



SING HOLDINGS LIMITED



ANNUAL REPORT 2020

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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 experience 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 42 strata units in BizTech Centre, a light industrial building. 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's upcoming project will be an Executive Condominium development in Yishun of more than 600 apartment units with facilities.

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 the 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 the Group successfully bid for a land parcel at Yishun Avenue 9 in 2020 for an Executive Condominium development of more than 600 apartment units with facilities."

LEE SZE LEONG
Chairman



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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 2020 ("FY2020").

FINANCIAL REVIEW

The Group reported a profit attributable to shareholders of \$16.6 million for FY2020. Revenue for the year comprised recognition of sales proceeds from Parc Botannia, a residential development at Fernvale Street, and rental income from Travelodge Docklands, a limited service hotel in Melbourne. Revenue for FY2020 dropped due to a much lower percentage of recognition achieved for Parc Botannia as construction work was severely hampered

by the COVID-19 pandemic. In addition, rental income from Travelodge Docklands decreased substantially due to the dismal hotel performance in the face of border closures, travel restrictions and lockdowns.

Other income arose mainly from rental income from BizTech Centre, interest income, dividend income and receipt of Government grants. Operating expenses decreased due to lower staff costs and lower marketing expenses incurred for Parc Botannia. Finance costs dropped as a result of repayment of bank loans during the year. The Group recorded fair value loss on Travelodge Docklands as the valuation of the hotel was impacted in light of the pandemic.

Equity attributable to shareholders rose by \$15.9 million to \$311.4 million due to profit reported for FY2020 and foreign currency translation gain arising from the strengthening Australian Dollar, partly offset by payment of dividends in respect of the preceding financial year.

DIVIDENDS

Subject to approval by shareholders at the forthcoming Annual General Meeting ("AGM"), the Board is recommending a first and final one-tier tax exempt dividend of 1.00 cent per ordinary share.

BUSINESS REVIEW

2020 was undeniably an arduous year for most business sectors. Other than health and safety concerns, businesses had

CHAIRMAN'S MESSAGE



to continually grapple with the uncertainties brought about by the COVID-19 pandemic and the economic impact of the measures taken to combat this global crisis. The Singapore economy shrank by 5.4% for the whole of 2020 compared to the 1.3% growth recorded in 2019. Real estate sector also saw a full-year contraction of 14.2%. Prices of private residential properties, however, remained resilient, registering an increase of 2.2% for the whole of 2020 (2019: 2.7% increase).

An update on the Group's portfolio is set out below:

Land Parcel at Yishun Avenue 9, Singapore

The Group successfully bid for a land parcel at Yishun Avenue 9 in October 2020. The purchase price was \$373.5 million and the acquisition was completed in February 2021. The 99-year leasehold land has a gross floor area of 60,240 square metres and is slated for an Executive Condominium ("EC") development. It is nestled opposite the tranquil Khatib Bongsu Nature Park, yet enjoys good connectivity to other parts of the island via major roads

and expressways including the future North-South Corridor.

The proposed EC development will comprise twelve blocks of 14-storey buildings with more than 600 apartment units with facilities. This project is wholly-owned by the Group. Construction is expected to commence in the second half of this year and sales launch is tentatively scheduled for the first half of next year. As an EC development, revenue from sales of units will be recognised only upon completion of the construction project.

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. The development is in close proximity to amenities such as The Seletar Mall and the eateries along Jalan Kayu.

The private condominium development comprises four blocks of 22-storey buildings with 735 apartment units. The Group has a 70% interest in this

development project. All units at Parc Botannia have been sold at an aggregate sales value of about \$730.8 million. Revenue from sales will continue to be recognised over time as construction progresses. With the COVID-19 pandemic, construction progress has been adversely impacted by the circuit breaker, the delay in resumption of construction work and the prevailing labour crunch.

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 42 strata units in the building with a saleable area of 43,102 square feet. The units are leased to multiple tenants which provide a steady stream of recurring income to the Group. Renewals of leases have been affected by the pandemic, resulting in a drop in occupancy rate to about 77%.

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. 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

CHAIRMAN'S MESSAGE

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companies which operates hotels across Australia, New Zealand and Europe.

Performance of Travelodge Docklands has been afflicted by the measures taken to combat the pandemic, with occupancy rates plummeting to low single digits since mid-2020. This has affected its earnings, cash flow and financial condition badly. Valuation of the hotel has also been hit, resulting in fair value loss of about AUD 9.3 million being recorded for FY2020. In view of the low occupancy, the Group took the opportunity to refurbish the hotel lobby into a modern, vitalising space in the hope of attracting guests to the hotel when the hospitality sector in Melbourne recovers.

OUTLOOK

While the COVID-19 situation in Singapore is currently under control and its vaccination programme is underway, uncertainties and risks in the global economy persist. The Singapore economy is expected to recover gradually in 2021 although outlook remains uneven across sectors. The Ministry of Trade and Industry is forecasting GDP growth at 4.0% to 6.0% for 2021. The Australian economy is also expected to gain some momentum this year, as the country has been relatively successful in suppressing the pandemic. It is projecting a GDP growth of about 4.0% over the course of 2021.

The Board is cautiously optimistic of a gradual recovery in both the Singapore and Australian economies over the next 12 months, as green shoots are beginning to show in both countries. At the same time, we remain mindful of the uncertainties in the global economy and the risks of a repeated wave of infections or the emergence of new strains of the coronavirus. The Board will continue to focus on the Group's core business of property development and investment. We will actively explore property development opportunities in Singapore in our bid to achieve sustainable growth and profitability.

CHAIRMAN'S MESSAGE

APPRECIATION

On behalf of the Board of Directors, I would like to express our sincere appreciation to Mr Ong Loke Min David, who will be stepping down from the Board after the forthcoming AGM. Mr Ong brought with him in-depth industry knowledge and experience which benefitted the Group tremendously. We thank Mr Ong for his invaluable time and guidance over the past nine years.

I would like to express our gratitude to our valued shareholders, customers, bankers and business partners for their support and confidence in us, especially during these challenging times. I would also like to thank my fellow directors for their stewardship and compliment our staff for their versatility and dedication. Together, we can ride out this unprecedented crisis and emerge stronger.

LEE SZE LEONG

Chairman
29 March 2021



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FINANCIAL HIGHLIGHTS

	2020	2019	2018	2017	2016
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Group Income Statements (\$'000)

Revenue	173,102	316,357	76,220	41,248	279,498
Profit before tax	36,073	83,170	16,685	5,771	42,813
Profit attributable to shareholders	16,563	45,371	11,154	3,305	26,266

Group Balance Sheets (\$'000)

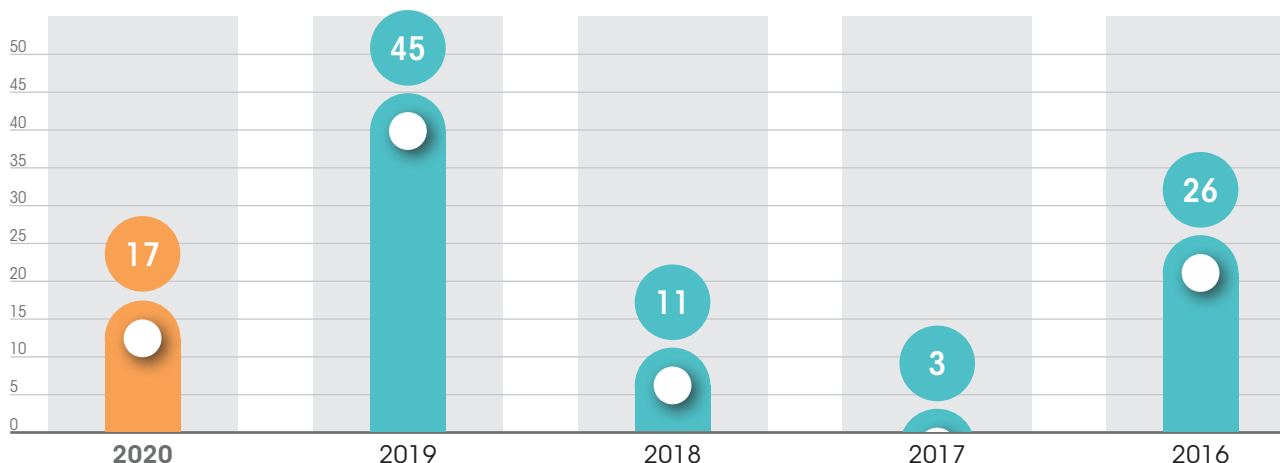
Investment property	95,579	97,263	105,666	114,851	-
Development properties	78,780	168,336	305,166	323,579	295,915
Completed properties	23,675	23,675	23,675	24,268	114,769
Deposits and other receivables	93,502	184	237	252	5,706
Contract assets	207,522	134,305	0	0	0
Cash and cash equivalents	34,512	54,196	87,896	108,828	53,366
Other assets	20,053	14,769	25,181	36,083	43,431
Total assets	553,623	492,728	547,821	607,861	513,187

Interest-bearing bank loans	123,605	84,500	200,839	274,463	200,970
Other liabilities	79,257	83,641	82,692	73,552	47,571
Shareholders' funds	311,400	295,547	256,542	254,749	256,680
Non-controlling interests	39,361	29,040	7,748	5,097	7,966
Total liabilities and equity	553,623	492,728	547,821	607,861	513,187

