000 during FY2019.

The Company does not have any employee share option scheme, as explained in Principle 7 above.

The RC reviews the performance of key management personnel using pre-defined performance indicators such as, amongst others, quality of work, commitment, accountability, leadership and management skills. It also takes into consideration benchmarks in entities of comparable size and in similar industries. The variable component of the remuneration packages is linked to the Company's performance, so as to align remuneration with the long-term interests of the Company.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

The Board is mindful of its obligations to provide accurate information to its stakeholders on a timely basis. In presenting the annual financial statements and the quarterly announcements, the Board aims to provide a balanced and comprehensive assessment of the Group's performance, position and prospects to the shareholders and the public at large. The Board also releases timely announcements of material information which may be critical to the stakeholders.

The Board is committed to ensuring compliance with legislative and regulatory requirements including requirements under the SGX-ST Listing Manual. All the Directors and the CFO have signed the prescribed undertaking to use their best endeavours to comply, and to procure that the Company complies, with the SGX-ST Listing Manual. The Company also refers to the compliance checklists prepared by the SGX-ST where applicable, to ensure compliance with the SGX-ST Listing Manual.

Periodic update on the Group's plans, strategies, operational and financial performance are furnished to the Board. Management also conducts discussions with the Board as and when the need arises, and provides any other information as the Board may require from time to time. The Board will review the documents, discuss and determine the appropriate actions to be taken, where necessary.

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board recognises the importance of sound internal controls and risk management practices to safeguard the shareholders' investments and the assets of the Group. It has put in place a risk management and internal control system in relation to the financial, operational, compliance and information technology controls of the Group. The Board determines the nature, extent and level of significant risks which the Company is willing to take in achieving its strategic objectives and value creation, establishes the risk policies and oversees the design, implementation and monitoring of the risk management and internal control systems.

The Company, with guidance from the Board, has established an Enterprise Risk Management ("ERM") framework which governs the risk management processes of the Group. The ERM framework entails the identification, assessment, monitoring and reporting of key risks. Management identifies the risks to which the Group is exposed, evaluates the likelihood and impact of such risks, considers the costs of protecting against these risks and put in place appropriate measures to address and monitor the risks. Areas of significant risks to the Group's operations, if any, are reported to the Board at least once a year.

Based on review of the key risks identified through the ERM framework and the internal controls established and maintained by the Group, evaluation by the internal auditor, work performed by the external auditor in conjunction with the statutory audit and from due enquiry with Management on work processes and internal control systems, the Board, with the concurrence of the AC, is satisfied that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to meet the needs of the Group.

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The system of risk management and internal controls is designed to manage and minimise the risk of failure in achieving the Company's business objectives. It can only provide reasonable assurance, but not absolute guarantee, against material misstatement or loss. The Board will continue to review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls, on an ongoing basis.

The Board has received assurance from the CEO and the CFO for FY2019 that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances. The Board has also received assurance from the CEO and other key management personnel responsible that the Company's risk management and internal control systems in place are functioning adequately and effectively for FY2019.

After reviewing the Company's operations and taking into consideration its lean structure, the Board accepted that it is not necessary to establish a separate risk management committee at this juncture. Instead, the Board will be responsible for the governance of risk and will oversee the Company's risk management framework and policies.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises three Independent Directors, Mr Tan Tong Guan, Chairman of the AC, Mr Ong Loke Min David and Dr Joseph Yeong Wee Yong and a Non-executive Director, Mr Lee Sze Leong. At least two of the members have relevant accounting or related financial management expertise and experience, with the Chairman being a qualified accountant.

The principal responsibilities of the AC, as set out in its Terms of Reference, are as follows:

- review the audit plans and adequacy, effectiveness, independence, scope and results of the audit of the external auditor and the internal auditor;

- review the annual consolidated financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns, issues and judgments arising from their audits so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

- review the periodic consolidated financial statements and such other information required by the SGX-ST Listing Manual, before submission to the Board for approval;

- review and discuss with external auditor and internal auditor, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the management's response;

- review the co-operation given by the management to the external auditor and internal auditor;

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- consider (i) the appointment, re-appointment and removal of the external auditor, taking into account the services rendered by the external auditor and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor and (ii) the remuneration and terms of engagement of the external auditors;

- review and ratify any interested person transactions;

- review any potential conflict of interest;

- review the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management policies; and

- reviewing the assurance from the CEO and CFO on the financial records and financial statements.

The AC has the power and authority to conduct investigations into any matter within its scope of responsibility. It has full access to and co-operation of Management, full discretion to invite any Director or key management personnel to attend its meetings and reasonable resources to enable it to discharge its functions properly. On an as-and-when-required basis but at least annually, the AC meets with the external auditor without the presence of Management and this was observed for the year under review. Such meetings allow the external auditors to raise issues encountered in the course of their work directly to the AC. The external auditor has unrestricted access to the AC. The Company engaged Nexia TS Risk Advisory Pte Ltd to perform internal audit work for FY2019 under an internal audit plan. While the AC did not meet with the internal auditor separately without the presence of Management during FY2019, on an as-and-when-required basis, the internal auditor will also have the opportunity to meet up with the AC separately without presence of Management.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the Company's financial statements, advice is sought from the external auditor as and when necessary. The external auditor also updates the AC on development of changes in accounting standards and interpretations at the AC meetings on a half-yearly basis. AC members are also encouraged to attend appropriate courses and seminars to update themselves of such changes.

The external auditor has presented both its firm-wide Audit Quality Indicators ("AQI") report to the AC, as well as the AQI report specific to the Group. The objectives are to enable the AC to have a better understanding of the external auditor's policies, procedures and processes relating to its system of quality control, and to gain better insight around the quality of the audit and the performance of the audit team. The AC reviewed and was satisfied with the quality and independence of the external auditor. It has also ensured that in appointing the external auditor for the Group, the Company is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual. The AC has recommended to the Board the nomination of the external auditor for re-appointment.

The AC reviews the nature and extent of non-audit services provided by the external auditor (where applicable) to ensure that such services would not affect the independence and objectivity of the external auditor. There were no such non-audit services during FY2019.

CORPORATE GOVERNANCE REPORT

In the Independent Auditor's Report for FY2019, the external auditor has highlighted the following key audit matters:

- *Fair valuation of investment property*

  Investment property represents a material portion of the Group's non-current assets and total assets as at 31 December 2019. Property valuations inherently require significant judgments and estimates. As such, the AC concurs with the external auditor that this is a key area for audit emphasis.

  The Group commissioned an accredited external valuation expert to determine the fair value of the investment property as at 31 December 2019. In its selection of the valuation expert, Management considered the expertise and experience of the valuation expert in the Australia hotel industry and the independence of the valuation firm. As part of its audit procedures, the external auditor had, amongst others, evaluated the competence, objectivity and qualifications of the valuation expert, reviewed the valuation methodologies, the key inputs used in the valuation and the assumptions applied, and consulted its internal valuation specialist. Based on the degree of scrutiny applied to the valuation process, the AC opined that the valuation had been conducted independently and appropriately.

- *Over time revenue recognition used for development property for sale*

  Revenue recognised from sale of development property forms a significant percentage of the Group's revenue for FY2019. To determine the progress for over time revenue recognition using the input method, Management has to estimate the total construction costs for the project and the amount incurred as at the reporting date. As part of its audit procedures, the external auditor assessed the appropriateness of the recognition method used, reviewed Management's estimates and verified the sales amounts and costs incurred. Having discussed with the external auditor, the AC concurred with the judgments made by Management and was satisfied that revenue was appropriately recognised.

The Company is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraudulent practices. It has in place a whistle-blowing procedure by which staff and external parties may raise, in confidence, any concerns about possible improprieties or malpractice in matters of financial reporting or other matters directly to the CEO or any AC member. The Company will treat all received information confidentially and protect the interest of the whistle-blowers. Anonymous reporting will also be attended to with anonymity honoured.

All reported cases are objectively and thoroughly investigated. Appropriate follow up action and corrective measures are taken when warranted. All whistle-blowing matters are reported to the AC quarterly unless the matter requires the immediate attention of the AC. The AC reviews the whistle-blowing policy and arrangements instituted by the Company for concerns about possible improprieties in financial reporting or other matters to be safely raised. There were no whistle-blowing letters received during FY2019 and as at the date of this annual report.

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

CORPORATE GOVERNANCE REPORT

Internal Audit

The Company does not have an in-house internal audit team, as the complexity and size of the existing operations of the Group does not warrant one. The AC evaluates the need for an internal audit function. If an internal audit is deemed necessary, it will be out-sourced to a reputable accounting/auditing firm or corporation. The AC will approve the appointment, termination and remuneration of the internal auditor, set the internal audit scope, approve the internal audit plans, review the internal audit reports and assess the effectiveness of the internal auditor, such as the quality of its audit report and recommendations. The internal auditor will report directly to the AC chairman. The AC will ensure that the internal audit is carried out according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC will avail itself to the internal auditor and ensure that the internal auditor has unfettered access to all the Company's documents, records, properties and the full co-operation of Management and has appropriate standing within the Company.

The Company engaged Nexia TS Risk Advisory Pte Ltd to perform internal audit work for FY2019. The AC is satisfied that the internal audit function is independent, effective, adequately resourced and has appropriate standing in the Group.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company respects the rights of its shareholders and treat all shareholders fairly and equitably. It ensures that shareholders are informed of material changes in the Group or its business through clear and timely disclosure.

Shareholders are given the opportunity to participate effectively in and vote at general meetings of shareholders and they are informed of the rules, including voting rights and procedure that governs such general meetings of shareholders. A shareholder, other than a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50, may appoint up to a maximum of two proxies. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies. Investors who hold ordinary shares through relevant intermediaries but have not been appointed as proxies are also allowed to attend general meetings of shareholders as observers.

The notices of general meetings are despatched to shareholders with the annual reports of the Company, circulars, explanatory notes and if necessary, letters to shareholders within the stipulated notice period prior to each general meeting. Such documents are also published via the SGXNET and the notice of general meeting advertised on the newspapers. Shareholders are encouraged to attend the general meetings, during which they may raise questions or share their views on the Company's businesses and affairs. They may also interact with the Directors in person before and after the general meetings.

