Balancing
prudence today
with opportunities tomorrow

HIAP HOE LIMITED
ANNUAL REPORT 2021

ABOUT HIAP HOE LIMITED

Singapore Mainboard-listed Hiap Hoe Limited is a regional premium real estate group with a diversified portfolio of hospitality, retail, commercial and residential assets. The Group is known for the development of luxury and mid-tier residential as well as hotel-cum-commercial properties that are distinct in design and preferred for their excellent location and investment prospects.

The Group's enlarged portfolio includes distinctive projects such as Zhongshan Park Integrated Development, Skyline 360° At St Thomas Walk, Waterscape At Cavenagh, The Beverly, Signature At Lewis and HH@Kallang, among others. Hiap Hoe's flagship development is Zhongshan Park, the integrated hotel-cum-commercial development along Balestier Road that sits just opposite the historic Sun Yat-Sen Nanyang Memorial Hall, a national monument that pays tribute to the father of the 1911 Chinese Revolution. Comprising Days Hotel Singapore At Zhongshan Park (新加坡中山公园戴斯酒店), and Ramada Singapore At Zhongshan Park (新加坡中山公园华美达酒店), Zhongshan Mall (中山广场) and an office tower, the development has a strong heritage connection and old world charm.

In 2013, Hiap Hoe embarked on its strategic overseas expansion plans and has acquired assets in prime locations in Australia that fit the Group's strategy of growing its recurring income stream. Hiap Hoe's inaugural integrated hotel-cum-residential development project, Marina Tower, Melbourne, has further expanded the Group's hospitality portfolio. In 2017, Hiap Hoe made its maiden foray into the United Kingdom's hospitality industry with the purchase of Holiday Inn Express Trafford City in Manchester. Hiap Hoe's strategic acquisition of SuperBowl Holdings Limited in 2014 has consolidated the Group's position as a sizeable player in the real estate industry, expanding its sources of revenue to include a leasing business and leisure activities to deliver stable revenue streams for the Group.

VISION

A richer life for each of us.

MISSION

To provide sustainable long-term returns to our stakeholders as we uphold our leading reputation as a homegrown premium developer of quality developments.

OUR BUSINESS

PROPERTY DEVELOPMENT & INVESTMENTS

An integrated development at Zhongshan Park that comprises Hiap Hoe Building office tower, a shopping mall and two hotels - Ramada Singapore and Days Hotel Singapore At Zhongshan Park.

Development of residential and industrial properties in Singapore as well as in Melbourne, Australia.

Property investments in retail and office spaces located across prime areas in Singapore.

Two commercial office buildings at strategic locations in Perth, Australia for recurring income streams.

HOSPITALITY

Ramada Singapore and Days Hotel Singapore At Zhongshan Park, a total of 787 rooms under management by Wyndham Hotel Group.

The Four Points by Sheraton, a 16-storey hotel with 273 rooms in Melbourne, Australia, under management by Marriott International.

Aloft hotel, under management by Marriott International, a 15-storey hotel with 224 rooms in Perth, Australia.

Holiday Inn Express Trafford City, a six-storey modular hotel with 220 rooms in Manchester, the United Kingdom.

INVESTMENTS

Over S$280 million of investments with a diversified portfolio in listed equities, fixed income instruments, and mutual and private equity funds for both quoted and unquoted investments. The Group diversifies its investments by business sector and by country, with investment focus in real estate and hospitality assets.

LEISURE

SuperBowl, SouthEast Asia's leading provider of indoor sports and recreation facilities, operating in seven centres at various parts of Singapore. It is one of the largest owners and operators of bowling centres in Singapore, with 168 bowling lanes in total.

A new bowling centre at Siglap Community Club with 12 bowling lanes, targeted to commence operations in the second quarter of 2022.

CHAIRMAN & CEO MESSAGE

Dear Shareholders

On behalf of the Board of Directors, we are pleased to present Hiap Hoe's Annual Report for the financial year ended December 2021 ("**FY2021**").