Shareholders' Return

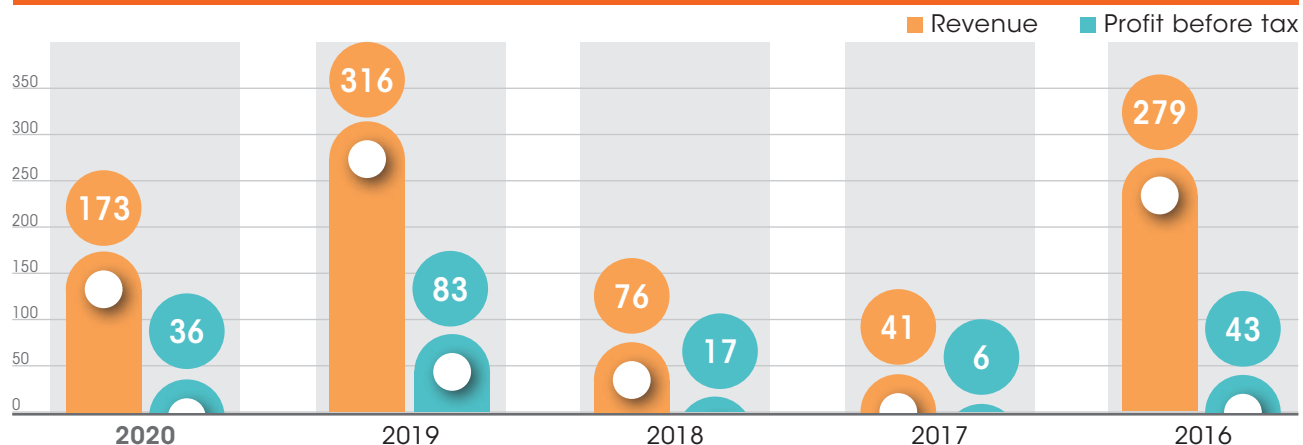
Earnings per share (cents)	4.13	11.31	2.78	0.82	6.55
Net asset value per share (cents)	77.66	73.70	63.98	63.53	64.01
Dividend per share (cents)	1.000	1.850	1.200	1.000	1.375

PROFIT ATTRIBUTABLE TO SHAREHOLDERS \$ million

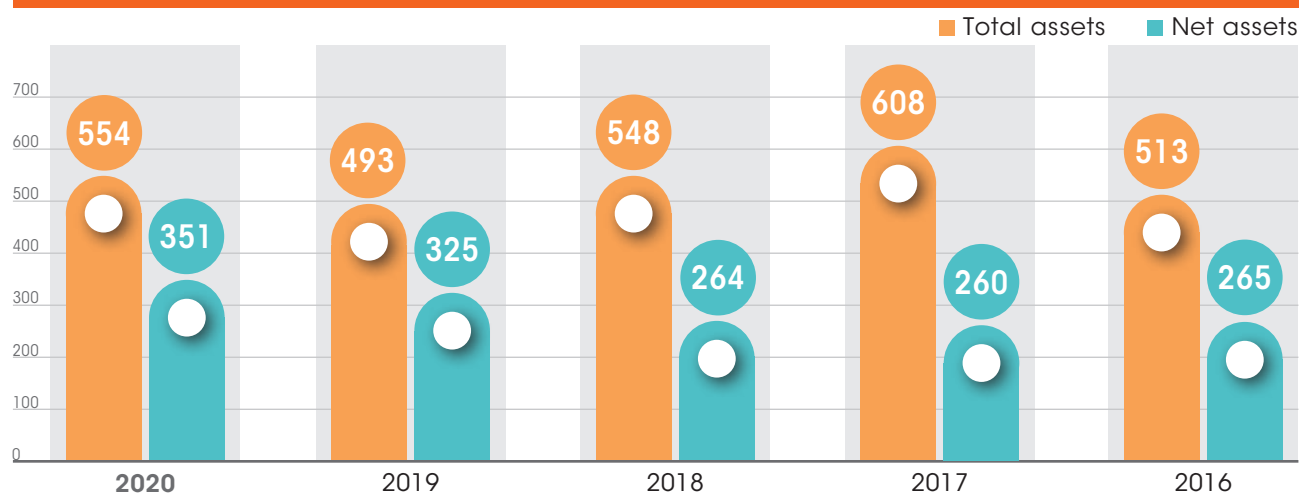


FINANCIAL HIGHLIGHTS

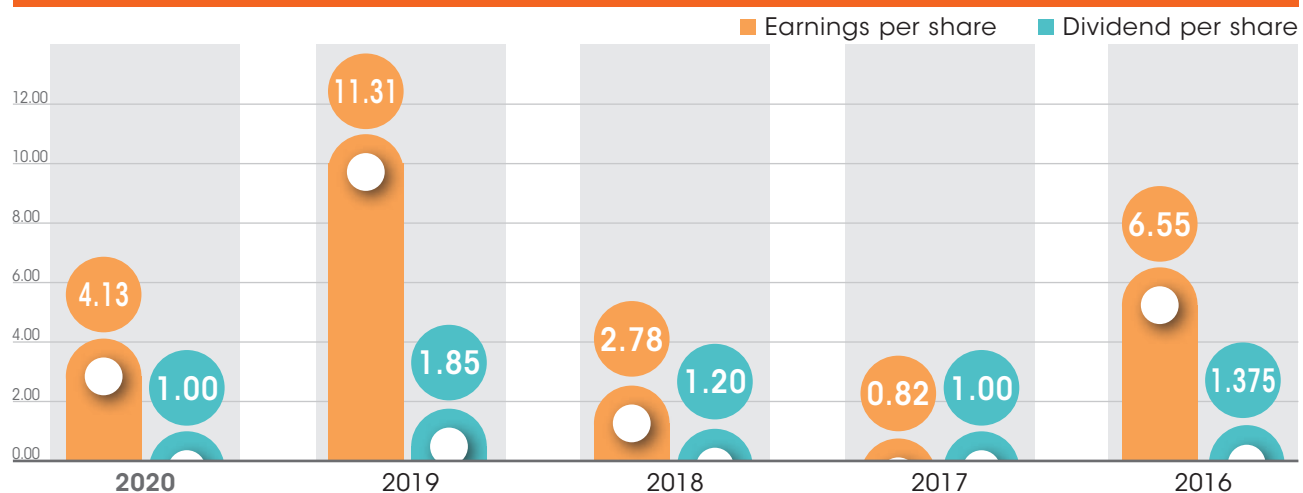
GROUP INCOME STATEMENTS \$ million



GROUP BALANCE SHEETS \$ million



SHAREHOLDERS' RETURN cents



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

Dr Joseph Yeong Wee Yong
Chairman

Mr Ong Loke Min David
Mr Tan Tong Guan
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

REGISTRATION NUMBER

196400165G

REGISTERED OFFICE

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Singapore 068899

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enquiries@singholdings.com

Website:
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EXTERNAL 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

INTERNAL AUDITORS

Nexia TS Risk Advisory Pte. Ltd.
80 Robinson Road
#25-00
Singapore 068898

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

United Overseas Bank Limited
Malayan Banking Berhad
Oversea-Chinese Banking
Corporation Limited

CORPORATE STRUCTURE



Notes:

- (1) The Company owns, directly and indirectly, 100% interest in two property trusts constituted in Australia.
(2) Formerly known as Sing Properties Pte. Ltd.

BOARD OF DIRECTORS

AS AT 15 MARCH 2021



MR LEE SZE LEONG, 62
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 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 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 Honorary Secretary 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, General Affairs Committee and Property Management 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 conferred 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, 57
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 20 May 2020. Mr Lee is also the Managing Director of the various subsidiaries of the Company.

Prior to joining the Group, Mr Lee had 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 an 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 15 MARCH 2021



**MR ONG LOKE MIN
DAVID, 65**
INDEPENDENT DIRECTOR

Mr Ong is an Independent Director of the Company. He is the Chairman of the Company's Remuneration Committee and a member of its Audit Committee and Nominating Committee. He was last re-elected as director at the Company's Annual General Meeting on 26 April 2018. Mr Ong, who has been an Independent Director of the Company for more than nine years, is not seeking re-election as a director at the Company's forthcoming Annual General Meeting.

Mr Ong has more than 40 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.



MR TAN TONG GUAN, 57
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 was conferred the Public Service Medal (Pingat Bakti Masyarakat) in 2020. Mr Tan 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.

BOARD OF DIRECTORS

AS AT 15 MARCH 2021



**DR JOSEPH YEONG
WEE YONG, 69**
INDEPENDENT DIRECTOR

Dr Yeong is an Independent Director of the Company. He is the Chairman of the Company's Nominating Committee and a member of its Audit Committee and Remuneration Committee. He was last re-elected as director at the Company's Annual General Meeting on 20 May 2020.

Dr Yeong is the founder of SGP International Management Academy, an institute of management education and customised 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 15 MARCH 2021

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.

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 has established a formal code of conduct and ethics to set an appropriate tone from the top and desired organisational culture and ensure 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 six months 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	2	1	1
Number of meetings attended:				
Mr Lee Sze Leong	7	2	1	1
Mr Lee Sze Hao	7	NM	NM	NM
Mr Ong Loke Min David	7	2	1	1
Mr Tan Tong Guan	6	2	1	1
Dr Joseph Yeong Wee Yong	7	2	1	1

Note:

"NM" denotes non-member

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 for the financial year ended 31 December 2020 ("FY2020").

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, 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

CORPORATE GOVERNANCE REPORT

the Director is to be considered as independent notwithstanding the existence of relationships with the Company, it will provide reasons for its determination. The independence of any director who has served on the Board beyond nine years from the date of his first appointment is subject to particularly rigorous review by the Board.

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 and 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 the 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 the 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 operations 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.