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The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

All the Directors, including the Non-executive Chairman and the respective chairman of the Audit, Nominating and Remuneration Committees, the Company Secretary and key management personnel will be present and available to address any relevant queries from the shareholders. The external auditor is also invited to the AGM to address shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report. The attendance of the Directors of the Company at the Company's general meetings held during FY2019 are reflected in the table below:

Name of Director	General Meetings
Number of meetings held:	1
Number of meetings attended:	
Mr Lee Sze Leong	1
Mr Lee Sze Hao	1
Mr Ong Loke Min David	1
Mr Tan Tong Guan	1
Dr Joseph Yeong Wee Yong[(1)]	–

Note:
(1) Dr Joseph Yeong Wee Yong was appointed to the Board, the AC, RC and NC on 1 January 2020.

Voting in absentia via mail, email, fax or other methods is currently not allowed by the Company's Constitution due to the difficulty in authenticating the identity of the shareholders and the integrity of the information transmitted.

All resolutions put to the vote at a general meeting of the Company shall be voted by way of poll. Shareholders are briefed on the voting procedures at the start of the meeting. An independent external scrutineer is appointed to ensure that the polling process is carried out properly and to verify the polling results. An announcement will be made of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The results of the general meeting are also released via the SGXNET.

The Company Secretary prepares detailed minutes of general meetings, which include substantial comments or queries from shareholders relating to the agenda of the general meeting and responses from the Board and Management. The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, cash flow, capital requirement, development plans, general business condition and other factors as the Directors may deem appropriate. Notwithstanding the above, the Board aims to declare dividends on an annual basis. Dividend payouts are clearly communicated to shareholders via announcements through the SGXNET.

CORPORATE GOVERNANCE REPORT

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

It is the Company's policy to ensure that shareholders, investors and public at large be informed of material, price-sensitive and trade-sensitive information about the Company in a fair and timely manner. Such information includes the Company's financial performance and major developments that impact the Company. Communication is made through announcements via the SGXNET, press releases and the Company's website at http://www.singholdings.com, where an email address is provided for sending queries or furnishing feedback.

The Company does not practise selective disclosure. In the event that unpublished material information is inadvertently disclosed to any selected group, an announcement will be released to the public via the SGXNET as promptly as possible.

The Company engages in regular communications with its shareholders. The Board also views the annual general meeting as a forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and ask the Directors or the Management questions regarding the Company and its operations, as well as for the Company to understand the views from the shareholders. Separately, queries, feedback and concerns from the shareholders outside of general meetings are handled by the Non-executive Chairman, the CEO and the CFO in consultation with the Board if required. Meeting with institutional and retail investors as well as analysts are arranged upon request.

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts 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.

The Company believes that identifying the areas of concern of its stakeholders and understanding their expectations are essential for the Company's growth. The Board adopts an inclusive approach and the interests and areas of concern of material stakeholders are considered in the formulation of the Group's business strategies to ensure that the best interests of the Company are served. The Company seeks to engage its stakeholders through providing various modes of communication and sending timely updates.

CORPORATE GOVERNANCE REPORT

The Company identifies its key stakeholders by taking into consideration their involvement in and influence on the Group's business, as well as their vested interests in the Group's performance. Stakeholders of the Company include, but are not limited to, investors, business partners, purchasers and tenants, contractors and suppliers, government and regulators, the Board of Directors, employees, and the community. The information on the Company's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2019 will also be set out in the Company's sustainability report which will be published on or before 31 May 2020.

The Company maintains a current corporate website (http://www.singholdings.com) to communicate and engage with stakeholders.

ADDITIONAL INFORMATION

Dealings in Company's Shares

The Company has adopted policies as set out in the SGX-ST Listing Manual with regard to dealings in the Company's shares by Directors and staff. With effect from 7 February 2020, as the Company is not required to comply with Rule 705(2) of the SGX-ST Listing Manual, it will only announce its half year financial results and full year financial results. Accordingly, pursuant to Rule 1207(19)(c), at appropriate times, Directors and staff of the Group are reminded that dealings in the shares of the Company are strictly prohibited during the period commencing one month before the announcement of the Company's half year financial results and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant results. The Company also prohibits Directors and staff to deal in the shares of the Company when they are in possession of unpublished material price sensitive information relating to the shares of the Company. Directors and staff were briefed on the implications of insider trading and are expected to observe the law on insider trading at all times. They are also discouraged from dealing in the Company's shares on short-term considerations.

Material Contracts

Except for the 3-year tenancy agreement entered into with Sing Investments & Finance Limited in year 2016 and renewed for a further three years on 30 December 2019, there were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, each director or controlling shareholder during FY2019.

Interested Person Transactions

All interested person transactions will be documented and submitted to the AC for their review to ensure that such transactions are carried out at arm's length basis and on normal commercial terms and commensurate with prevailing market rates and are not prejudicial to the interests of the Group and the minority shareholders.

CORPORATE GOVERNANCE REPORT

Other than as disclosed in Note 30 (Related party transactions) to the Financial Statements, the following are details of the interested person transaction entered into during FY2019, which is required to be disclosed under Rule 907 of the SGX-ST Listing Manual:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during FY2019 (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)
Sing Investments & Finance Limited ("SIF")	As Mr Lee Sze Leong, the Chairman of the Board, and Mr Lee Sze Hao, the Managing Director/ CEO, and their immediate family together have an interest of 30% or more (directly or indirectly) in SIF, SIF is an associate of both Mr Lee Sze Leong and Mr Lee Sze Hao and is accordingly an "interested person" under Chapter 9 of the SGX-ST Listing Manual.	$638,960.00	Not applicable

The above transaction was in respect of a 3-year lease of office space at SIF Building commencing from 1 January 2020 to 31 December 2022.

Sustainability Reporting

The Board is mindful of its responsibility to ensure sustainability of the Group's business and have always considered sustainability issues in its formulation of the Group's business strategies. It has identified and evaluated the material environmental, social and governance factors to the Group and will continue to oversee the management and governance of these factors.

The Group's sustainability report takes reference from the Global Reporting Initiative ("GRI") Standards reporting guidelines. Its next full sustainability report will be made available by 31 May 2020, in accordance with Practice Note 7.6 Sustainability Reporting Guide issued by the SGX-ST.

CORPORATE GOVERNANCE REPORT

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the Listing Manual requires Singapore-listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports for the financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Sing Holdings Limited (the Company) and its subsidiaries (collectively, the Group) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2019.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company 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 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, and

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

Directors

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

Lee Sze Leong	(Non-executive Chairman)
Lee Sze Hao	(Managing Director and Chief Executive Officer)
Ong Loke Min David	
Tan Tong Guan	
Joseph Yeong Wee Yong	(Appointed on 1 January 2020)

Arrangements to enable directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Lee Sze Leong	2,152,432	2,752,432	142,252,246	142,952,246
Lee Sze Hao	705,800	705,800	157,252,246	159,132,246
Ong Loke Min David	300,000	300,000	–	–
Tan Tong Guan	–	–	8,940,000	9,120,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2020.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Lee Sze Leong and Lee Sze Hao are deemed to have interests in shares held by the Company in all of its subsidiaries.

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

Options

No options were issued by the Company or its subsidiaries during the financial year.

As at 31 December 2019, there were no options on the unissued shares of the Company or its subsidiaries which were outstanding.

DIRECTORS' STATEMENT

Audit Committee

The Audit Committee ("AC") comprises the following directors:

Tan Tong Guan	(Chairman)
Lee Sze Leong	
Ong Loke Min David	
Joseph Yeong Wee Yong	(Appointed on 1 January 2020)

Based on the Singapore Code of Corporate Governance criteria, a majority, including the Chairman of the AC is independent.

The AC performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, as detailed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Lee Sze Leong
Director

Lee Sze Hao
Director

Singapore
30 March 2020

INDEPENDENT AUDITOR'S **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Independent auditor's report to the members of Sing Holdings Limited

Report on the Audit of the Financial Statements

We have audited the financial statements of Sing Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2019, the statements of changes in equity of the Group and the Company, and the consolidated income statement, consolidated statement of comprehensive income, and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) 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 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and 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 (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 period. 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. For the matters below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Key Audit Matters (Continued)

Fair valuation of investment property

The Group's investment property comprises Travelodge Docklands, a freehold fourteen-storey hotel, located at 66 Aurora Lane, Docklands in Melbourne, which it carries at fair value, with changes in fair values being recognised in profit or loss. As at 31 December 2019, the fair value of this investment property is $97.3 million. The investment property represents 95.9% of non-current assets and 19.7% of total assets of the Group, respectively.

The Group engaged an accredited external valuation expert to determine the fair value of the investment property at 31 December 2019. The valuation process involves valuation methods with significant estimates on the underlying assumptions applied. These estimates include capitalisation rate, discount rate and terminal yield.

As part of our audit procedures, we assessed the competence, objectivity and qualifications of the valuation expert. We reviewed the valuation report to understand the valuation methodologies, the key inputs used in the valuation and the assumptions applied. We have engaged our internal valuation specialist to review the external valuation report. The methodologies were compared against acceptable methodologies used by other valuers. The assumptions were compared to achieved rates and yields of comparable hotel assets. The key inputs were assessed based on historical earnings profile and expected growth.

We also assessed the adequacy of the related disclosures in Notes 3.2(a), 12 and 33(b) of the financial statements.

Over time revenue recognition used for development property for sale

The Group has a development property for sale, for which it recognises revenue over the development period as the performance obligations are satisfied over time. For the year ended 31 December 2019, the Group recognised revenue of $310.3 million for the units sold. This represents 98.1% of the Group's 2019 revenue.

In determining progress for revenue recognition over time, the input method, by reference to the proportion of total construction costs incurred for work performed up to 31 December 2019 and the estimated total construction costs for the project, is used. Revenue is recognised only in respect of finalised sales agreements to the extent of construction progress based on the input method. The input method involves the use of significant management estimates covering total project budgeted costs and incurred costs to date.