The Pandemic Continues for Another Year

With the COVID-19 pandemic stretching into its second year in 2021, various forms of sanitary measures remained in place in Singapore, the UK and Australia. Australia was most affected, with the country in lockdown throughout most of the year and domestic travel significantly restricted. While restrictions eased somewhat, the continued closure of international borders, as well as ongoing sanitary measures in all three countries, saw that demand for travel and accommodation remained muted into the second year.

Days Hotel Singapore and Four Points by Sheraton Melbourne were secured by the respective governments for isolation programmes in the year. The programme by the Singapore government ended in February 2022, while Four Points by Sheraton Melbourne was released by the Australian government in December 2021. Ramada Singapore, Aloft Perth and Holiday Inn Express Manchester saw increased revenue from easing travel restrictions and stronger domestic demand during the year.

The impact the pandemic has had on the Group's leisure businesses has eased considerably and the Group's leisure business operations were able to continue activities with Singapore's social distancing and tracking measures in place. We continue to implement the required protocols to keep our staff, visitors and guests safe by observing the regulations stipulated by public health authorities.

Despite the ongoing economic challenges, we remain upbeat on our goal of ensuring long-term business sustainability and value creation for our stakeholders.

Staying Prudent

The Group remains committed to upholding our reputation as a premium real estate group with a diversified portfolio of hospitality, retail, commercial and residential assets globally.

As we continue to weather the COVID-19 situation, it is crucial to adopt a cautious approach and our efforts to strengthen our recurring income base through better rental yields and occupancy rates of our properties will remain a top objective, as will conserving our liquidity while maintaining a stable balance sheet and cash position. The Company will capitalise on any potential opportunities that may arise and will continue to consider all options that enable us to deliver long-term sustainable value for shareholders.

However, it is inevitable that the hospitality industry will continue to be significantly affected globally as a result of travel restrictions in response to the pandemic. The Group expects the demand for travel and accommodation to remain muted as we gradually adjust to living with COVID-19 as an endemic disease.

In Singapore, the leasing portfolio at Zhongshan Mall and the Hiap Hoe Building office tower recorded higher occupancy rates in FY2021, at 98% and 100% respectively. With the tenant mix mainly in the entertainment sector, which has been negatively impacted by Covid-19 restrictions, occupancy rates in Orchard Towers remained low. In addition, demand for office units in the property dipped with most office employees having to work from home.

Our seven SuperBowl centres are currently located in various parts of Singapore and, with an additional centre targeted to commence operations at Siglap Community Club in the 2nd quarter of this year, we continue to position ourselves as a lifestyle hub to serve townships and residents across all ages as a family-centric entertainment centre.

Our Overseas Properties Continue to Perform to Expectations

The Group's acquired overseas assets have continued to generate a steady positive recurrent income stream. Aloft Perth Hotel and 25 Rowe Avenue office building were 2019 acquisitions. The office building continued to maintain a high 81% occupancy rate. A new lease will commence in February 2022 in our Perth commercial property at 130 Stirling Street to a Perth government division, which will bring the occupancy rate up from 23% to more than 70%.

In FY2021, the Group sold 4 more units of the Marina Tower, our waterfront integrated residential-cum-hotel development project in Melbourne. This property comprises a hotel, Four Points by Sheraton Melbourne Dockland and two residential towers of total 461 residential units.

As lockdown restrictions eased in the UK in 2021, our hotel at Holiday Inn Express Trafford City, Manchester has been able to claw back revenue lost when the pandemic first took hold, recording higher occupancy and average room rates in the year. The hotel is strategically located near Old Trafford football stadium and the Trafford Centre, and is well connected to the city centre. We expect this uptick to continue as long as pandemic restrictions remain relaxed.

CHAIRMAN & CEO MESSAGE (continued)

Value Accretive Investments in the Hospitality Sector

The Group's investment in A2I relates to the investment in AccorInvest Group, which owns or leases hotels mainly operated by the Accor Group. In leveraging the unique strengths and resources of our partners with its larger scale, this investment allows the Group to gain access to strategic properties primarily located in Europe while reducing the risks associated with active management of foreign property. The investment environment continues to be affected by the global pandemic, but we remain confident in the long-term viability of the investment.