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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. 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, Dr Joseph Yeong Wee Yong, Chairman of the NC, Mr Tan Tong Guan, Mr Lee Sze Leong and Mr Ong Loke Min David. Dr Yeong, Mr Tan and Mr Ong are Independent Directors and Dr Yeong, 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 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	20.05.2020
Mr Ong Loke Min David	M	M	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	C	M	01.01.2020	20.05.2020

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)	<ul style="list-style-type: none"> • 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 (Honorary Secretary) • 60th Singapore Chinese Chamber of Commerce & Industry (SCCCI) (Council Member) • 60th SCCCI Finance Committee (Member) • 60th SCCCI General Affairs Committee (Member) • 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)

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Board Members	Current listed company directorships	Principal commitments
Mr Ong Loke Min David	-	LMO & Associates Pte Ltd (Director)
Mr Tan Tong Guan	Asia Vets Holdings Ltd. (Executive Chairman and Chief Executive Officer)	<ul style="list-style-type: none"> • Asia Vets Holdings Ltd. (Executive Chairman and Chief Executive Officer) • Tan Gee Beng Private Limited (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) • Centrepont 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 limit on the 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 directors 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 for consideration, 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 their 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 FY2020.

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. The RC commissions an external remuneration consultant to conduct benchmarking exercise for the CEO's remuneration package triennially. The Company did not engage any external remuneration consultant during FY2020 and the RC intends to commission such benchmarking exercise for the CEO's remuneration package for the financial year ending 31 December 2021 ("FY2021").

The RC also reviews the Company's obligations in the event of termination of the executive director's and key management personnell'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 two 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.

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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 FY2020 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	
<u>Directors</u>						
Mr Lee Sze Leong	-	100%	-	-	100%	\$ 253,000
Mr Lee Sze Hao	42%	-	3%	55%	100%	\$ 1,666,456
Mr Ong Loke Min David	-	100%	-	-	100%	\$ 55,500
Mr Tan Tong Guan	-	100%	-	-	100%	\$ 58,000
Dr Joseph Yeong Wee Yong	-	100%	-	-	100%	\$ 55,500

Notes:

- (1) Subject to approval by shareholders at the forthcoming AGM.
(2) Other benefits refer to car benefits and unutilised leave balance.

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 in 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 \$100,000 during FY2020.

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 half yearly 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 updates 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 puts 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 FY2020 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 FY2020.

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 auditor;
- 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
- review 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 auditor 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 FY2020 under an internal audit plan. While the AC did not meet with the internal auditor separately without the presence of Management during FY2020, on an as-and-when-required basis, the internal auditor will 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.

During FY2020, the Company engaged a member firm of the external auditor for tax advice and consultation. A breakdown of the fees paid or payable in total for audit and non-audit services respectively is disclosed in Note 8 (Profit before tax) to the Financial Statements. The AC has reviewed the nature and extent of the non-audit services and is of the opinion that such services would not affect the independence and objectivity of the external auditor.

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In the Independent Auditor's Report for FY2020, the external auditor has highlighted the following key audit matters:

- *Fair valuation of investment property*

The Group's investment property comprises Travelodge Docklands. The external auditor has identified this as a key audit matter because the investment property represents a material portion of the Group's non-current assets and total assets as at 31 December 2020. Furthermore, there was an increase in the level of estimation uncertainty in determining the valuation of investment properties arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

The Group commissioned an accredited external valuation expert to determine the fair value of the investment property at 31 December 2020. 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 external auditor's audit procedures, the external auditor had evaluated the competence, objectivity and qualifications of the valuation expert, made enquiries on 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 FY2020. In determining progress for revenue recognition based on 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 external auditor's audit procedures, they had obtained an understanding of the Group's processes and controls for recognising revenue over time. They also assessed Management's estimates in determining the total budgeted cost for the project as well as the arithmetic accuracy of the revenue recognised based on progress as determined using the input method. 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 half yearly unless the matter requires the immediate attention of the AC. The AC reviews the whistle-blowing

CORPORATE GOVERNANCE REPORT

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 FY2020 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.

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 FY2020. 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.

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Due to the COVID-19 pandemic, shareholders will not be allowed to attend the forthcoming AGM in persons. Instead, following the passing of the COVID-19 (Temporary Measures) Act 2020 (the "COVID-19 Act") and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "COVID-19 Order") and which is applicable for the period 27 March 2020 to 30 June 2021, alternative arrangements have been put in place to allow shareholders to participate at the forthcoming AGM by (a) watching the AGM proceedings via "live" webcast or listening to the AGM proceedings via "live" audio feed, (b) submitting questions in advance of the AGM, and/or (c) voting by proxy at the AGM.

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. Following the passing of the COVID-19 Act and the COVID-19 Order and which is applicable for the period 27 March 2020 to 30 June 2021, the Company will be uploading electronic copies of the FY2020 Annual Report, Notice of AGM and Proxy Form for the forthcoming AGM via SGXNet and on the Company's website for shareholders viewing. The Company will not be despatching printed copies of the Annual Report, Notice of AGM and Proxy Form to shareholders.

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 FY2020 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

CORPORATE GOVERNANCE REPORT

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. As shareholders are unable to attend the forthcoming AGM in person, under the COVID-19 Act and the COVID-19 Order which is applicable for the period 27 March 2020 to 30 June 2021, shareholders are able to participate and vote at the forthcoming AGM by way of proxy.

The Company Secretary prepares detailed minutes of general meetings, which includes 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.

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

CORPORATE GOVERNANCE REPORT

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 in the future.

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.

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 FY2020 will also be set out in the Company's sustainability report which will be published on or before 31 May 2021.

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. As the Company is not required to comply with Rule 705(2) of the SGX-ST Listing Manual, it only announces 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

CORPORATE GOVERNANCE REPORT

of the relevant results. The Company also prohibits Directors and staff from dealing 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

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 FY2020.

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.

Other than as disclosed in Note 31 (Related party transactions) to the Financial Statements, there were no interested person transactions entered into during FY2020 for which disclosure is required under Rule 907 of the SGX-ST Listing Manual.

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 2021, 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 SGX-ST 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.

Board Matters	Remuneration Matters	Shareholder Rights and Responsibilities
The Board's Conduct of Affairs <u>Principle 1</u> Provision 1.1 Page 14 Provision 1.2 Page 16 Provision 1.3 Page 14 Provision 1.4 Page 15 Provision 1.5 Page 14, 15 Provision 1.6 Page 15 Provision 1.7 Page 15 Board Composition and Guidance <u>Principle 2</u> Provision 2.1 Page 16 Provision 2.2 Page 16 Provision 2.3 Page 16 Provision 2.4 Page 17 Provision 2.5 Page 17 Chairman and Chief Executive Officer <u>Principle 3</u> Provision 3.1 Page 17 Provision 3.2 Page 17 Provision 3.3 Page 18 Board Membership <u>Principle 4</u> Provision 4.1 Page 18 Provision 4.2 Page 18 Provision 4.3 Page 22 Provision 4.4 Page 18 Provision 4.5 Page 18-21 Board Performance <u>Principle 5</u> Provision 5.1 Page 22 Provision 5.2 Page 22	Procedures for Developing Remuneration Policies <u>Principle 6</u> Provision 6.1 Page 23 Provision 6.2 Page 23 Provision 6.3 Page 23 Provision 6.4 Page 23 Level and Mix of Remuneration <u>Principle 7</u> Provision 7.1 Page 24 Provision 7.2 Page 24 Provision 7.3 Page 24 Disclosure on Remuneration <u>Principle 8</u> Provision 8.1 Page 25 Provision 8.2 Page 25 Provision 8.3 Page 25 Accountability and Audit Risk Management and Internal Controls <u>Principle 9</u> Provision 9.1 Page 26 Provision 9.2 Page 27 Audit Committee <u>Principle 10</u> Provision 10.1 Page 27, 28 Provision 10.2 Page 27 Provision 10.3 Page 30 Provision 10.4 Page 30 Provision 10.5 Page 28	Shareholder Rights and Conduct of General Meetings <u>Principle 11</u> Provision 11.1 Page 30 Provision 11.2 Page 31 Provision 11.3 Page 31 Provision 11.4 Page 32 Provision 11.5 Page 32 Provision 11.6 Page 32 Engagement with Shareholders <u>Principle 12</u> Provision 12.1 Page 32 Provision 12.2 Page 33 Provision 12.3 Page 32, 33 Managing Stakeholders Relationships Engagement with Stakeholders <u>Principle 13</u> Provision 13.1 Page 33 Provision 13.2 Page 33 Provision 13.3 Page 33

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 2020.

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 2020 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	

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:

Name of director	Direct interest		Deemed interest	
	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	2,752,432	2,752,432	142,952,246	142,952,246
Lee Sze Hao	705,800	705,800	159,132,246	159,702,246
Ong Loke Min David	300,000	300,000	–	–
Tan Tong Guan	–	–	9,120,000	9,820,000

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

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 2020, 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

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 2021

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020, 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 2020 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 2020

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 2020, the fair value of this investment property is \$95.6 million. We have identified this as a key audit matter because the investment property represents 95.8% of non-current assets and 17.3% of total assets of the Group, respectively. Additionally, as disclosed and explained in more detail in Note 12, there was an increase in the level of estimation uncertainty in determining the valuation of investment properties arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

The Group engaged an accredited external valuation expert to determine the fair value of the investment property at 31 December 2020. 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, independence, objectivity and qualifications of the valuation expert. We reviewed the valuation report to understand the valuation methodologies, the key inputs used in the valuation, the assumptions applied and how the impact of COVID-19 has been considered. We engaged our internal valuation specialist to assist us in reviewing the external valuation report. The methodologies were compared against acceptable methodologies used by other valuers. The significant assumptions such as capitalisation rate, discount rate and price per room were assessed for reasonableness by comparing to industry research data.