As part of our audit procedures, we obtained an understanding of the Group's processes and controls for recognising revenue over time. We assessed management's estimates in determining the total budgeted cost for the project to contracted agreements. We verified costs incurred to invoiced amounts for work completed up to 31 December 2019. The sales prices of the sold units used in the revenue recognition computation were agreed to sales agreements signed before 31 December 2019. We also checked the arithmetic accuracy of the revenue recognised based on progress as determined using the input method.

We also assessed the adequacy of the disclosures relating to development property in Notes 3.2(b), 4 and 15.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement and the other information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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), 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.

INDEPENDENT AUDITOR'S **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

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 period 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 Eleanor Lee.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
30 March 2020

CONSOLIDATED INCOME **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Revenue	4(a)	**316,357**	76,220
Cost of sales		**(216,843)**	(48,323)
Gross profit		**99,514**	27,897
Other income	5	**3,913**	3,374
Administrative expenses		**(5,863)**	(3,375)
Sales and marketing expenses		**(2,522)**	(2,264)
Other operating expenses	6	**(7,399)**	(1,203)
Finance costs	7	**(4,473)**	(7,744)
Profit before tax	8	**83,170**	16,685
Income tax expense	9	**(16,871)**	(2,880)
Profit for the year		**66,299**	13,805
Attributable to:			
Shareholders of the Company		**45,371**	11,154
Non-controlling interests		**20,928**	2,651
		66,299	13,805
Earnings per share attributable to shareholders of the Company, basic and diluted (cents per share)	10	**11.31**	2.78

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 $'000	2018 $'000
Profit for the year	**66,299**	13,805
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value loss on equity instruments at fair value through other comprehensive income (FVOCI)	**(57)**	(285)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	**(1,497)**	(5,066)
Total comprehensive income for the year	**64,745**	8,454
Total comprehensive income attributable to:		
Shareholders of the Company	**43,817**	5,803
Non-controlling interests	**20,928**	2,651
	64,745	8,454

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

BALANCE SHEETS

AS AT 31 DECEMBER 2019

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Non-current assets					
Property, plant and equipment	11	**61**	159	**61**	159
Investment property	12	**97,263**	105,666	**–**	–
Investment in subsidiaries and trusts	13	**–**	–	**52,261**	46,900
Investment securities	14	**4,068**	4,125	**4,068**	4,125
Loans to subsidiaries	25	**–**	–	**150,985**	112,009
		101,392	109,950	**207,375**	163,193
Current assets					
Development property	15	**168,336**	305,166	**–**	–
Completed properties	16	**23,675**	23,675	**23,675**	23,675
Investment securities	14	**–**	5,203	**–**	5,203
Trade receivables	17	**9,449**	14,486	**8**	7
Deposits and other receivables	18	**184**	237	**93**	140
Prepayments		**51**	68	**18**	16
Contract assets	4	**134,305**	–	**–**	–
Advance to non-controlling shareholder of a subsidiary	26	**1,140**	1,140	**–**	–
Amounts due from subsidiaries	19	**–**	–	**409**	7,163
Cash and cash equivalents	20	**54,196**	87,896	**29,704**	67,264
		391,336	437,871	**53,907**	103,468
Current liabilities					
Trade and other payables	21	**23,246**	9,428	**3,548**	1,419
Contract liabilities	4	**–**	36,206	**–**	–
Interest-bearing bank loans	22	**84,500**	–	**–**	–
Advance from a subsidiary	24	**–**	–	**5,016**	4,681
Provision for taxation		**1,949**	625	**1,095**	–
		109,695	46,259	**9,659**	6,100
Net current assets		**281,641**	391,612	**44,248**	97,368
Non-current liabilities					
Trade and other payables	21	**7,682**	3,449	**75**	164
Interest-bearing bank loans	22	**–**	200,839	**–**	–
Loans from non-controlling shareholder of a subsidiary	23	**33,200**	30,324	**–**	–
Deferred tax liabilities	27	**17,564**	2,660	**15**	–
		58,446	237,272	**90**	164
Net assets		**324,587**	264,290	**251,533**	260,397
Equity attributable to shareholders of the Company					
Share capital	28	**104,951**	104,951	**104,951**	104,951
Reserves	29	**190,596**	151,591	**146,582**	155,446
		295,547	256,542	**251,533**	260,397
Non-controlling interests		**29,040**	7,748	**–**	–
Total equity		**324,587**	264,290	**251,533**	260,397

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share capital (Note 28) $'000	Fair value adjustment reserve (Note 29) $'000	Foreign currency translation reserve (Note 29) $'000	Revenue reserve (Note 29) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to shareholders of the Company						
		Non-distributable			Distributable			
Group								
At 1 January 2019		**104,951**	**1,044**	**(5,854)**	**156,401**	**256,542**	**7,748**	**264,290**
Profit for the year		-	-	-	45,371	45,371	20,928	66,299
Other comprehensive income for the year								
Net fair value loss on equity instruments at FVOCI		-	(57)	-	-	(57)	-	(57)
Foreign currency translation		-	-	(1,497)	-	(1,497)	-	(1,497)
Total comprehensive income for the year		-	(57)	(1,497)	45,371	43,817	20,928	64,745
Deemed capital contribution arising from interest-free loans from non-controlling shareholder of a subsidiary		-	-	-	-	-	364	364
Dividends on ordinary shares	37	-	-	-	(4,812)	(4,812)	-	(4,812)
At 31 December 2019		**104,951**	**987**	**(7,351)**	**196,960**	**295,547**	**29,040**	**324,587**

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

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share capital (Note 28) $'000	Fair value adjustment reserve (Note 29) $'000	Foreign currency translation reserve (Note 29) $'000	Revenue reserve (Note 29) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to shareholders of the Company						
		Non-distributable			Distributable			
Group								
At 1 January 2018		104,951	1,329	(788)	149,257	254,749	5,097	259,846
Profit for the year		–	–	–	11,154	11,154	2,651	13,805
Other comprehensive income for the year								
Net fair value loss on equity instruments at FVOCI		–	(285)	–	–	(285)	–	(285)
Foreign currency translation		–	–	(5,066)	–	(5,066)	–	(5,066)
Total comprehensive income for the year		–	(285)	(5,066)	11,154	5,803	2,651	8,454
Dividends on ordinary shares	37	–	–	–	(4,010)	(4,010)	–	(4,010)
At 31 December 2018		104,951	1,044	(5,854)	156,401	256,542	7,748	264,290

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Non-distributable		Distributable	
	Note	Share capital (Note 28) $'000	Fair value adjustment reserve (Note 29) $'000	Revenue reserve (Note 29) $'000	Total $'000
Company					
At 1 January 2019		**104,951**	**1,044**	**154,402**	**260,397**
Loss for the year		**-**	**-**	**(3,995)**	**(3,995)**
Other comprehensive income for the year					
Net fair value loss on equity instruments at FVOCI		**-**	**(57)**	**-**	**(57)**
Total comprehensive income for the year		**-**	**(57)**	**(3,995)**	**(4,052)**
Dividends on ordinary shares	37	**-**	**-**	**(4,812)**	**(4,812)**
At 31 December 2019		**104,951**	**987**	**145,595**	**251,533**
At 1 January 2018		104,951	1,329	148,629	254,909
Profit for the year		–	–	9,783	9,783
Other comprehensive income for the year					
Net fair value loss on equity instruments at FVOCI		–	(285)	–	(285)
Total comprehensive income for the year		–	(285)	9,783	9,498
Dividends on ordinary shares	37	–	–	(4,010)	(4,010)
At 31 December 2018		104,951	1,044	154,402	260,397

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

CONSOLIDATED
CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit before tax		**83,170**	16,685
Adjustments for:			
Depreciation of property, plant and equipment	11	**98**	178
Interest expense	7	**4,473**	7,744
Interest income		**(1,157)**	(1,547)
Dividend income from equity securities at FVOCI	5	**(199)**	(199)
Dividend income from equity securities at fair value through profit or loss	5	**(204)**	(249)
Fair value loss on equity securities at fair value through profit or loss		**-**	366
Gain on sale of equity securities at fair value through profit or loss	5	**(994)**	(52)
Net loss on fair value adjustment of investment property	6	**6,637**	–
Foreign exchange gain		**(60)**	(10)
Operating cash flows before changes in working capital		**91,764**	22,916
Changes in working capital:			
Development property		**136,830**	17,433
Completed properties		**-**	593
Trade receivables		**5,028**	11,556
Deposits and other receivables		**10**	(8)
Prepayments		**17**	12
Contract assets		**(134,305)**	–
Trade and other payables		**18,043**	(5,677)
Contract liabilities		**(36,206)**	12,082
Net cash generated from operations		**81,181**	58,907
Interest received		**1,199**	1,570
Interest paid		**(4,069)**	(6,291)
Income tax paid		**(632)**	(626)
Net cash flows generated from operating activities		**77,679**	53,560

CONSOLIDATED
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from investing activities			
Purchase of equity securities at fair value through profit or loss		-	(3,051)
Capital distribution from equity securities at fair value through profit or loss		25	21
Purchase of property, plant and equipment	11	-	(7)
Dividends received		403	448
Proceeds from sale of equity securities at fair value through profit or loss		6,172	1,549
Net cash flows generated from/(used in) investing activities		6,600	(1,040)
Cash flows from financing activities			
Repayment of bank loans		(115,859)	(69,365)
Loans from non-controlling shareholder of a subsidiary		2,748	–
Dividends paid on ordinary shares	37	(4,812)	(4,010)
Net cash flows used in financing activities		(117,923)	(73,375)
Net decrease in cash and cash equivalents		(33,644)	(20,855)
Effect of exchange rates changes on cash and cash equivalents		(56)	(77)
Cash and cash equivalents at 1 January		87,896	108,828
Cash and cash equivalents at 31 December	20	54,196	87,896

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. CORPORATE INFORMATION

Sing Holdings Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

The registered office and principal place of business of the Company is located at 96 Robinson Road, #10-01, SIF Building, Singapore 068899.

The principal activities of the Company are those relating to investment holding and property development. The principal activities of the subsidiaries are set out in Note 13. There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

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

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ("$'000"), except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICY

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2019. The adoption of these standards did not have any effect on the financial performance or position of the Group.