Financial Performance

Revenue in FY2021 increased by 17.8% to S$93.7 million as compared to S$79.6 million in the previous financial year ("**FY2020**"). The increase was mainly attributed to hotel operations with the gradual reopening of borders and easing of travel restrictions in Australia, the UK and Singapore. The Group recorded a higher revenue from hotel operations by 30.8% to S$60.1 million as compared to S$46.0 million in FY2020.

Rental revenue was lower by 3.0% from S$25.0 million to S$24.2 million in FY2021 due to lower occupancies from retail and entertainment sectors in the Group's portfolio of rental properties. The sale of units at Marina Tower, Melbourne recorded lower revenue of S$2.8 million in FY2021 as compared to S$3.2 million in the previous year. The Group's leisure business continues to be adversely affected by the limit in group-size and facility capacity at the bowling centres due to nationally enforced safe-distancing measures. Nevertheless, revenue from the leisure business was higher at S$6.5 million up from S$5.4 million recorded in the previous financial year. Hiap Hoe recorded higher operating costs and expenses in FY2021 in relation to the upkeep of the properties and the hotel operations as compared to FY2020.

Included in Other Income of S$29.5 million was the write back of impairment losses on the investment property at Stirling Street, Perth of S$15.6 million and on the hotel at Holiday Inn Express Manchester of S$3.3 million. The write back of impairment losses is mainly due to the improved tenancy profile and higher occupancy rate of the properties and is supported by indicative open market values as advised by independent professional valuers.

Hiap Hoe recorded in FY2021 the fair value gain of S$13.9 million in financial instruments arising from mark-to-market gains from Other Investments as compared to a fair value loss of S$24.8 million recorded in FY2020. The fair value gains are mainly arising from its investments in the real estate sector globally.

We are pleased to report that overall, the Group registered a net profit after tax of S$21.2 million in FY2021 as compared to a net loss after tax of S$36.8 million in FY2020.

As at 31 December 2021, the net asset value per share for the Group was S$1.60, a 1.9% increase from S$1.57 in FY2020. The Group's financial standing remains strong, with shareholders' equity attributable to owners of the Company at S$752.5 million, an increase from S$737.4 million a year ago.

Dividend

To thank our shareholders for their continued support, the Board of Directors is pleased to recommend a first and final one-tier tax exempt dividend of 0.5 Singapore cents per ordinary share for FY2021.

Looking Ahead

FY2021 was an encouraging year as we started to see improvements in hospitality performance with the ease of COVID-19 movement restrictions due to the successful implementation of vaccine programmes and hotels participating in the government's isolation programme. While these efforts have helped to rebuild confidence and prepare the world to live with the virus as an endemic disease, uncertainties still remain as countries continue to experience resurgences in COVID-19 cases.

Acknowledgements

We would like to thank our fellow Board Members for their invaluable guidance, stewardship and support over what has been a challenging year. Much appreciation and thanks go to our management team and staff for their hard work and dedication and for staying the course. We would also like to express our heartfelt gratitude to our shareholders and all other stakeholders for their continued support and belief in the Group's business.

Our strong foundation, focus and resilience have seen us through the last two years and will be our drivers for growth once we emerge from the pandemic and welcome a new and brighter "new normal".