We have assessed the adequacy of the related disclosures in Notes 3.2(a), 12 and 34(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 2020, the Group recognised revenue of \$172.4 million for the units sold. This represents 99.6% of the Group's 2020 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 2020 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Key Audit Matters (Continued)

Over time revenue recognition used for development property for sale (Continued)

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 and revisions to cost estimates as a result of slower than expected project timeline due to delays caused by COVID-19. We verified costs incurred to invoiced amounts for work completed up to 31 December 2020. The sales prices of the sold units used in the revenue recognition computation were agreed to sales agreements signed on or before 31 December 2020. 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.

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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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 2021

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Revenue			
Cost of sales	4(a)	173,102 (123,248)	316,357 (216,843)
Gross profit		49,854	99,514
Other income	5	1,957	3,913
Administrative expenses		(3,836)	(5,863)
Sales and marketing expenses		(352)	(2,522)
Other operating expenses	6	(10,002)	(7,399)
Finance costs	7	(1,548)	(4,473)
Profit before tax	8	36,073	83,170
Income tax expense	9	(8,377)	(16,871)
Profit for the year		27,696	66,299
Attributable to:			
Shareholders of the Company		16,563	45,371
Non-controlling interests		11,133	20,928
		27,696	66,299
Earnings per share attributable to shareholders of the Company, basic and diluted (cents per share)	10	4.13	11.31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020 \$'000	2019 \$'000
Profit for the year	27,696	66,299
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net fair value loss on equity instruments at fair value through other comprehensive income (FVOCI)	(313)	(57)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	7,021	(1,497)
Total comprehensive income for the year	34,404	64,745
Total comprehensive income attributable to:		
Shareholders of the Company	23,271	43,817
Non-controlling interests	11,133	20,928
	34,404	64,745

BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-current assets					
Property, plant and equipment	11	12	61	12	61
Investment property	12	95,579	97,263	-	-
Investment in subsidiaries and trusts	13	-	-	51,109	52,261
Investment securities	14	3,755	4,068	3,755	4,068
Loans to subsidiaries	26	-	-	152,257	150,985
Right-of-use assets	32(b)	393	-	393	-
		99,739	101,392	207,526	207,375
Current assets					
Development property	15	78,780	168,336	-	-
Completed properties	16	23,675	23,675	23,675	23,675
Investment securities	14	205	-	205	-
Trade receivables	17	690	9,449	-	8
Deposits and other receivables	18	93,502	184	93,433	93
Prepayments	19	14,998	51	14,967	18
Contract assets	4(b)	207,522	134,305	-	-
Advance to non-controlling shareholder of a subsidiary	27	-	1,140	-	-
Amounts due from subsidiaries	20	-	-	182	409
Cash and cash equivalents	21	34,512	54,196	915	29,704
		453,884	391,336	133,377	53,907
Current liabilities					
Trade and other payables	22	12,757	23,246	2,164	3,548
Interest-bearing bank loans	23	123,605	84,500	14,925	-
Loans from non-controlling shareholder of a subsidiary	24	35,568	-	-	-
Advance from subsidiaries	25	-	-	6,955	5,016
Lease liabilities	32(b)	208	-	208	-
Provision for taxation		866	1,949	825	1,095
		173,004	109,695	25,077	9,659
Net current assets		280,880	281,641	108,300	44,248
Non-current liabilities					
Trade and other payables	22	3,948	7,682	161	75
Loans from non-controlling shareholder of a subsidiary	24	-	33,200	-	-
Advance from subsidiaries	25	-	-	70,956	-
Lease liabilities	32(b)	214	-	214	-
Deferred tax liabilities	28	25,696	17,564	25	15
		29,858	58,446	71,356	90
Net assets		350,761	324,587	244,470	251,533
Equity attributable to shareholders of the Company					
Share capital	29	104,951	104,951	104,951	104,951
Reserves	30	206,449	190,596	139,519	146,582
		311,400	295,547	244,470	251,533
Non-controlling interests		39,361	29,040	-	-
Total equity		350,761	324,587	244,470	251,533

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 2020

		Attributable to shareholders of the Company						
		Non-distributable			Distributable			
			Fair value	Foreign				
		Share	adjustment	translation	Revenue		Non-	
		capital	reserve	reserve	reserve		controlling	
Note	(Note 29)	(Note 30)	(Note 30)	(Note 30)	(Note 30)	Total	interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group								
At 1 January 2020		104,951	987	(7,351)	196,960	295,547	29,040	324,587
Profit for the year		-	-	-	16,563	16,563	11,133	27,696
Other comprehensive								
income for the year								
Net fair value loss on equity								
instruments at FVOCI		-	(313)	-	-	(313)	-	(313)
Foreign currency translation		-	-	7,021	-	7,021	-	7,021
Total comprehensive								
income for the year		-	(313)	7,021	16,563	23,271	11,133	34,404
Distribution to non-								
controlling shareholder								
of a subsidiary upon								
winding-up		-	-	-	-	-	(1,158)	(1,158)
Deemed capital contribution								
arising from interest-free								
loans from non-controlling								
shareholder of a subsidiary		-	-	-	-	-	346	346
Dividends on ordinary shares	38	-	-	-	(7,418)	(7,418)	-	(7,418)
At 31 December 2020		104,951	674	(330)	206,105	311,400	39,361	350,761

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Attributable to shareholders of the Company						
		Non-distributable			Distributable			
		Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Revenue reserve	Total	Non-controlling interests	Total equity
(Note 29)	(Note 30)	(Note 30)	(Note 30)					
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
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
<u>Other comprehensive income for the year</u>								
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	38	-	-	-	(4,812)	(4,812)	-	(4,812)
At 31 December 2019		104,951	987	(7,351)	196,960	295,547	29,040	324,587

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Non-distributable	Fair value	Distributable	Total
		Share capital (Note 29) \$'000	adjustment reserve (Note 30) \$'000	Revenue reserve (Note 30) \$'000	
Company					
At 1 January 2020		104,951	987	145,595	251,533
Profit for the year		-	-	668	668
Other comprehensive income for the year					
Net fair value loss on equity instruments at FVOCI		-	(313)	-	(313)
Total comprehensive income for the year		-	(313)	668	355
Dividends on ordinary shares	38	-	-	(7,418)	(7,418)
At 31 December 2020		104,951	674	138,845	244,470
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 loss for the year		-	(57)	(3,995)	(4,052)
Dividends on ordinary shares	38	-	-	(4,812)	(4,812)
At 31 December 2019		104,951	987	145,595	251,533

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Profit before tax		36,073	83,170
Adjustments for:			
Depreciation of property, plant and equipment	11	57	98
Depreciation of right-of-use assets	32(b)	196	-
Interest expense	7	1,548	4,473
Interest income	5	(338)	(1,157)
Dividend income from equity securities at FVOCI	5	(171)	(199)
Dividend income from equity securities at fair value through profit or loss	5	(23)	(204)
Fair value loss on equity securities at fair value through profit or loss	6	57	-
Gain on sale of equity securities at fair value through profit or loss	5	(20)	(994)
Net loss on fair value adjustment of investment property	6	8,898	6,637
Gain on winding-up of a subsidiary	5	(5)	-
Foreign exchange loss/(gain)		45	(60)
Operating cash flows before changes in working capital		46,317	91,764
Changes in working capital:			
Development property		89,557	136,830
Trade receivables		8,853	5,028
Deposits and other receivables		(93,367)	10
Prepayments		(14,947)	17
Contract assets		(73,217)	(134,305)
Trade and other payables		(14,696)	18,043
Contract liabilities		-	(36,206)
Net cash (used in)/generated from operations		(51,500)	81,181
Interest received		387	1,199
Interest paid		(960)	(4,069)
Income tax paid		(1,117)	(632)
Net cash flows (used in)/generated from operating activities		(53,190)	77,679

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from investing activities			
Purchase of equity securities at fair value through profit or loss		(1,173)	-
Purchase of property, plant and equipment	11	(8)	-
Distribution for winding-up of subsidiary		(21)	-
Subsequent expenditure on investment property	12	(318)	-
Capital distribution from equity securities at fair value through profit or loss		-	25
Dividends received		194	403
Proceeds from sale of equity securities at fair value through profit or loss		931	6,172
Net cash flows (used in)/generated from investing activities		(395)	6,600
Cash flows from financing activities			
Proceeds from bank loans		92,405	-
Repayment of bank loans		(53,300)	(115,859)
Loans from non-controlling shareholder of a subsidiary		2,128	2,748
Dividends paid on ordinary shares	38	(7,418)	(4,812)
Principal elements of lease payments		(167)	-
Net cash flows generated from/(used in) financing activities		33,648	(117,923)
Net decrease in cash and cash equivalents		(19,937)	(33,644)
Effect of exchange rates changes on cash and cash equivalents		253	(56)
Cash and cash equivalents at 1 January		54,196	87,896
Cash and cash equivalents at 31 December	21	34,512	54,196

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 2020

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 2020. The adoption of these standards did not have any effect on the financial performance or position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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
Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSS 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020

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 2020

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).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 PROVISIONS (CONTINUED)

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.

2.19 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 LEASES (CONTINUED)

(a) As a lessee (Continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 LEASES (CONTINUED)

(a) *As a lessee (Continued)*

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term lease of 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).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 REVENUE (CONTINUED)

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

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.

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.

Rent abatements which are included within the terms of the lease agreement are recognised entirely in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 REVENUE (CONTINUED)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 TAXES (CONTINUED)

(b) *Deferred tax (Continued)*

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.

2.22 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.

2.23 GOVERNMENT GRANTS

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 \$866,000 (2019: \$1,949,000) and \$25,696,000 (2019: \$17,564,000) 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 2020 was \$1,364,000 (2019: \$763,000). If the Group was able to recognise deferred tax assets on all these unrecognised tax losses, profit for the year would increase by approximately \$178,000 (2019: \$76,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020. The fair value of investment property is determined using recognised valuation methods. These methods comprise the capitalisation method and discounted cash flow method. Due to the heightened uncertainty in market conditions as a result of COVID-19, the valuation for 31 December 2020 was done on the basis of material valuation uncertainty. The key assumptions used to determine the fair value of the investment property and sensitivity analysis are provided in Notes 12 and 34.