SFRS(I) 16 Leases

SFRS(I) 16 *Leases* supersedes SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases-Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 does not have an impact for leases where the Group is the lessor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICY (CONTINUED)

SFRS(I) 16 Leases (Continued)

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.19(a) for the accounting policy prior to 1 January 2019.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.19(a) for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group has determined that its leases previously classified as operating leases are either short-term leases or leases of low-value assets. The Group also applied the leases transition exemption for leases with lease terms that end within 12 months of the date of initial application. Accordingly, the Group did not recognise any right-of-use assets or lease liabilities at the date of initial application.

A reconciliation of the operating lease commitments as of 31 December 2018 and the lease liabilities as at 1 January 2019 are as follows:

	2019 $'000
Operating lease commitments as at 31 December 2018	211
Less:	
Commitments relating to a short-term lease ending within 12 months	(203)
Commitments relating to lease of a low-value asset	(8)
Lease liabilities as at 1 January 2019	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3 *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*	1 January 2020
Amendments to SFRS(I) 37 *Provisions, Contingent Liabilities and Contingent Assets*	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 FOREIGN CURRENCY

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 PROPERTY, PLANT AND EQUIPMENT

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Renovation	3 years
Furniture and fittings	10 years
Office equipment	5 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.8 INVESTMENT PROPERTY

Investment property is property that is either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprises completed investment property and property that is being constructed or developed for future use as investment property. Property held under operating leases is classified as investment property when the definition of an investment property is met.

Investment property is initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair values of investment property is included in profit or loss in the year in which they arise.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 SUBSIDIARIES AND SUBSIDIARY TRUSTS

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries and trusts are accounted for at cost less any impairment losses.

2.11 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets (Continued)

Initial recognition and measurement (Continued)

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets (Continued)

Subsequent measurement (Continued)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Gains or losses recognised in OCI are never reclassified from equity to profit or loss. However, the Group may transfer the FVOCI equity reserves within equity. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.12 IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 COMPLETED PROPERTIES

Completed properties are held with the intention of sale in the ordinary course of business. Properties under development are considered complete on the date of issue of the Temporary Occupation Permit.

Completed properties are stated at the lower of cost and net realisable value. Land, related acquisition expenses, development expenditure, interest and other related expenditure are capitalised as part of the cost of completed properties.

Where necessary, allowance is provided to adjust the carrying value of the completed properties to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 DEVELOPMENT PROPERTIES

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group’s own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss are determined in accordance with revenue recognition over time. The accounting policy for revenue recognition on sale of development property is set out in Note 2.20(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 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 an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 BORROWING COSTS

Borrowing costs on interest-bearing bank loans and imputed interest expense on loans from non-controlling shareholder of a subsidiary are recognised in profit or loss except to the extent that they are capitalised. Such borrowing costs, including imputed interest expense, are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset comprising the Group's development property. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

2.18 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme ("CPF"), a defined contribution pension scheme in Singapore. Contributions to CPF are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As a lessee*

The accounting policy before 1 January 2019 are as follows:

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

The accounting policy on and after 1 January 2019 are as follows:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group applies the short-term lease recognition exemption to its short-term lease of office space and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that is considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) *As a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The accounting policy for rental income is set out in Note 2.20(c).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 REVENUE

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of completed properties

Revenue from sale of completed properties, is recognised when the sales and purchase agreement is signed.

(b) Sale of development property

The Group develops and sells residential and industrial properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 REVENUE (CONTINUED)

(b) *Sale of development property (Continued)*

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(c) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms, except for contingent rental income which is recognised when it arises. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

2.21 TAXES

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 TAXES (CONTINUED)

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 SHARE CAPITAL AND SHARE ISSUE EXPENSES

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 JUDGMENTS MADE IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Income taxes, deferred taxes and other indirect taxes

Significant judgment is involved in determining the Group-wide provision for taxation. This includes the ability to meet applicable conditions for tax exemptions and/or reduced tax rates. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's provision for taxation and deferred tax liabilities at the end of the reporting period were $1,949,000 (2018: $625,000) and $17,564,000 (2018: $2,660,000) respectively.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deferred tax assets previously recognised can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing completed properties.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised. There were no deferred tax assets recognised at the end of the reporting period.

The aggregate unrecognised tax losses of certain companies in the Group as at 31 December 2019 was $2,260,000 (2018: $1,163,000). If the Group was able to recognise deferred tax assets on all these unrecognised tax losses, profit for the year would increase by approximately $340,000 (2018: $116,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Revaluation of investment property

The Group carries its investment property at fair value, with changes in fair values being recognised in profit or loss. The Group engaged an accredited external valuation expert to assess fair value as at 31 December 2019. The fair value of investment property is determined using recognised valuation methods. These methods comprise the capitalisation method, discounted cash flow method and sales comparison method. The key assumptions used to determine the fair value of the investment property and sensitivity analysis are provided in Notes 12 and 33.

The carrying amount of the investment property carried at fair value as at 31 December 2019 is $97,263,000 (2018: $105,666,000).

(b) Revenue recognition on development property

For the sale of development property where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development property to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. The measure of progress is based on the construction costs incurred to date as a proportion of total construction costs expected to be incurred up to the completion of the development property.

The estimated total construction costs are based on contracted amounts including significant agreed variation orders for the construction of the property. The revenue recognised is as disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(c) Determination of net realisable values for completed properties

Completed properties are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The determination of the estimated net realisable value of these completed properties is critically dependent on the Group's expectations of future selling prices. The Group estimated net realisable values at balance sheet date using achieved selling prices for the related property development. An independent desktop market value report was obtained from an accredited valuer to support the assessment.

The carrying amount of the Group's completed properties at the end of the reporting period is disclosed in Note 16.

(d) Determination of net realisable value for development property

Development property is property acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development property is stated at the lower of cost and estimated net realisable value. The cost of development property includes cost of land and construction and related overhead expenditure incurred during the period of construction and up to the completion of construction.

Where the estimated net realisable value is below cost, provision for onerous contracts are provided for. Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Estimated selling price is based on the estimated market price for the remaining units unsold at the end of the reporting period. The carrying amount of the Group's development property at the end of the reporting period is disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. REVENUE

(a) DISAGGREGATION OF REVENUE

	Group	
	2019	2018
	$'000	$'000
Revenue from contracts with customers		
Sale of completed industrial property	–	1,026
Sale of residential property under development	310,276	68,465
	310,276	69,491
Rental income from investment property	6,081	6,729
	316,357	76,220

Disaggregation of revenue by business segments is disclosed in Note 36.

(b) CONTRACT ASSETS AND CONTRACT LIABILITIES

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

		Group	
	2019	31.12.2018	1.1.2018
	$'000	$'000	$'000
Receivables from contracts with customers (Note 17)	9,449	14,486	26,086
Contract assets	134,305	–	–
Contract liabilities	–	36,206	24,124

Contract assets primarily relate to the Group's right to consideration for goods and services transferred to customers but not yet billed at reporting date for development property units sold. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of development property units.

Significant changes in contract assets and liabilities are explained as follows:

	Group	
	2019	2018
	$'000	$'000
Sales proceeds received during the year	139,765	80,547
Revenue recognised during the year	(310,276)	(68,465)

4. REVENUE (CONTINUED)

(c) TRANSACTION PRICE ALLOCATED TO REMAINING PERFORMANCE OBLIGATION

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations arising as at 31 December 2019 is $229,612,000. (2018: $314,129,000).

5. OTHER INCOME

	Group	
	2019	**2018**
	$'000	**$'000**
Property management fee from completed properties	**88**	75
Rental income from completed properties	**1,115**	1,134
Dividend income from equity securities at FVOCI	**199**	199
Dividend income from equity securities at fair value through profit or loss	**204**	249
Interest income from:		
– fixed and current deposits	**1,150**	1,543
– late payment from tenants and purchasers	**7**	4
Gain on sale of equity securities at fair value through profit or loss	**994**	52
Forfeiture of option money	**87**	108
Foreign exchange gain	**60**	10
Others	**9**	–
	3,913	3,374

6. OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating expenses:

	Note	Group	
		2019	**2018**
		$'000	**$'000**
Maintenance contribution		**100**	87
Property tax		**208**	193
Professional fees		**36**	68
Depreciation of property, plant and equipment	11	**98**	178
Net loss on fair value adjustment of investment property	12	**6,637**	–
Fair value loss on equity securities at fair value through profit or loss		**–**	366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

7. FINANCE COSTS

	Group	
	2019	**2018**
	$'000	**$'000**
Interest expense on bank loans	**3,951**	7,086
Imputed interest expense on loans from non-controlling shareholder of a subsidiary	**492**	601
Commitment fee	**30**	57
Finance costs recognised in profit or loss	**4,473**	7,744

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Note	Group	
		2019	**2018**
		$'000	**$'000**
Audit fees paid to:			
– Auditors of the Company		**93**	91
– A member firm of the auditor of the Company		**29**	28
Non-audit fees paid to a member firm of the auditor of the Company		**–**	36
Staff costs (including directors' remuneration)			
– salaries, wages and bonuses		**4,972**	2,565
– contributions to defined contribution plans		**159**	118
– other personnel expenses		**25**	21
Operating lease expense	31(b)	**206**	206

9. INCOME TAX EXPENSE

MAJOR COMPONENTS OF INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 December 2019 and 2018 are:

	Group	
	2019	2018
	$'000	$'000
Current income tax		
– Current income taxation	872	695
– Under/(over) provision in respect of previous years	1,095	(5)
	1,967	690
Deferred income tax		
– Origination and reversal of temporary differences	14,750	2,190
– Under provision in respect of previous year	154	–
	14,904	2,190
Income tax expense recognised in profit or loss	16,871	2,880

RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2019 and 2018 is as follows:

	Group	
	2019	2018
	$'000	$'000
Accounting profit before tax	83,170	16,685
Tax expense at the domestic rates applicable to profits in the countries where the Group operates	13,931	3,402
Income not subject to taxation	(71)	(72)
Non-deductible expenses	2,177	299
Under/(over) provision in respect of previous years	1,249	(5)
Withholding tax on foreign-sourced trust distribution	8	42
Effect of partial tax exemption and tax relief	(665)	(707)
Deferred tax assets not recognised	290	95
Benefits from previously unrecognised tax losses	–	(178)
Utilisation of previously unrecognised tax losses	(57)	–
Others	9	4
Income tax expense recognised in profit or loss	16,871	2,880

The Company and its subsidiary companies incorporated in Singapore are subject to income tax at the statutory tax rate of 17% for the financial years ended 31 December 2019 and 2018. The beneficiaries of the subsidiary trusts incorporated in Australia are subject to withholding tax at a concessionary tax rate of 15% for the financial year ended 31 December 2019 and 31 December 2018, subject to applicable conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing profit for the year attributable to shareholders of the Company of $45,371,000 (2018: $11,154,000) by the weighted average number of ordinary shares outstanding during the financial year of 400,994,652 (2018: 400,994,652) shares.