Ronald Lim Cheng Aun
Independent Non-Executive Chairman

Teo Ho Beng
Chief Executive Officer

FINANCIAL HIGHLIGHTS

	2021	2020	2019	2018	2017
Group Income Statements ($'000)					
Revenue	**93,688**	79,552	132,220	187,485	249,132
Profit/(Loss) before Taxation	**26,535**	(36,838)	24,028	(3,641)	94,992
Net Profit/(Loss) Attributable to Owners of the Company	**21,196**	(36,709)	22,100	(9,925)	80,469
Group Balance Sheets ($'000)					
Non-Current Assets	**1,258,473**	1,274,596	1,290,525	1,192,973	1,172,121
Current Assets	**370,189**	318,577	343,040	362,343	336,799
Current Liabilities	**392,224**	522,699	654,735	403,027	538,030
Non-Current Liabilities	**480,575**	329,665	205,194	390,629	179,920
Equity Attributable to Owners of the Company	**752,511**	737,447	770,162	758,211	787,378
Per Share Data (Cents)					
Earnings after Tax (Basic)	**4.50**	(7.80)	4.70	(2.11)	17.10
Net Assets Value	**159.92**	156.72	163.67	161.13	167.33
Dividend	**0.50**	1.00	1.50	1.50	1.50
Financial Ratios					
Debt Equity Ratio (Times) [1]	**1.03**	1.02	0.98	0.90	0.72
Net Debt Equity Ratio (Times) [2]	**0.99**	1.00	0.96	0.83	0.63
Current Ratio (Times)	**0.94**	0.61	0.52	0.90	0.63
Dividend Yield (%)	**0.77**	1.55	1.88	1.72	1.71
Dividend Payout (%)	**11.10**	(12.82)	31.94	(71.11)	8.77

Notes: (1) Debt includes amount due to related companies (non-trade) and lease liabilities
(2) Net debt is debt less cash and short-term deposits

GROUP STRUCTURE

As at 31 December 2021

PROPERTY DEVELOPMENT AND INVESTMENTS

- 100% Hiap Hoe Strategic Pte Ltd
  - 99.04% SuperBowl Holdings Limited
    - 100% SuperBowl Jurong Pte Ltd
    - 100% Super Funworld Pte Ltd
- 100% Meteorite Group Pte Ltd
  - 100% Meteorite Land Pty Ltd
    - 100% Meteorite Land (Pearl River) Pty Ltd
    - 100% Meteorite Property (Stirling Street) Pty Ltd
    - 100% Meteorite Land (Rowe Avenue) Pty Ltd
- 100% HH Residences Pte Ltd
- 100% WestBuild Construction Pte Ltd
- 100% HH Land Pte Ltd
- 100% Golden Bay Realty (Private) Limited

HOSPITALITY

- 50% HH Properties Pte Ltd
- 100% Hiap Hoe Strategic Pte Ltd
  - 99.04% SuperBowl Holdings Limited
    - 50% HH Properties Pte Ltd
- 100% Meteorite Group Pte Ltd
  - 100% Meteorite Assets Pte Ltd
    - 100% Meteorite Assets Limited
      - 100% Meteorite Manchester Limited
        - 100% Trafford City Hotel Limited

LEISURE

- 100% Hiap Hoe Strategic Pte Ltd
  - 99.04% SuperBowl Holdings Limited
    - 100% SuperBowl Development Pte Ltd

INVESTMENTS

- 100% Hiap Hoe Investment Pte Ltd
- 100% Hiap Hoe Strategic Pte Ltd
  - 99.04% SuperBowl Holdings Limited

BOARD OF DIRECTORS

Ronald Lim Cheng Aun

Independent Non-Executive Chairman
Last re-elected in 2020

Mr Lim was appointed an Independent Non-Executive Director of Hiap Hoe on 28 April 2015 and a Non-Executive Chairman of the Board on 11 May 2017. He is also an Independent Non-Executive Director of ESR Funds Management (S) Ltd, the manager of ESR REIT. Mr Lim has more than 36 years of extensive experience at senior level in the banking and finance industry. Mr Lim was formerly Executive Director and Division Head of Commercial Banking at United Overseas Bank Limited (UOB). During his tenure at UOB, he also held leadership positions as Head of Human Resource and Head of its Singapore Branches Operations. From 2009 to 2011, Mr Lim was Adviser to RGE Pte Ltd, a resource based and manufacturing group in the paper and pulp, palm oil and oil and gas industries. Mr Lim is currently the Honorary Chairman of Toa Payoh West-Thomson Citizens Consultative Committee. He was conferred the Public Service Medal and Public Service Star for his contributions to public service. Mr Lim graduated from the University of Singapore with a Bachelor of Social Science degree.