The carrying amount of the investment property carried at fair value as at 31 December 2020 is \$95,579,000 (2019: \$97,263,000).

(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 2020

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 2020

4. REVENUE

(a) DISAGGREGATION OF REVENUE

	Group	
	2020 \$'000	2019 \$'000
Revenue from contracts with customers		
Sale of residential property under development	172,350	310,276
Rental income from investment property	752	6,081
	173,102	316,357

Disaggregation of revenue by business segments is disclosed in Note 37.

(b) CONTRACT ASSETS AND CONTRACT LIABILITIES

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

	2020 \$'000	Group 31.12.2019 \$'000	1.1.2019 \$'000
Receivables from contracts with customers	616	8,221	13,984
Contract assets	207,522	134,305	-
Contract liabilities	-	-	36,206

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	
	2020 \$'000	2019 \$'000
Sales proceeds received during the year	99,133	139,765
Revenue recognised during the year	(172,350)	(310,276)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020 is \$157,050,000. (2019: \$229,612,000).

5. OTHER INCOME

	Group	
	2020 \$'000	2019 \$'000
Property management fee from completed properties	90	88
Rental income from completed properties	948	1,115
Dividend income from equity securities at FVOCI	171	199
Dividend income from equity securities at fair value through profit or loss	23	204
Interest income from:		
– fixed and current deposits	336	1,150
– late payment from tenants and purchasers	2	7
Gain on sale of equity securities at fair value through profit or loss	20	994
Gain on winding-up of a subsidiary	5	–
Forfeiture of option money	80	87
Foreign exchange gain	–	60
Government grants	270	–
Others	12	9
	1,957	3,913

6. OTHER OPERATING EXPENSES

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

	Note	Group	
		2020 \$'000	2019 \$'000
Maintenance contribution		108	100
Property tax		282	208
Professional fees		100	36
Depreciation of property, plant and equipment	11	57	98
Depreciation of right-of-use assets	32(b)	196	–
Net loss on fair value adjustment of investment property	12	8,898	6,637
Fair value loss on equity securities at fair value through profit or loss		57	–
Foreign exchange loss		45	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. FINANCE COSTS

	Note	Group 2020 \$'000	Group 2019 \$'000
Interest expense on bank loans		946	3,951
Imputed interest expense on loans from non-controlling shareholder of a subsidiary		586	492
Interest on lease liabilities	32(b)	16	-
Commitment fee		-	30
Finance costs recognised in profit or loss		1,548	4,473

8. PROFIT BEFORE TAX

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

	Note	Group 2020 \$'000	Group 2019 \$'000
Audit fees paid to:			
- Auditor of the Company		94	97
- A member firm of the auditor of the Company		34	29
Non-audit fees paid to a member firm of the auditor of the Company		9	-
Staff costs (including directors' remuneration)			
- salaries, wages and bonuses		3,265	4,972
- contributions to defined contribution plans		122	159
- other personnel expenses		19	25
Operating lease expense	32(b)	-	206

9. INCOME TAX EXPENSE

MAJOR COMPONENTS OF INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	Group 2020 \$'000	Group 2019 \$'000
Current income tax		
- Current income taxation	38	864
- Under provision in respect of previous years	207	1,103
	245	1,967
Deferred income tax		
- Origination and reversal of temporary differences	8,132	14,831
- Under provision in respect of previous year	-	73
	8,132	14,904
Income tax expense recognised in profit or loss	8,377	16,871

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. INCOME TAX EXPENSE (CONTINUED)

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 2020 and 2019 is as follows:

	Group	
	2020 \$'000	2019 \$'000
Accounting profit before tax	36,073	83,170
Tax expense at the domestic rates applicable to profits in the countries where the Group operates	5,005	13,931
Income not subject to taxation	(99)	(71)
Non-deductible expenses	3,065	2,177
Under provision in respect of previous years	207	1,176
Deferred tax on unremitted overseas trust distributions	92	81
Effect of partial tax exemption and tax relief	-	(665)
Deferred tax assets not recognised	102	290
Utilisation of previously unrecognised tax losses	-	(57)
Others	5	9
Income tax expense recognised in profit or loss	8,377	16,871

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 2020 and 2019. 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 2020 and 31 December 2019, subject to applicable conditions.

10. EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing profit for the year attributable to shareholders of the Company of \$16,563,000 (2019: \$45,371,000) by the weighted average number of ordinary shares outstanding during the financial year of 400,994,652 (2019: 400,994,652) shares.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2019,					
31 December 2019					
and 1 January 2020	261	32	40	874	1,207
Additions	-	-	8	-	8
At 31 December 2020	261	32	48	874	1,215
Accumulated depreciation					
At 1 January 2019	261	31	32	724	1,048
Depreciation charge for the year	-	-	2	96	98
At 31 December 2019 and 1 January 2020	261	31	34	820	1,146
Depreciation charge for the year	-	-	3	54	57
At 31 December 2020	261	31	37	874	1,203
Net carrying amount					
At 31 December 2019	-	1	6	54	61
At 31 December 2020	-	1	11	-	12

12. INVESTMENT PROPERTY

	Note	Group 2020 \$'000	2019 \$'000
Balance sheet:			
At 1 January		97,263	105,666
Additions		318	-
Net loss on fair value adjustment recognised to profit or loss		(8,898)	(6,637)
Exchange differences		6,896	(1,766)
At 31 December		95,579	97,263
Income statement:			
Rental income from investment property:			
- Minimum lease payments		444	1,324
- Contingent rent		308	4,757
	4	752	6,081
Direct operating expenses		(195)	(141)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. INVESTMENT PROPERTY (CONTINUED)

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 2020 and 31 December 2019. The valuation was performed by an independent accredited appraiser with relevant experience. Details of valuation techniques and inputs used are disclosed in Note 34(b)(ii).

The valuation report as at 31 December 2020 includes a clause on material valuation uncertainty that highlights the heightened uncertainty and unknown impact that COVID-19 might have on the real estate market in the future. Accordingly, the report stated that values and incomes may change more rapidly than during standard market condition and it is recommended that the valuation of the property be kept under frequent review.

The investment property held by the Group as at 31 December 2020 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 is mortgaged to secure interest-bearing bank loans (Note 23).

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS

	Company	
	2020 \$'000	2019 \$'000
Unquoted equity shares, at cost	35,744	36,444
Unquoted units in subsidiary trusts	11,337	11,241
Deemed equity contribution to subsidiaries	14,269	12,165
Impairment losses	(10,241)	(7,589)
	<u>51,109</u>	<u>52,261</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS (CONTINUED)

(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	
		2020	2019	2020	2019
		\$'000	\$'000	%	%
Held by the Company:					
Sing Holdings (Yishun) Pte. Ltd. (formerly known as 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	–	70
		35,744	36,444		
Held through a subsidiary:					
Fernvale Green Pte. Ltd. (Singapore)	Property development	2,800	2,800	70	70

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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	
		2020	2019	2020	2019
		\$'000	\$'000	%	%
<i>Held by the Company and held through a subsidiary:</i>					
Travel Holding Trust (Australia) **	Investment holding	114,207	113,248	100⁽²⁾	100 ⁽²⁾
<i>Held through Travel Holding Trust:</i>					
Travel Trust No.1 (Australia) **	Hotel investment	114,207	113,248	100	100

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

* Liquidated in November 2020.

** Audited by a member firm of EY Global.

⁽¹⁾ Cost of investment was \$100.

⁽²⁾ 1 out of 113,255,680 (2019: 112,155,680) 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 2020:				
Fernvale Green Pte. Ltd.	30	11,133	39,361	-
31 December 2019:				
Fernvale Green Pte. Ltd.	30	20,942	27,881	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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.	
	2020 \$'000	2019 \$'000
Current		
Assets	320,127	332,733
Liabilities	(159,686)	(104,113)
Net current assets	160,441	228,620
Non-current		
Assets	-	-
Liabilities	(29,237)	(135,683)
Net non-current liabilities	(29,237)	(135,683)
Net assets	131,204	92,937

Summarised income statement and statement of comprehensive income

	Fernvale Green Pte. Ltd.	
	2020 \$'000	2019 \$'000
Revenue	172,350	310,276
Profit before income tax	45,150	84,555
Income tax expense	(8,040)	(14,750)
Profit for the year, representing total comprehensive income for the year	37,110	69,805

Summarised cash flow

	Fernvale Green Pte. Ltd.	
	2020 \$'000	2019 \$'000
Net cash flows generated from operating activities	58,227	74,820
Net cash flows used in financing activities	(46,442)	(63,754)
Net increase in cash and cash equivalents	11,785	11,066

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. INVESTMENT SECURITIES

	Group and Company	
	2020	2019
	\$'000	\$'000
<i>At fair value through profit or loss</i>		
Quoted equity shares	205	-
<i>At fair value through other comprehensive income</i>		
Quoted equity shares in an affiliated company	3,755	4,068
Net carrying amount		
Current	205	-
Non-current	3,755	4,068

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

15. DEVELOPMENT PROPERTY

	Group	
	2020	2019
	\$'000	\$'000
Unsold units:		
– Land cost and development costs	4,205	60,223
Sold units:		
– Capitalised contract costs	74,575	108,113
	78,780	168,336

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 is mortgaged to a financial institution as security for the interest-bearing bank loans (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. DEVELOPMENT PROPERTY (CONTINUED)

Details of development property as at 31 December 2020 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)	78% (2021)

16. COMPLETED PROPERTIES

	Group and Company 2020 \$'000	2019 \$'000
Balance sheet:		
Completed properties, at cost	23,675	23,675

Details of completed properties are as follows:

Name and location	Number of units (Approximate floor area)		Effective Group interest	Tenure	Descriptions
	2020	2019			
Industrial property					
"BizTech Centre" 627A Aljunied Road Singapore	43 (4,113 square meters)	43 (4,113 square meters)	100%	Freehold	10-storey multi-use light industrial factory

The completed properties are mortgaged to a financial institution as security for the interest-bearing bank loans (Note 23).