Diluted earnings per share are the same as basic earnings per share as there are no dilutive potential ordinary shares.

11. PROPERTY, PLANT AND EQUIPMENT

	Renovation $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group and Company					
Cost					
At 1 January 2018	261	33	33	874	1,201
Additions	–	–	7	–	7
Disposals	–	(1)	–	–	(1)
At 31 December 2018, 1 January 2019 and 31 December 2019	261	32	40	874	1,207
Accumulated depreciation					
At 1 January 2018	261	32	28	550	871
Depreciation charge for the year	–	–	4	174	178
Disposals	–	(1)	–	–	(1)
At 31 December 2018 and 1 January 2019	261	31	32	724	1,048
Depreciation charge for the year	–	–	2	96	98
At 31 December 2019	261	31	34	820	1,146
Net carrying amount					
At 31 December 2018	–	1	8	150	159
At 31 December 2019	**–**	**1**	**6**	**54**	**61**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. INVESTMENT PROPERTY

	Group	
	2019	2018
	$'000	$'000
Balance sheet:		
At 1 January	**105,666**	114,851
Net loss on fair value adjustment recognised to profit or loss	**(6,637)**	–
Exchange differences	**(1,766)**	(9,185)
At 31 December	**97,263**	105,666
Income statement:		
Rental income from investment property:		
– Minimum lease payments	**1,324**	1,402
– Contingent rent	**4,757**	5,327
	6,081	6,729
Direct operating expenses	**(141)**	(112)

The investment property is leased to a single tenant under an operating lease arrangement.

The Group has no restrictions on the realisability of its investment property and no contractual obligations for repair, maintenance or enhancements.

VALUATION OF INVESTMENT PROPERTY

Investment property is stated at fair value which has been determined based on a valuation performed as at 31 December 2019 and 31 December 2018. The valuation was performed by an independent accredited appraiser with relevant experience. Details of valuation techniques and inputs used are disclosed in Note 33(b)(ii).

The investment property held by the Group as at 31 December 2019 is as follows:

Description and Location	Existing Use	Tenure
14-storey hotel, Travelodge Docklands, located at 66 Aurora Lane, Docklands, Melbourne	Limited service hotel	Freehold

The investment property was mortgaged to secure interest-bearing bank loans (Note 22). The mortgage was discharged during the financial year upon full repayment of the interest-bearing bank loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS

	Company	
	2019	2018
	$'000	$'000
Unquoted equity shares, at cost	**36,444**	36,444
Unquoted units in subsidiary trusts	**11,241**	6,970
Deemed equity contribution to subsidiaries	**12,165**	7,237
Impairment losses	**(7,589)**	(3,751)
	52,261	46,900

(a) COMPOSITION OF THE GROUP

The Group has the following investments in subsidiaries.

Subsidiaries (country of incorporation and place of business)	Principal activities	Cost		Proportion (%) of ownership interest	
		2019	2018	2019	2018
		$'000	$'000	%	%
Held by the Company:					
Sing Properties Pte. Ltd. (Singapore)	Dormant	**2,050**	2,050	**100**	100
Sing Development (Private) Limited (Singapore)	Investment holding	**33,694**	33,694	**100**	100
Sing Holdings (Docklands) Pte. Ltd. (Singapore)	Investment holding	**–[(1)]**	–[(1)]	**100**	100
Sing Holdings Residential Pte. Ltd. (Singapore)	Dormant	**–[(1)]**	–[(1)]	**100**	100
Coral Edge Development Pte. Ltd.* (Singapore)	Property development	**700**	700	**70**	70
		36,444	36,444		
Held through a subsidiary:					
Fernvale Green Pte. Ltd. (Singapore)	Property development	**2,800**	2,800	**70**	70

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS (CONTINUED)

(a) COMPOSITION OF THE GROUP (CONTINUED)

In addition, the Group is the beneficiary of the following trusts:

Trusts (country of incorporation and place of business)	Principal activities	Cost		Proportion (%) of ownership interest	
		2019 $'000	2018 $'000	2019 %	2018 %
Held by the Company and held through a subsidiary:					
Travel Holding Trust (Australia)**	Investment holding	**113,248**	70,541	**100[(2)]**	100[(2)]
Held through Travel Holding Trust:					
Travel Trust No. 1 (Australia)**	Hotel investment	**110,238**	67,531	**100**	100

All subsidiaries are audited by Ernst & Young LLP, Singapore except as indicated.

* Under members' voluntary liquidation.

** Audited by a member firm of EY Global.

(1) Cost of investment was $100.

(2) 1 out of 112,155,680 (2018: 67,364,384) trust units is held by a Director of the Company to meet the requirements for a concessionary withholding tax rate in Australia.

(b) INTEREST IN SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST (NCI)

The Group has the following subsidiary with NCI that is material to the Group. The principal place of business of the subsidiary is in Singapore.

Name of subsidiary	Proportion of ownership interest held by NCI %	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2019:				
Fernvale Green Pte. Ltd.	**30**	**20,942**	**27,881**	**–**
31 December 2018:				
Fernvale Green Pte. Ltd.	30	2,660	6,576	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS (CONTINUED)

(c) SUMMARISED FINANCIAL INFORMATION ABOUT SUBSIDIARY WITH MATERIAL NCI

Summarised financial information before intercompany eliminations of subsidiary with material NCI are as follows:

Summarised balance sheet

	Fernvale Green Pte. Ltd.	
	2019	**2018**
	$'000	**$'000**
Current		
Assets	**332,733**	330,412
Liabilities	**(104,113)**	(43,798)
Net current assets	**228,620**	286,614
Non-current		
Assets	**–**	–
Liabilities	**(135,683)**	(264,695)
Net non-current liabilities	**(135,683)**	(264,695)
Net assets	**92,937**	21,919

Summarised income statement and statement of comprehensive income

	Fernvale Green Pte. Ltd.	
	2019	**2018**
	$'000	**$'000**
Revenue	**310,276**	68,465
Profit before income tax	**84,555**	11,054
Income tax expense	**(14,750)**	(2,190)
Profit for the year, representing total comprehensive income for the year	**69,805**	8,864

Summarised cash flow

	Fernvale Green Pte. Ltd.	
	2019	**2018**
	$'000	**$'000**
Net cash flows generated from operating activities	**75,076**	47,130
Net cash flows used in financing activities	**(64,010)**	(52,894)
Net increase/(decrease) in cash and cash equivalents	**11,066**	(5,764)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

14. INVESTMENT SECURITIES

	Group and Company	
	2019	**2018**
	$'000	**$'000**
At fair value through profit or loss		
Quoted equity shares	**–**	5,203
At fair value through other comprehensive income		
Quoted equity shares in an affiliated company	**4,068**	4,125
Net carrying amount		
Current	**–**	5,203
Non-current	**4,068**	4,125

An affiliated company is defined as a company in which certain directors of the Company have a substantial financial interest.

15. DEVELOPMENT PROPERTY

	Group	
	2019	**2018**
	$'000	**$'000**
Unsold units:		
– Land cost and development costs	**60,223**	161,198
Sold units:		
– Capitalised contract costs	**108,113**	143,968
	168,336	305,166

In 2016, the Group, through its 70% subsidiary, Fernvale Green Pte. Ltd. acquired a leasehold land parcel in Singapore to undertake a condominium development.

The acquisition of the above land was funded by capital and loans from shareholders of Fernvale Green Pte. Ltd. as well as a bank loan. The development property was mortgaged to a financial institution as security for the interest-bearing bank loans (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

15. DEVELOPMENT PROPERTY (CONTINUED)

Details of development property as at 31 December 2019 are as follows:

Name and location	Effective Group interest	Tenure	Descriptions	Approximate site area/ (gross floor area)	Stage of completion (Expected date of completion)
"Parc Botannia" Fernvale Street/ Fernvale Road Singapore	70%	99-year leasehold	Proposed 4 blocks of 22-storey condominium housing development with swimming pool, tennis court, gymnasium, childcare centre and car park.	17,196 square metres/ (51,588 square metres)	63% (2021)

16. COMPLETED PROPERTIES

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance sheet:				
Completed properties, at cost	**23,675**	23,675	**23,675**	23,675
Income statement:				
Recognised as an expense in cost of sales	**-**	593	**-**	593

Details of completed properties are as follows:

Name and location	Number of units (Approximate floor area in square metres) 2019	2018	Effective Group interest	Tenure	Descriptions
Industrial property					
"BizTech Centre" 627A Aljunied Road Singapore	**43 (4,113)**	43 (4,113)	100%	Freehold	10-storey multi-use light industrial factory

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

17. TRADE RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade receivables	**9,449**	14,486	**8**	7

Trade receivables are generally on 7 to 14 days terms. They are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

EXPECTED CREDIT LOSSES

The Group does not have any allowance for expected credit losses on its trade receivables and contract assets as at year end because they are assessed to be recoverable.

18. DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Interest receivable	**54**	96	**36**	87
Deposits	**129**	139	**56**	52
Other receivables	**1**	2	**1**	1
	184	237	**93**	140

19. AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand and are expected to be settled in cash.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**5,980**	12,313	**572**	257
Short-term deposits	**48,216**	75,583	**29,132**	67,007
	54,196	87,896	**29,704**	67,264

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

20. CASH AND CASH EQUIVALENTS (CONTINUED)

Included in cash and cash equivalents are the following:

	Group	
	2019 $'000	2018 $'000
(a) Amounts held under Housing Developers (Project Account) Rules		
Cash at banks	**4,039**	1,632
Short-term deposits	**14,430**	4,890
	18,469	6,522

The utilisation of amounts held under Housing Developers (Project Account) Rules is governed by the Housing Developers (Project Account) Rules.

(b) Cash and short-term deposits placed with an affiliated company	**3,146**	59,175

An affiliated company is defined as a company in which certain directors of the Company have a substantial financial interest.

Short-term deposits are placed for varying periods of between one week and four months depending on the expected cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates on the short-term deposits approximate 1.8% (2018: 2.1%) per annum.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current:				
Trade payables	**12,710**	6,181	**40**	22
Accrued operating expenses	**2,927**	699	**435**	436
Accrued bonus	**2,754**	709	**2,754**	709
Interest payable	**53**	140	**–**	–
Advance rental payment	**201**	224	**91**	112
Deposits received	**4,601**	1,380	**228**	140
Retention sums	**–**	95	**–**	–
	23,246	9,428	**3,548**	1,419
Non-current:				
Tenancy deposits	**75**	164	**75**	164
Retention sums	**7,607**	3,285	**–**	–
	7,682	3,449	**75**	164
Total trade and other payables	**30,928**	12,877	**3,623**	1,583

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. TRADE AND OTHER PAYABLES (CONTINUED)

TRADE PAYABLES

Trade payables are non-interest bearing and normally settled on 30 days' term.

Included in the Group's and Company's trade payables (current) is an amount of $215,000 (2018: $233,000) which relates to sales tax payable.

DEPOSITS RECEIVED – CURRENT

Deposits received relates mainly to the deposits received from purchasers upon entering into an option to purchase the property units. These options have yet to be exercised at the end of the reporting period.

22. INTEREST-BEARING BANK LOANS

		Group	
	Maturity	2019 $'000	2018 $'000
Current:			
Loan 1	2020	**84,500**	–
Non-current:			
Loan 1	2020	-	157,670
Loan 2	2020	-	43,169
		-	200,839

During the financial year, these interest-bearing bank loans bear floating interest at rates ranging from 2.5% to 3.7% (2018: 1.9% to 3.7%) per annum.

LOAN 1

The bank loan is obtained for the purpose of a development property project and is secured by the following:

(a) first legal mortgage over Lot 4980T Mk No. 20, located at Fernvale Road, Singapore and the proposed project to be erected thereon;

(b) assignment of all rights, titles, interest and benefits arising from the development property including proceeds, construction and piling contracts, insurances, performance bonds, leases and tenancies on the related development property;

(c) deed of subordination in respect of all direct and indirect shareholders' and related company loans; and

(d) completion undertakings given by holding companies of the shareholders of the subsidiary undertaking the development.

NOTES TO THE FINANCIAL STATEMENTS

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22. INTEREST-BEARING BANK LOANS (CONTINUED)

LOAN 2

The property loan facility was obtained for the purpose of acquisition of an investment property and was denominated in Australian Dollar. The loan facility was secured by a first registered real property mortgage over the investment property, Travelodge Docklands, a freehold fourteen-storey hotel, located at 66 Aurora Lane, Docklands in Melbourne, and any side agreements entered into that creates a security interest over Travelodge Docklands.

The loan was fully repaid in 2019.

A reconciliation of liabilities arising from financing activities is as follows:–

	Group	
	2019	**2018**
	$'000	**$'000**
At 1 January	**200,839**	274,463
Repayment of bank loans	**(115,859)**	(69,365)
Foreign exchange movement	**(480)**	(4,259)
	84,500	200,839

23. LOANS FROM NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

Loans from non-controlling shareholder of a subsidiary are unsecured, interest-free and carried at amortised cost. They are expected to be settled in cash. These loans were obtained to finance a development project. Management expects these to be repaid at the end of the project. The expected repayment period is as disclosed in Note 34(b).

	Group	
	2019	**2018**
	$'000	**$'000**
Notional value	**34,038**	31,290
Fair value adjustment	**(2,374)**	(2,010)
	31,664	29,280
Cumulative imputed interest expense recognised	**1,536**	1,044
Amortised cost at 31 December	**33,200**	30,324
Maturities		
Non-current:		
Later than one year but not later than five years	**33,200**	30,324
Amortised cost	**33,200**	30,324

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

23. LOANS FROM NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY (CONTINUED)

The fair value adjustment relates to the measurement of the loans at fair value at initial recognition taking into account imputed effective interest rates of between 1.7% to 2.7% per annum. The adjustment has been recorded as a deemed equity contribution from non-controlling shareholder. The fair value of the loans recorded upon initial recognition will be accreted back to the notional value through the recognition of imputed interest expense in accordance with the effective interest method.

24. ADVANCE FROM A SUBSIDIARY

The advance from a subsidiary is unsecured, interest-free and repayable on demand.

25. LOANS TO SUBSIDIARIES

	Company	
	2019	**2018**
	$'000	**$'000**
Notional value	**156,070**	114,490
Fair value adjustment	**(10,506)**	(5,578)
	145,564	108,912
Cumulative imputed interest income recognised	**5,421**	3,097
Amortised cost at 31 December	**150,985**	112,009
Maturities		
Non-current:		
Later than one year but not later than five years	**150,985**	112,009
Amortised cost	**150,985**	112,009

These loans to subsidiaries are for property development project and property investment. They are unsecured, interest-free and carried at amortised costs. They are expected to be settled in cash. The expected repayment period is as disclosed in Note 34(b).

The fair value adjustment relates to the measurement of the loans at fair value at initial recognition taking into account imputed effective interest rates of between 1.7% to 2.8% per annum. The adjustment has been recorded as a deemed equity contribution to subsidiaries. The fair value of the loans recorded upon initial recognition will be accreted back to the notional value through the recognition of imputed interest income in accordance with the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

26. ADVANCE TO NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The advance to non-controlling shareholder of a subsidiary is unsecured, interest-free and repayable on demand.

27. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities						
Differences in revenue recognition for tax purposes	**(17,410)**	(2,660)	**14,750**	2,190	**–**	–
Unremitted overseas trust distributions	**(154)**	–	**154**	–	**(15)**	–
	(17,564)	(2,660)			**(15)**	–
Deferred tax expense			**14,904**	2,190		

UNRECOGNISED TAX LOSSES

At the end of the reporting period, the Group has tax losses of $2,260,000 (2018: $1,163,000) available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to compliance with the relevant provisions of the Income Tax Act of Singapore.

28. SHARE CAPITAL

	Group and Company			
	2019		2018	
	Number of shares	$'000	Number of shares	$'000
Issued and fully paid ordinary shares:				
At 1 January and 31 December	**400,994,652**	**104,951**	400,994,652	104,951

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

29. RESERVES

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Fair value adjustment reserve	**987**	1,044	**987**	1,044
Foreign currency translation reserve	**(7,351)**	(5,854)	**–**	–
Revenue reserve	**196,960**	156,401	**145,595**	154,402
	190,596	151,591	**146,582**	155,446

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial assets at FVOCI until they are disposed or impaired.

The movement in reserves are set out in the statements of changes in equity.

30. RELATED PARTY TRANSACTIONS

(a) SALE AND PURCHASE OF GOODS AND SERVICES

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2019	2018
	$'000	$'000
Dividend income from an affiliated company	**199**	199
Fixed deposit interest income from an affiliated company	**827**	999
Rental paid to an affiliated company	**222**	222

An affiliated company is defined as a company in which certain directors of the Company have a substantial financial interest.

(b) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group	
	2019	2018
	$'000	$'000
Short-term employee benefits	**4,357**	2,122
Central Provident Fund contributions	**64**	63
	4,421	2,185

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

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31. LEASES

(a) AS A LESSOR

The Group leases out certain of its completed properties under non-cancellable operating leases, which have remaining lease terms of between 4 to 24 months. All leases include a clause to enable revision of the rental charge on a renewal basis based on prevailing market conditions.

Additionally, the Group's investment property is leased to a tenant under a non-cancellable and renewable lease which has a remaining lease term of 6 months expiring on 30 June 2020, with 3 successive renewal terms for a period of 5 years each at similar rental terms.

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Not later than one year		
– Completed properties	**857**	1,059
– Investment property	**662**	1,401
Later than one year but not later than five years		
– Completed properties	**89**	328
– Investment property	**–**	701
	1,608	3,489

(b) AS A LESSEE

The Group has lease contracts for office space and office equipment. The leases have varying terms and renewal rights. They are generally negotiated for a term of 3 to 5 years and rentals are generally fixed for the same periods.

The Group's current lease for office space ended on 31 December 2019. The new lease commences on 1 January 2020. The future lease commitment pertaining to the lease for office space is $201,000 within one year and $438,000 within five years.

The Group also has lease of an office equipment with low value and applies the lease of low-value assets' recognition exemptions for the lease.