17. TRADE RECEIVABLES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables	690	9,449	-	8

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. TRADE RECEIVABLES (CONTINUED)

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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest receivable	2	54	1	36
Deposits	93,499	129	93,431	56
Other receivables	1	1	1	1
	93,502	184	93,433	93

Included in deposits is an amount of \$93,375,000 relating to a tender deposit for the acquisition of the land parcel at Yishun Avenue 9.

19. PREPAYMENTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Prepayments	14,998	51	14,967	18

Included in prepayments is an amount of \$14,924,600 relating to stamp duty paid for the acquisition of the land parcel at Yishun Avenue 9.

20. 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.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at banks and on hand	1,026	5,980	156	572
Short-term deposits	33,486	48,216	759	29,132
	34,512	54,196	915	29,704

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. CASH AND CASH EQUIVALENTS (CONTINUED)

All short-term deposits are placed for varying periods of between one month and three 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 0.1% (2019: 1.8%) per annum.

Included in cash and cash equivalents are the following:

	Group	
	2020 \$'000	2019 \$'000
(a) Amounts held under Housing Developers (Project Account) Rules		
Cash at banks	56	4,039
Short-term deposits	31,328	14,430
	31,384	18,469
(b) Cash and short-term deposits placed with an affiliated company	982	3,146

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

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

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current:				
Trade payables	6,280	12,710	21	40
Accrued operating expenses	678	2,927	532	435
Accrued bonus	1,134	2,754	1,134	2,754
Interest payable	54	53	14	-
Advance rental payment	70	201	70	91
Deposits received	408	4,601	113	228
Other payables	280	-	280	-
Retention sums	3,853	-	-	-
	12,757	23,246	2,164	3,548
Non-current:				
Tenancy deposits	161	75	161	75
Retention sums	3,787	7,607	-	-
	3,948	7,682	161	75
Total trade and other payables	16,705	30,928	2,325	3,623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. 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 \$21,000 (2019: \$215,000) 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.

23. INTEREST-BEARING BANK LOANS

	Maturity	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current:					
Loan 1	2021	31,200	84,500	-	-
Loan 2	2021	14,925	-	14,925	-
Loan 3	2021	7,880	-	-	-
Loan 4	2021	69,600	-	-	-
		123,605	84,500	14,925	-

During the financial year, these interest-bearing bank loans bear floating interest at rates ranging from 1.0% to 2.5% (2019: 2.5% to 3.7%) per annum.

The bank loans are obtained mainly for the purpose of acquisition and development of properties and are secured by the following:

- first legal mortgage over the Group's completed properties (Note 16), development property (Note 15) and investment property (Note 12);
- assignment of sales and rental proceeds, construction guarantees, insurances, rights, title and interests under construction contracts and performance bonds;
- deed of subordination in respect of all direct and indirect shareholders' and related company loans;
- charge over the Company's shares in a subsidiary; and
- undertakings given by the Company and holding companies of the shareholders of the subsidiary undertaking the development.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23. INTEREST-BEARING BANK LOANS (CONTINUED)

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

	Group	
	2020 \$'000	2019 \$'000
At 1 January	84,500	200,839
Proceeds from bank loans	92,405	-
Repayment of bank loans	(53,300)	(115,859)
Foreign exchange movement	-	(480)
At 31 December	123,605	84,500

24. 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 are obtained mainly 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 35(b).

	Group	
	2020 \$'000	2019 \$'000
Notional value	36,166	34,038
Fair value adjustment	(2,720)	(2,374)
	33,446	31,664
Cumulative imputed interest expense recognised	2,122	1,536
Amortised cost at 31 December	35,568	33,200
Maturities		
Current:		
Less than one year	35,568	-
Non-current:		
Later than one year but not later than five years	-	33,200
Amortised cost	35,568	33,200

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 1.1% 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. ADVANCE FROM SUBSIDIARIES

Advance from subsidiaries are unsecured, interest-free and carried at amortised cost. They are expected to be settled in cash. These loans are obtained mainly to fund the acquisition of land for development. The expected repayment period is as disclosed in Note 35(b).

	Company	
	2020 \$'000	2019 \$'000
Notional value	79,835	5,016
Fair value adjustment	(1,963)	-
	77,872	5,016
Cumulative imputed interest expense recognised	39	-
Amortised cost at 31 December	77,911	5,016
Maturities		
Current:		
Less than one year	6,955	5,016
Non-current:		
Later than one year but not later than five years	70,956	-
Amortised cost	77,911	5,016

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 1.1% to 1.4% per annum. The adjustment has been recorded as a deemed dividend distribution from 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 expense in accordance with the effective interest method.

26. LOANS TO SUBSIDIARIES

Loans to subsidiaries are unsecured, interest-free and carried at amortised costs. They are expected to be settled in cash. These loans are for property development and property investment. The expected repayment period is as disclosed in Note 35(b).

	Company	
	2020 \$'000	2019 \$'000
Notional value	161,375	156,070
Fair value adjustment	(14,269)	(10,506)
	147,106	145,564
Cumulative imputed interest income recognised	8,481	5,421
Less: Repayment	(3,330)	-
Amortised cost at 31 December	152,257	150,985
Maturities		
Non-current:		
Later than one year but not later than five years	152,257	150,985
Amortised cost	152,257	150,985

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. LOANS TO SUBSIDIARIES (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 1.1% 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.

27. ADVANCE TO NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The advance to non-controlling shareholder of a subsidiary as at 31 December 2019 was unsecured, interest-free and repayable on demand.

The amount was fully repaid during the year.

28. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities						
Differences in revenue recognition for tax purposes	(25,450)	(17,410)	8,040	14,750	-	-
Unremitted overseas trust distributions	(246)	(154)	92	154	(25)	(15)
	<u>(25,696)</u>	<u>(17,564)</u>			<u>(25)</u>	<u>(15)</u>
Deferred tax expense			<u>8,132</u>	<u>14,904</u>		

UNRECOGNISED TAX LOSSES

At the end of the reporting period, the Group has tax losses of \$1,364,000 (2019: \$763,000) 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.

29. SHARE CAPITAL

	Group and Company			
	2020		2019	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary shares:				
At 1 January and 31 December	<u>400,994,652</u>	<u>104,951</u>	<u>400,994,652</u>	<u>104,951</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. SHARE CAPITAL (CONTINUED)

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.

30. RESERVES

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

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

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

31. 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	
	2020 \$'000	2019 \$'000
Dividend income from an affiliated company	171	199
Fixed deposit interest income from an affiliated company	56	827
Rental paid to an affiliated company	187	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	
	2020 \$'000	2019 \$'000
Short-term employee benefits	2,680	4,357
Central Provident Fund contributions	51	64
	2,731	4,421

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32. LEASES

(a) AS A LESSOR

The Group leases out certain of its completed properties under non-cancellable operating leases, which have lease terms of between 2 months to 30 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 was renewed during the year for a further lease term of 5 years commencing on 1 July 2020 and expiring on 30 June 2025, with 2 remaining 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	
	2020 \$'000	2019 \$'000
Not later than one year		
– Completed properties	699	857
– Investment property	1,332	662
Later than one year but not later than five years		
– Completed properties	489	89
– Investment property	4,661	–
	7,181	1,608

(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 leases its office space. The lease term is for 3 years commencing from 1 January 2020.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32. LEASES (CONTINUED)

(b) AS A LESSEE (CONTINUED)

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group and Company 2020 \$'000	2019 \$'000
Balance at 1 January	-	-
Additions	589	-
Depreciation for the year	(196)	-
Balance at 31 December	393	-

Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	Group and Company 2020 \$'000	2019 \$'000
Balance at 1 January	-	-
Additions	589	-
Accretion of interest	16	-
Payments	(183)	-
Balance at 31 December	422	-
Current	208	-
Non-current	214	-
	422	-

The maturity analysis of lease liabilities is disclosed in Note 35(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32. LEASES (CONTINUED)

(b) AS A LESSEE (CONTINUED)

Amounts recognised in profit or loss

The following are amounts recognised in profit or loss:

	Group	
	2020 \$'000	2019 \$'000
Depreciation of right-of-use assets	196	-
Interest on lease liabilities	16	-
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	3
	215	206

33. FUTURE COMMITMENTS

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

	Group	
	2020 \$'000	2019 \$'000
Commitments in respect of contracts placed:		
- Acquisition of land for development	298,800	-
- Construction cost of development property	198,978	44,699
	497,778	44,699

34. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(a) FAIR VALUE HIERARCHY (CONTINUED)

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.

(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			Total
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	
Note		\$'000	\$'000	\$'000	\$'000
2020					
Group					
Non-financial asset					
Investment property	12	-	-	95,579	95,579
Non-financial asset as at 31 December 2020					
		-	-	95,579	95,579
2020					
Group and Company					
Financial assets					
<u>Equity securities at fair value through profit or loss</u>					
Quoted equity shares	14	205	-	-	205
<u>Equity securities at FVOCI</u>					
Quoted equity shares in an affiliated company	14	3,755	-	-	3,755
Financial assets as at 31 December 2020					
		3,960	-	-	3,960

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

34. 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
2019					
Group					
Non-financial asset					
Investment property	12	-	-	97,263	97,263
Non-financial asset as at 31 December 2019		<u>-</u>	<u>-</u>	<u>97,263</u>	<u>97,263</u>
2019					
Group and Company					
Financial assets					
<i>Equity securities at FVOCI</i>					
Quoted equity shares in an affiliated company	14	4,068	-	-	4,068
Financial assets as at 31 December 2019		<u>4,068</u>	<u>-</u>	<u>-</u>	<u>4,068</u>

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 2020

34. 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.