31. LEASES (CONTINUED)

(b) AS A LESSEE (CONTINUED)

The following are amounts recognised in profit or loss:

	Group	
	2019	2018
	$'000	$'000
Expenses relating to short-term lease ending within 12 months from initial application of SFRS(I) 16	**203**	–
Expenses relating to leases of low value	**3**	–
Minimum lease payments	**–**	206
	206	206

32. FUTURE COMMITMENTS

Commitments contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2019	2018
	$'000	$'000
Commitments in respect of contracts placed:		
– Development property	**44,699**	90,840

33. FAIR VALUE OF ASSETS AND LIABILITIES

(a) FAIR VALUE HIERARCHY

The Group and the Company categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant un-observable inputs (Level 3) $'000	Total $'000
2019					
Group					
Non-financial asset					
Investment property	12	-	-	97,263	97,263
Non-financial asset as at 31 December 2019		-	-	97,263	97,263
2019					
Group and Company					
Financial assets					
Equity securities at FVOCI					
Quoted equity shares in an affiliated company	14	4,068	-	-	4,068
Financial assets as at 31 December 2019		4,068	-	-	4,068

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant un-observable inputs (Level 3) $'000	Total $'000
2018					
Group					
Non-financial asset					
Investment property	12	–	–	105,666	105,666
Non-financial asset as at 31 December 2018		–	–	105,666	105,666
2018					
Group and Company					
Financial assets					
Equity securities at fair value through profit or loss					
Quoted equity shares	14	5,203	–	–	5,203
Equity securities at FVOCI					
Quoted equity shares in an affiliated company	14	4,125	–	–	4,125
Financial assets as at 31 December 2018		9,328	–	–	9,328

Determination of fair value

(i) Level 1 fair value measurement

Quoted equity shares (Note 14): Fair value is determined by direct reference to their published market bid price at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

Determination of fair value (Continued)

(ii) Level 3 fair value measurement

For significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 *Fair Value Measurement* guidance to perform the valuation. The valuation expert will provide the fair value of the Group's investment property annually. The valuation and its financial impact are discussed with the Audit Committee and Board of Directors in accordance with the Group's reporting policies.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

Determination of fair value (Continued)

(ii) Level 3 fair value measurement (Continued)

The following table presents the information about fair value measurements using significant unobservable inputs:

Valuation techniques used	Key unobservable inputs	Rate/Range adopted	Inter-relationship between key unobservable inputs and fair value
Capitalisation	Capitalisation rate	5.50% p.a.* (2018: 5.75% p.a)	The estimated fair value varies inversely against capitalisation rate and increases with higher occupancy rate.
	Occupancy rate	87%-91% (2018: 89%-92%)	
Discounted cashflow	Discount rate	6.75% p.a.* (2018: 8.25% p.a.)	The estimated fair value varies inversely against discount rate, but increases with higher terminal yield.
	Terminal yield	5.75% p.a.* (2018: 6% p.a.)	

* p.a. represents per annum

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE BUT FOR WHICH FAIR VALUE IS DISCLOSED

The following table shows an analysis of assets and liabilities not measured at fair value but for which fair value is disclosed:

	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant un-observable inputs (Level 3) $'000	Fair value Total $'000	Carrying amount $'000
2019					
Group					
Financial liabilities					
Trade and other payables (non-current)	-	-	(7,619)	(7,619)	(7,682)
Loans from non-controlling shareholder of a subsidiary	-	-	(30,657)	(30,657)	(33,200)
Company					
Financial assets					
Loans to subsidiaries (non-current)	-	-	143,016	143,016	150,985
Financial liabilities					
Trade and other payables (non-current)	-	-	(75)	(75)	(75)

Determination of fair value

Trade and other payables (non-current) (Note 21) and Loans from non-controlling shareholder of a subsidiary (non-current) (Note 23)

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE BUT FOR WHICH FAIR VALUE IS DISCLOSED (CONTINUED)

	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant un-observable inputs (Level 3) $'000	Fair value Total $'000	Carrying amount $'000
2018					
Group					
Financial liabilities					
Trade and other payables (non-current)	–	–	(3,380)	(3,380)	(3,449)
Loans from non-controlling shareholder of a subsidiary	–	–	(28,265)	(28,265)	(30,324)
Company					
Financial assets					
Loans to subsidiaries (non-current)	–	–	106,238	106,238	112,009
Financial liabilities					
Trade and other payables (non-current)	–	–	(156)	(156)	(164)

(d) FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE AND WHOSE CARRYING AMOUNTS ARE APPROXIMATION OF FAIR VALUE

Trade receivables (Note 17), Deposits and other receivables (Note 18), Advance to non-controlling shareholder of a subsidiary (Note 26), Amounts due from subsidiaries (Note 19), Cash and cash equivalents (Note 20), Trade and other payables (current) (Note 21), Interest-bearing bank loans (Note 22) and Advance from a subsidiary (Note 24)

The carrying amounts of these financial assets and liabilities are a reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk. The Board of Directors reviews and agrees on policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade receivables, investment securities and cash and cash equivalents.

Credit risk arises as the tenants and purchasers of properties may default on their obligations to pay the amounts owing to the Group. The Group requires tenants to place cash deposits equivalent to 3 months' rental upon signing of the lease agreements. The Group entities which develop properties for sale generally have recourse against defaulting purchasers through forfeiture of 20% of purchase price, interest owing on instalments outstanding and re-sale of the re-possessed properties.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

The Group and Company have no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are mainly with parties with good payment record with the Group and Company. Cash and cash equivalents and investment securities that are neither past due nor impaired are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables).

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) LIQUIDITY RISK

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group 2019				
	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
Financial assets					
Investment securities	–	–	–	4,068	4,068
Trade receivables	9,449	–	–	–	9,449
Deposits and other receivables	184	–	–	–	184
Advance to non-controlling shareholder of a subsidiary	1,140	–	–	–	1,140
Cash and cash equivalents	54,196	–	–	–	54,196
Total undiscounted financial assets	64,969	–	–	4,068	69,037
Financial liabilities					
Trade and other payables	22,828	3,821	3,861	–	30,510
Loans from non-controlling shareholder of a subsidiary	–	34,038	–	–	34,038
Interest-bearing bank loans	86,659	–	–	–	86,659
Total undiscounted financial liabilities	109,487	37,859	3,861	–	151,207
Total net undiscounted financial assets/(liabilities)	(44,518)	(37,859)	(3,861)	4,068	(82,170)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) LIQUIDITY RISK (CONTINUED)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Group 2018				
	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
Financial assets					
Investment securities	5,203	–	–	4,125	9,328
Trade receivables	14,486	–	–	–	14,486
Deposits and other receivables	237	–	–	–	237
Advance to non-controlling shareholder of a subsidiary	1,140	–	–	–	1,140
Cash and cash equivalents	87,896	–	–	–	87,896
Total undiscounted financial assets	108,962	–	–	4,125	113,087
Financial liabilities					
Trade and other payables	8,972	1,806	1,643	–	12,421
Loans from non-controlling shareholder of a subsidiary	–	31,290	–	–	31,290
Interest-bearing bank loans	–	210,589	–	–	210,589
Total undiscounted financial liabilities	8,972	243,685	1,643	–	254,300
Total net undiscounted financial assets/(liabilities)	99,990	(243,685)	(1,643)	4,125	(141,213)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) LIQUIDITY RISK (CONTINUED)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Company 2019				
	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
Financial assets					
Investment securities	–	–	–	4,068	4,068
Trade receivables	8	–	–	–	8
Deposits and other receivables	93	–	–	–	93
Amounts due from subsidiaries	409	–	–	–	409
Loans to subsidiaries	–	156,070	–	–	156,070
Cash and cash equivalents	29,704	–	–	–	29,704
Total undiscounted financial assets	30,214	156,070	–	4,068	190,352
Financial liabilities					
Trade and other payables	3,416	17	58	–	3,491
Advance from a subsidiary	5,016	–	–	–	5,016
Total undiscounted financial liabilities	8,432	17	58	–	8,507
Total net undiscounted financial assets/(liabilities)	21,782	156,053	(58)	4,068	181,845

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) LIQUIDITY RISK (CONTINUED)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Company 2018				
	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
Financial assets					
Investment securities	5,203	–	–	4,125	9,328
Trade receivables	7	–	–	–	7
Deposits and other receivables	140	–	–	–	140
Amounts due from subsidiaries	7,163	–	–	–	7,163
Loans to subsidiaries	–	114,490	–	–	114,490
Cash and cash equivalents	67,264	–	–	–	67,264
Total undiscounted financial assets	79,777	114,490	–	4,125	198,392
Financial liabilities					
Trade and other payables	1,284	164	–	–	1,448
Advance from a subsidiary	4,681	–	–	–	4,681
Total undiscounted financial liabilities	5,965	164	–	–	6,129
Total net undiscounted financial assets/(liabilities)	73,812	114,326	–	4,125	192,263

(c) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense would be affected by an adverse movement in interest rates.

Sensitivity analysis for interest rate risk

At the end of the prior reporting period, if interest rates on outstanding borrowings from financial institutions had been 75 basis points lower/higher, with all other variables held constant, the Group's profit before tax would have been $1,076,000 (2018: $1,907,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) MARKET PRICE RISK

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the shares held had been 2% (2018: 2%) higher/lower with all other variables held constant, the Group's fair value adjustment reserve in equity would have been $83,000 (2018: $83,000) higher/lower, arising as a result of an increase/decrease in the fair value on quoted equity shares classified as fair value through other comprehensive income and the Group's profit before tax would have been $Nil (2018: $104,000) higher/lower, arising as a result of higher/lower fair value gains on quoted equity shares classified as fair value through profit or loss.

(e) FOREIGN CURRENCY RISK

The Group is exposed to currency translation risk arising from its property investment operation in Australia.

Below is the breakdown of significant assets and liabilities denominated in AUD:

	Group	
	2019	**2018**
	$'000	**$'000**
Non-current asset		
Investment property	**97,263**	105,666
Current assets		
Trade receivables	**1,220**	495
Other receivables	**3**	–
Prepayments	**7**	7
Cash and cash equivalents	**3,275**	3,276
	4,505	3,778
Non-current liability		
Interest-bearing bank loans	**–**	43,169
Current liabilities		
Trade and other payables	**456**	443
Provision for taxation	**854**	625
	1,310	1,068

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) FOREIGN CURRENCY RISK (CONTINUED)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the AUD exchange rate against SGD, with all other variables held constant, on the Group's other comprehensive income.

	Other comprehensive income	
	2019	**2018**
	$'000	**$'000**
AUD		
– strengthened 5%	**5,023**	3,260
– weakened 5%	**(5,023)**	(3,260)

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2018. The Group is not subject to any externally imposed capital requirements.

The Group seeks to maintain a fair mix of debt and equity. As far as practicable, development expenditures for the Group's projects are funded by external financing from banks or financial institutions. The Group may also obtain loans from shareholders and non-controlling shareholders in accordance with the shareholding percentage in the respective subsidiaries. The debt and equity ratio may vary depending on the cost of capital.

35. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors capital using a net debt to equity ratio, computed by adjusting for the Group's share of interest-bearing bank loans, loans from non-controlling shareholder of a subsidiary, and cash and cash equivalents in accordance with its shareholding percentages in the respective subsidiaries.