In the 31 December 2020 valuation report, the valuer had highlighted material valuation uncertainty caused by heightened uncertainty in both local and global market conditions due to the COVID-19 outbreak. In this respect, there is limited comparable transactions and market evidence since the outbreak and transactions prior to the outbreak hold less weight for comparison purposes. As a result, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. The valuation report stated that the valuation was current at the date of valuation and may change significantly and unexpectedly over relatively short period of time due to uncertainty in property and capital markets, together with the rapid unfolding of events arising from the current COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

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34. 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	5.75% p.a.* (2019: 5.50% p.a.)	The estimated fair value varies inversely against capitalisation rate and increases with higher occupancy rate.
	Occupancy rate	44%-89% (2019: 87%-91%)	
Discounted cashflow	Discount rate	7.00% p.a.* (2019: 6.75% p.a.)	The estimated fair value varies inversely against discount rate but increases with higher terminal yield.
	Terminal yield	5.75% p.a.* (2019: 5.75% p.a.)	

* p.a. represents per annum

NOTES TO THE FINANCIAL STATEMENTS

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34. 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)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Fair value Total	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Group					
Financial liabilities					
Trade and other payables (non-current)	-	-	(3,961)	(3,961)	(3,948)
Company					
Financial assets					
Loans to subsidiaries (non-current)	-	-	150,350	150,350	152,257
Financial liabilities					
Trade and other payables (non-current)	-	-	(161)	(161)	(161)
Advance from subsidiaries (non-current)	-	-	(70,914)	(70,914)	(70,956)

Determination of fair value

Loans to subsidiaries (Note 26), Trade and other payables (non-current) (Note 22), Advance from subsidiaries (non-current) (Note 25)

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

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34. 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
2019					
Group					
Financial liabilities					
Trade and other payables (non-current)	-	-	(7,619)	(7,619)	(7,682)
Loans from non-controlling shareholder of a subsidiary (non-current)	-	-	(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)

(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 27), Amounts due from subsidiaries (current) (Note 20), Cash and cash equivalents (Note 21), Trade and other payables (current) (Note 22), Interest-bearing bank loans (Note 23), Loans from non-controlling shareholder of a subsidiary (current) (Note 24) and Advance from subsidiaries (current) (Note 25)

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 2020

35. 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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. 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.

	Less than 1 year \$'000	1 to 2 years \$'000	Group 2020 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets					
Investment securities	205	-	-	3,755	3,960
Trade receivables	690	-	-	-	690
Deposits and other receivables	93,502	-	-	-	93,502
Cash and cash equivalents	34,512	-	-	-	34,512
Total undiscounted financial assets	128,909	-	-	3,755	132,664
Financial liabilities					
Trade and other payables	12,666	3,876	73	-	16,615
Loans from non-controlling shareholder of a subsidiary	36,166	-	-	-	36,166
Interest-bearing bank loans	124,911	-	-	-	124,911
Lease liabilities	219	219	-	-	438
Total undiscounted financial liabilities	173,962	4,095	73	-	178,130
Total net undiscounted financial assets/(liabilities)	(45,053)	(4,095)	(73)	3,755	(45,466)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) LIQUIDITY RISK (CONTINUED)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Less than 1 year \$'000	1 to 2 years \$'000	Group 2019 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 2020

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) LIQUIDITY RISK (CONTINUED)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Less than 1 year \$'000	1 to 2 years \$'000	Company 2020 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets					
Investment securities	205	-	-	3,755	3,960
Deposits and other receivables	93,433	-	-	-	93,433
Amounts due from subsidiaries	182	-	-	-	182
Loans to subsidiaries	-	158,045	-	-	158,045
Cash and cash equivalents	915	-	-	-	915
Total undiscounted financial assets	<u>94,735</u>	<u>158,045</u>	<u>-</u>	<u>3,755</u>	<u>256,535</u>
Financial liabilities					
Trade and other payables	2,073	89	72	-	2,234
Advance from subsidiaries	6,955	65,000	7,880	-	79,835
Interest-bearing bank loans	15,089	-	-	-	15,089
Lease liabilities	219	219	-	-	438
Total undiscounted financial liabilities	<u>24,336</u>	<u>65,308</u>	<u>7,952</u>	<u>-</u>	<u>97,596</u>
Total net undiscounted financial assets/(liabilities)	<u>70,399</u>	<u>92,737</u>	<u>(7,952)</u>	<u>3,755</u>	<u>158,939</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) LIQUIDITY RISK (CONTINUED)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Less than 1 year \$'000	1 to 2 years \$'000	Company 2019 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

(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 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 \$432,000 (2019: \$1,076,000) 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 2020

35. 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% (2019: 2%) higher/lower with all other variables held constant, the Group's fair value adjustment reserve in equity would have been \$74,000 (2019: \$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 \$4,000 (2019: \$Nil) 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	
	2020 \$'000	2019 \$'000
Non-current asset		
Investment property	95,579	97,263
Current assets		
Trade receivables	74	1,220
Other receivables	-	3
Prepayments	21	7
Cash and cash equivalents	658	3,275
	753	4,505
Current liabilities		
Trade and other payables	756	456
Provision for taxation	41	854
	797	1,310

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. 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	
	2020	2019
	\$'000	\$'000
AUD		
- strengthened 5%	4,777	5,023
- weakened 5%	(4,777)	(5,023)

36. 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 2020 and 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36. 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	
	2020 \$'000	2019 \$'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	149,813	92,350
Less: Group's share of cash and cash equivalents in accordance with shareholding percentages in the respective subsidiaries	(24,647)	(47,845)
Net debt	125,166	44,505
Equity attributable to shareholders of the Company	311,400	295,547
Net debt to equity ratio	0.4 times	0.2 times

37. 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 2020

37. 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		Consolidated financial statements	
Business segments	Property development		Property investment		statements	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue:						
External customers	172,350	310,276	752	6,081	173,102	316,357
Total revenue	172,350	310,276	752	6,081	173,102	316,357
Results:						
Interest income	331	1,151	7	6	338	1,157
Dividend income	194	403	-	-	194	403
Depreciation	(253)	(98)	-	-	(253)	(98)
Net loss on fair value adjustment of investment property	-	-	(8,898)	(6,637)	(8,898)	(6,637)
Finance costs	(1,548)	(3,884)	-	(589)	(1,548)	(4,473)
Income tax expense	(8,422)	(15,851)	45	(1,020)	(8,377)	(16,871)
Segment profit/(loss)	36,326	68,920	(8,630)	(2,621)	27,696	66,299
Segment Assets	457,259	390,961	96,364	101,767	553,623	492,728
Segment Liabilities	202,065	166,831	797	1,310	202,862	168,141

38. DIVIDENDS

	Group and Company	
	2020	2019
	\$'000	\$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- final tax exempt (one-tier) dividend for 2019: 1.85 cents (2018: 1.20 cents) per share	7,418	4,812
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 2020: 1.00 cent (2019: 1.85 cents) per share	4,010	7,418

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 30 March 2021.

ADDITIONAL INFORMATION

DIRECTOR STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

The following information relating to Mr Lee Sze Leong, who is standing for re-election as a Director at the Annual General Meeting of the Company on 26 April 2021, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

Name of Director	Lee Sze Leong
Date of first appointment as a Director	6 November 1992
Date of last re-election as a Director	26 April 2019
Age	62
Country of principal residence	Singapore
The Board’s comments on the re-election	The Board, having considered the recommendation of the Nominating Committee and having reviewed the performance of Mr Lee Sze Leong and his contribution to the effectiveness of the Board and Board Committees, recommends the re-election of Mr Lee Sze Leong as Director at the forthcoming Annual General Meeting.
Whether appointment is executive and if so, the area of responsibility	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member, etc.)	<ul style="list-style-type: none"> Chairman of the Board Audit Committee (Member) Nominating Committee (Member) Remuneration Committee (Member)
Professional qualifications	Bachelor of Business Administration, University of Hawaii
Shareholding interest in the Company and its subsidiaries	Shareholding interest in the Company as at 11 March 2021: <ul style="list-style-type: none"> 2,752,432 shares held directly 142,952,246 shares held by F.H. Lee Holdings (Pte) Limited
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	<ul style="list-style-type: none"> Sibling of Lee Sze Hao, Managing Director and Chief Executive Officer of the Company Sibling of Lee Sze Siong, a substantial shareholder of the Company Director and shareholder of F.H. Lee Holdings (Pte) Limited, a substantial shareholder of the Company

ADDITIONAL INFORMATION

Name of Director	Lee Sze Leong
Conflict of interest (including any competing business)	No
Other principal commitments (including directorships) – Present	<ul style="list-style-type: none"> • 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 (Honorary Secretary) • 60th Singapore Chinese Chamber of Commerce & Industry (SCCCI) (Council Member) • 60th SCCCI Finance Committee (Member) • 60th SCCCI General Affairs Committee (Member) • 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)
Other principal commitments (including directorships) – Past, for the last 5 years	Nil
Working experience and occupation(s) during the past 10 years	Sing Investments & Finance Limited (Managing Director and Chief Executive Officer)
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative confirmation