	Group	
	2019	2018
	$'000	$'000
Group's share of interest-bearing bank loans in accordance with shareholding percentages in the respective subsidiaries and loans from non-controlling shareholder of a subsidiary	**92,350**	183,862
Less: Group's share of cash and cash equivalents in accordance with shareholding percentages in the respective subsidiaries	**(47,845)**	(84,828)
Net debt	**44,505**	99,034
Equity attributable to shareholders of the Company	**295,547**	256,542
Net debt to equity ratio	**0.2 times**	0.4 times

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

(i) The property development segment is in the business of developing residential, commercial and industrial properties for sale.

(ii) The property investment segment owns and leases investment property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

36. SEGMENT INFORMATION (CONTINUED)

Management monitors the operating results of its business segments separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated on operating profit or loss. The segmented results were as follows:

Geographic location	Singapore		Australia			
Business segments	Property development		Property investment		Consolidated financial statements	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue:						
External customers	**310,276**	69,491	**6,081**	6,729	**316,357**	76,220
Total revenue	**310,276**	69,491	**6,081**	6,729	**316,357**	76,220
Results:						
Interest income	**1,151**	1,547	**6**	–	**1,157**	1,547
Dividend income	**403**	448	**-**	–	**403**	448
Depreciation	**(98)**	(178)	**-**	–	**(98)**	(178)
Net loss on fair value adjustment of investment property	**-**	–	**(6,637)**	–	**(6,637)**	–
Finance costs	**(3,884)**	(5,861)	**(589)**	(1,883)	**(4,473)**	(7,744)
Income tax expense	**(15,851)**	(2,185)	**(1,020)**	(695)	**(16,871)**	(2,880)
Segment profit/(loss)	**68,920**	10,149	**(2,621)**	3,656	**66,299**	13,805
Segment Assets	**390,961**	438,376	**101,767**	109,445	**492,728**	547,821
Segment Liabilities	**166,831**	239,277	**1,310**	44,254	**168,141**	283,531

37. DIVIDENDS

	Group and Company	
	2019 $'000	2018 $'000
Declared and paid during the financial year: Dividends on ordinary shares: – final tax exempt (one-tier) dividend for 2018: 1.20 cents (2017: 1.00 cent) per share	**4,812**	4,010
Proposed but not recognised as a liability as at 31 December: Dividends on ordinary shares, subject to shareholders' approval at the AGM: – final tax exempt (one-tier) dividend for 2019: 1.85 cents (2018: 1.20 cent) per share	**7,418**	4,812

38. EVENTS AFTER THE REPORTING PERIOD

With widespread concerns about the ongoing COVID-19 outbreak, the demand for travel and accommodation services have been impacted subsequent to the year ended 31 December 2019. This will affect the earnings, cash flow and financial condition of the Group's investment property in Australia whose fair value was determined by reference to fair market values as at 31 December 2019 and may have materially changed by the date of this report.

As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19. The financial impact cannot be reasonably determined at this juncture.

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 30 March 2020

ADDITIONAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

The following information relating to Mr Lee Sze Hao and Dr Joseph Yeong Wee Yong, each of whom is standing for re-election as a Director at the forthcoming Annual General Meeting of the Company, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	Lee Sze Hao	Joseph Yeong Wee Yong
Date of first appointment as a Director	1 April 1997	1 January 2020
Date of last re-election as a Director	26 April 2017	Not applicable
Age	56	68
Country of principal residence	Singapore	Singapore
The Board's comments on the re-election	The Board, having considered the recommendation of the NC, is of the view that Mr Lee Sze Hao has the relevant knowledge and experience to continue to lead the Company effectively.	The Board, having considered the recommendation of the NC, is of the view that Dr Joseph Yeong Wee Yong has the requisite management skills and knowledge to contribute positively to the Company.
Whether appointment is executive and if so, the area of responsibility	Executive. Mr Lee Sze Hao is responsible for implementing the Company's strategies and policies, driving financial performance, recommending new business initiatives and managing the operations of the Company.	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member, etc.)	Managing Director and Chief Executive Office	• Audit Committee (Member) • Nominating Committee (Member) • Remuneration Committee (Member)
Professional qualifications	Bachelor of Science in Business, Indiana University	• Bachelor of Science (Hons), former Nanyang University • Master of Mathematics, University of Waterloo • Ph.D. in Management Sciences, University of Waterloo

ADDITIONAL **INFORMATION**

Name of Director	Lee Sze Hao	Joseph Yeong Wee Yong
Shareholding interest in the Company and its subsidiaries	Shareholding interest in the Company as at 12 March 2020: • 705,800 shares held directly • 159,702,246 shares held by F.H. Lee Holdings (Pte) Limited, Laurels Investments Pte. Ltd. and Soh Shin Yann Susan	Shareholding interest in the Company as at 12 March 2020: • Nil
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	• Sibling of Lee Sze Leong, Chairman of the Board of Directors of the Company • Director and shareholder of F.H. Lee Holdings (Pte) Limited, substantial shareholder of the Company	No
Conflict of interest (including any competing business)	No	No
Other principal commitments (including directorships) – Present	F.H. Lee Holdings (Pte) Limited (Director)	Lee Kuan Yew School of Public Policy, National University of Singapore (Adjunct Professor)
Other principal commitments (including directorships) – Past, for the last 5 years	Nil	• Sing Investments & Finance Limited (Non-executive Director) • Singapore Clinical Research Institute (Director)

ADDITIONAL **INFORMATION**

Name of Director	Lee Sze Hao	Joseph Yeong Wee Yong
Working experience and occupation(s) during the past 10 years	Sing Holdings Limited (Managing Director and Chief Executive Officer)	• Sing Investments & Finance Limited (Non-executive Director) • Singapore Clinical Research Institute (Director) • Ascensia Education Group Pte. Ltd. (Chairman) • SGP International Management Academy Pte. Ltd. (President) • Lee Kuan Yew School of Public Policy, National University of Singapore (Adjunct Professor)
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes
Disclosure on the following matters concerning the Director:		
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION

Name of Director	Lee Sze Hao	Joseph Yeong Wee Yong
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c. Whether there is any unsatisfied judgment against him?	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL **INFORMATION**

Name of Director	Lee Sze Hao	Joseph Yeong Wee Yong
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION

Name of Director	Lee Sze Hao	Joseph Yeong Wee Yong
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Around 29 years ago, the Commercial Affairs Department interviewed Mr Lee Sze Hao concerning multiple share applications in several initial public share offers in the late 1980s. Following his interview and clarification, there was no further development in connection with the investigation since then.	No

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2020

SHARE CAPITAL

Issued and fully paid	:	$106,737,447.21
Number of shares	:	400,994,652
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	21	0.95	986	0.00
100 – 1,000	165	7.46	114,204	0.03
1,001 – 10,000	819	37.03	5,348,114	1.33
10,001 – 1,000,000	1,166	52.71	78,329,107	19.53
1,000,001 and above	41	1.85	317,202,241	79.11
Total	2,212	100.00	400,994,652	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	F.H. Lee Holdings (Pte) Limited	142,952,246	35.65
2	DBS Nominees (Private) Limited	14,605,993	3.64
3	Ang Ah Beng	13,536,000	3.38
4	Phillip Securities Pte Ltd	11,849,876	2.96
5	Raffles Nominees (Pte.) Limited	11,527,711	2.87
6	Laurels Investments Pte. Ltd.	11,350,000	2.83
7	Citibank Nominees Singapore Pte Ltd	8,831,790	2.20
8	Koh Boon Hong	8,765,000	2.19
9	Tan Gee Beng Private Ltd	5,730,000	1.43
10	Lee Heng Wah @ Lee Heng Guan	5,620,000	1.40
11	OCBC Securities Private Limited	5,570,600	1.39
12	Soh Shin Yann Susan	5,400,000	1.35
13	Lim Kok Gin Holdings Pte. Ltd.	5,231,544	1.30
14	DBS Vickers Securities (Singapore) Pte Ltd	5,005,165	1.25
15	Kong Hoa Pte Limited	4,292,743	1.07
16	Maybank Kim Eng Securities Pte. Ltd.	4,273,338	1.07
17	See Kim Hua @ Tan Kim Hua	4,010,000	1.00
18	United Overseas Bank Nominees (Private) Limited	3,979,458	0.99
19	Cosmos Investment Pte Ltd	3,590,000	0.90
20	Sunarko Holding Pte Ltd	3,500,000	0.87
	Total	279,621,464	69.74

STATISTICS OF SHAREHOLDINGS
AS AT 12 MARCH 2020

SUBSTANTIAL SHAREHOLDERS

		Number of Shares			
No.	Name	Shareholdings registered in the name of substantial shareholders or their nominees	%	Shareholdings in which substantial shareholders are deemed to have an interest	%
1	F. H. Lee Holdings (Pte) Limited	142,952,246	35.65	0	0.00
2	Lee Sze Leong[(1)]	2,752,432	0.69	142,952,246	35.65
3	Lee Sze Siong[(2)]	2,185,096	0.54	142,952,246	35.65
4	Lee Sze Hao[(3)]	705,800	0.18	159,702,246	39.83

Notes:
(1) Lee Sze Leong is deemed to be interested in 142,952,246 shares held by F.H. Lee Holdings (Pte) Limited.
(2) Lee Sze Siong is deemed to be interested in 142,952,246 shares held by F.H. Lee Holdings (Pte) Limited.
(3) Lee Sze Hao is deemed to be interested in 142,952,246 shares held by F.H. Lee Holdings (Pte) Limited, 11,350,000 shares held by Laurels Investments Pte. Ltd. and 5,400,000 shares held by Soh Shin Yann Susan.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company, the percentage of shareholdings held in the hands of the public was approximately 56.19% as at 12 March 2020. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

TREASURY SHARES HELD

The Company did not hold any treasury shares as at 12 March 2020.

DIRECTORS' SHAREHOLDINGS AS AT 21 JANUARY 2020

As disclosed in the Directors' Statement, the shares held by the Directors as at 31 December 2019 remain unchanged as at 21 January 2020.

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