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2021

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	23	1.07	1,008	0.00
100 – 1,000	158	7.38	107,972	0.03
1,001 – 10,000	808	37.74	5,234,448	1.30
10,001 – 1,000,000	1,108	51.75	73,658,351	18.37
1,000,001 and above	44	2.06	321,992,873	80.30
Total	2,141	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	26,290,497	6.56
3	Ang Ah Beng	13,536,000	3.38
4	Citibank Nominees Singapore Pte Ltd	11,736,175	2.93
5	Laurels Investments Pte. Ltd.	11,350,000	2.83
6	Raffles Nominees (Pte.) Limited	9,864,111	2.46
7	Koh Boon Hong	8,765,000	2.19
8	Tan Gee Beng Private Ltd	6,230,000	1.55
9	Lee Heng Wah @ Lee Heng Guan	5,620,000	1.40
10	Soh Shin Yann Susan	5,400,000	1.35
11	Lim Kok Gin Holdings Pte. Ltd.	5,231,544	1.30
12	Phillip Securities Pte Ltd	5,066,776	1.26
13	Kong Hoa Pte Limited	4,292,743	1.07
14	United Overseas Bank Nominees (Private) Limited	4,081,958	1.02
15	See Kim Hua @ Tan Kim Hua	4,010,000	1.00
16	OCBC Securities Private Limited	3,627,600	0.90
17	Cosmos Investment Pte Ltd	3,590,000	0.90
18	Hasan Holdings Pte Ltd	3,500,000	0.87
19	Chua Foundation	3,050,000	0.76
20	DBS Vickers Securities (Singapore) Pte Ltd	2,935,665	0.73
	Total	281,130,315	70.11

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2021

SUBSTANTIAL SHAREHOLDERS

No.	Name	Shareholdings registered in the name of substantial shareholders or their nominees	Number of Shares		
			%	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 56.06% as at 11 March 2021. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

TREASURY SHARES

The Company did not hold any treasury shares as at 11 March 2021.

SUBSIDIARY HOLDINGS

The Company did not hold any subsidiary holdings as at 11 March 2021.

DIRECTORS' SHAREHOLDINGS AS AT 21 JANUARY 2021

As disclosed in the Directors' Statement, the shares held by the Directors as at 31 December 2020 remain unchanged as at 21 January 2021.

NOTICE OF ANNUAL GENERAL MEETING

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Sing Holdings Limited (the "**Company**") will be held by way of electronic means on Monday, 26 April 2021 at 3.00 p.m. to transact the following businesses as set out below.

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL <http://www.singholdings.com/general-meetings/>. A printed copy of this Notice will NOT be despatched to members.

AS ORDINARY BUSINESS

1. To receive and, if approved, to adopt the Directors' statement and audited financial statements for the year ended 31 December 2020 together with the auditor's report thereon. (Resolution 1)
2. To approve the payment of \$422,000 as Directors' fees for the year ended 31 December 2020 (2019: \$369,000). (Resolution 2)
3. To declare a first and final one-tier tax exempt dividend of 1.00 cent per ordinary share for the year ended 31 December 2020. (Resolution 3)
4. To re-elect Mr Lee Sze Leong as Director, who retires pursuant to Regulation 104 of the Constitution of the Company. (Resolution 4)
(Note 7)
5. To note that Mr Ong Loke Min David will be retiring pursuant to Regulation 104 of the Constitution of the Company and will not be seeking re-election.
6. To re-appoint Messrs Ernst & Young LLP as auditor of the Company for the next financial year and to authorise the Directors to fix the auditor's remuneration. (Resolution 5)
7. To transact any other business of an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without any modifications, the following resolution which will be proposed as an Ordinary Resolution:

ORDINARY RESOLUTION

8. General mandate to authorise the Directors to issue shares or convertible instruments

"That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to: (Resolution 6)
(Note 8)

- (a) (i) allot and issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion consider fit; and

- (b) for the avoidance of doubt, notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue shares in pursuance of any Instrument already made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of shares,

Adjustments in accordance with (2)(i) or (2)(ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

BY ORDER OF THE BOARD

Ong Beng Hong
Company Secretary

Singapore, 5 April 2021

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting ("AGM") are set out in the Company's announcement dated 5 April 2021 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 26 April 2021" which has been uploaded together with this Notice of AGM on SGXNet on the same day. This announcement may also be accessed at the URL <http://www.singholdings.com/general-meetings/>.

In particular, the AGM will be held by way of electronic means and a member will be able to watch the proceedings of the AGM through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 3.00 p.m. on 23 April 2021, at the URL <https://streaming.sg/register/shl/>. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 25 April 2021. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the AGM. This is to avoid any technical disruption or overload to the "live" webcast or "live" audio feed.

Members may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 3.00 p.m. on 23 April 2021:

- (a) via the pre-registration website at the URL <https://streaming.sg/register/shl/>;
- (b) in hard copy by sending by post and lodging the same at the Registered Office of the Company at 96 Robinson Road #10-01 SIF Building, Singapore 068899; or
- (c) by email to AGM2021_enquiries@singholdings.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

- (a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the member's NRIC/Passport/UEN number;
- (c) the member's contact number and email address; and
- (d) the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members either before or during the AGM.

Please note that members will not be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for members to submit their questions in advance of the AGM.

2. **A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL <http://www.singholdings.com/general-meetings/> and has also been made available on SGXNet.
3. The Chairman of the AGM, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
 - (a) if sent personally or by post, be deposited at the Registered Office of the Company at 96 Robinson Road #10-01 SIF Building, Singapore 068899; or
 - (b) if submitted by email, be received by the Company at AGM2021_proxyform@singholdings.com,

in either case, not less than 72 hours before the time for holding the AGM, and in default, the instrument of proxy shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it personally or by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms personally or by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a Company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
5. In the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
6. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF and SRS investors, and who wish to participate in the AGM ("**Relevant Intermediary Participants**") by (a) observing and/or listening to the AGM proceedings via the "live" webcast or the "live" audio feed in the manner provided in Note 1 above; (b) submitting questions in advance of the AGM in the manner provided in Note 1 above; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 3.00 p.m. on 14 April 2021.
7. Mr Lee Sze Leong is a Non-Executive and Non-Independent Director and will, upon re-election as a Director of the Company under Resolution 4 above, continue to serve as the Chairman of the Board of Directors and as a Member of the Audit Committee, Nominating Committee and Remuneration Committee.
8. The Ordinary Resolution 6 proposed in item 8 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next AGM to allot and issue shares and convertible securities in the Company up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company for the time being for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders pursuant to this Resolution shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for (a) new shares arising from the conversion of convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

9. The Annual Report for the financial year ended 31 December 2020 may be accessed at the Company's website at the URL <http://www.singholdings.com/annual-reports/> under "Annual Report 2020", and has also been made available on SGXNet.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof or submitting any details of Relevant Intermediary Participants in connection with the AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation, compilation and publication of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of Relevant Intermediary Participants to the Company (or its agents), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service provider) of the personal data of such Relevant Intermediary Participants for the Purposes.

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SING HOLDINGS LIMITED

Co. Reg. No. 196400165G

(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING

PROXY FORM

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL <http://www.singholdings.com/general-meetings/>.

A printed copy of this form of proxy will NOT be despatched to members.

IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 5 April 2021 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 26 April 2021" which has been uploaded together with the Notice of Annual General Meeting dated 5 April 2021 on SGXNet on the same day. This announcement may also be accessed at the URL <http://www.singholdings.com/general-meetings/>.
2. A member will not be able to attend the Annual General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to vote should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 3.00 p.m. on 14 April 2021.

I/We _____ (Name) _____ (NRIC/PP/UEN No.)

of _____ (Address)

being a member/members of Sing Holdings Limited (the "Company") hereby appoint the Chairman of the Annual General Meeting ("AGM") as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held by way of electronic means on Monday, 26 April 2021 at 3.00 p.m. and at any adjournment thereof.

I/We direct the Chairman of the AGM as my/our proxy to vote for or against the Resolutions, or to abstain from voting on the Resolutions, to be proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	No. of Votes For*	No. of Votes Against*	No. of Votes Abstaining*
1	Adoption of Directors' statement and audited financial statements			
2	Approval of Directors' fees			
3	Declaration of final dividend			
4	Re-election of Mr Lee Sze Leong as a Director			
5	Re-appointment of Messrs Ernst & Young LLP as Auditor and to authorise Directors to fix their remuneration			
6	General mandate to authorise the Directors to issue new shares or convertible instruments			

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the resolution in respect of all your votes, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes both "For" and "Against" the relevant resolution and/or to abstain from voting in respect of the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2021

Total Number of Shares Held

Signature(s)/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:

1. A member will not be able to attend the AGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
2. The Chairman of the AGM, as proxy, need not be a member of the Company.
3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy will be deemed to relate to all the shares held by you.
4. The instrument appointing a proxy must:
 - (a) if sent personally or by post, be deposited at the Company's Registered Office at 96 Robinson Road #10-01 SIF Building, Singapore 068899; or
 - (b) if submitted by email, be received by the Company at AGM2021_proxyform@singholdings.com, in either case, not less than 72 hours before the time set for the AGM, and in default, the instrument of proxy shall not be treated as valid.A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it personally or by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms personally or by post, members are strongly encouraged to submit completed proxy forms electronically via email.
5. If sent personally or by post, the instrument appointing the Chairman of the AGM as proxy of an individual must be under the hand of the appointor or of his/her attorney duly authorised in writing and the instrument appointing the Chairman of the AGM as proxy of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

Where an instrument appointing the Chairman of the AGM as proxy is submitted by email, it must be authorised in the following manner:

 - (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
6. Where an instrument appointing the Chairman of the AGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject any instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 5 April 2021.

Please fold inwards along dotted line

**PROXY FORM FOR
ANNUAL GENERAL MEETING**

Affix
postage
stamp

SING HOLDINGS LIMITED

96 Robinson Road
#10-01 SIF Building
Singapore 068899

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