Teo Ho Beng

Chief Executive Officer
Last re-elected in 2021

Mr Teo was appointed Director of Hiap Hoe Group in 1983. He assumed the position of Chief Executive Officer on 16 January 2006 and Executive Chairman on 11 May 2012, and relinquished the latter on 11 May 2017. Mr Teo is responsible for the formulation of corporate strategies and policies for Hiap Hoe, and the implementation of these strategies by senior management at the operations level. He chairs the financial investment committee for the Group's investment portfolios and senior management meetings to monitor Hiap Hoe's performances, including overseeing all management, budgeting and forecasting processes to ensure prudent financial management. Mr Teo also sits on the board of Ley Choon Group Holdings Limited as Non-Executive Director. He has more than 42 years of experience in the construction and property industries, and nearly 30 years in the leisure industry.

Ronald Teo Ho Kang

Managing Director
Last re-elected in 2019

Mr Teo has been a Director of Hiap Hoe Group since 1999. He was appointed Director of Hiap Hoe Limited on 16 January 2003 and assumed the position of Managing Director on 11 May 2012. With more than 27 years of experience in the property and leisure industries, he is responsible for overseeing the marketing and promotion of Hiap Hoe's properties and their performance. He also takes care of the Group's product and staff development. Mr Teo holds a Bachelor's in Business Administration from the American Intercontinental University.

BOARD OF DIRECTORS (continued)

Teo Keng Joo, Marc
Executive Director
Last re-elected in 2021

Appointed Executive Director on 11 May 2017, Mr Teo is responsible for the Group's overseas expansion plans and corporate investments. He manages the Group's project-related matters for all developments both in Singapore and overseas, and oversees the Group's hospitality portfolio. Mr Teo has previously held the positions of Construction Project Manager and Project Management Executive. Prior to joining Hiap Hoe, he spent two years with Ernst & Young Singapore. Mr Teo graduated from Nanyang Technological University with a Bachelor of Accountancy (First Class Honours) and holds a diploma in Quantity Surveying conferred by Global School of Technology & Management and articulated by Heriot Watt University, UK.

Chan Boon Hui
Non-Executive Director
Last re-elected in 2019

Mr Chan was appointed Director on 4 April 2003 and has been an Independent Director of Hiap Hoe since 2003. He assumed the role of Lead Independent Director on 12 May 2015 and, in line with good corporate governance practice, he was re-designated to Non-Executive Director with effect from 1 October 2021. He is presently also the Managing Director of Chancery Capital Pte Ltd. Mr Chan has more than 20 years of investment banking experience with OCBC Bank, BNP Paribas and the Rothschild Group in Singapore and New York. He graduated from Cambridge University (UK) with a Master of Arts (Hons) (Law) in 1994 and is a Chartered Financial Analyst.

Koh Kok Heng, Leslie
Independent Non-Executive Director
Last re-elected in 2020

Mr Koh was appointed Independent and Non-Executive Director of Hiap Hoe on 28 April 2015. He has more than 25 years of experience in investment banking and financial management, advising and leading companies listed in Singapore and Asia on primary and secondary markets capital-raising as well as mergers and acquisitions, corporate governance, accounting and risk management. Mr Koh's roles have included senior financial leadership at Singapore-listed companies including Partner and Head of Corporate Finance at Ernst & Young Singapore, where he was in charge of all equity investment banking activity. Mr Koh holds a Bachelor of Social Science (Honours) in Economics from the National University of Singapore and a Master's in Accounting.

KEY MANAGEMENT

Teo Poh Sim Agnes
Head, HR & Admin

Ms Teo joined the Group in February 2003 and is responsible for formulating its human resources and administration policies. Ms Teo possesses more than 14 years of experience in human resources and administration, and oversees Group payroll, staff welfare and staff development as well as general administration matters. Ms Teo holds a Bachelor of Arts from the Pacific Union College (USA).

Teo Ho Kheong Andrew
Executive Director of Subsidiaries

Mr Teo is Executive Director of a few major subsidiaries of the Group. He is responsible for the business development of SuperBowl's bowling business and assists in the formulation of its operational and marketing plans.

Irene Cheah Lan Kwee
Chief Financial Officer

Ms Cheah was promoted to Chief Financial Officer on 13 August 2021 and is responsible for overall finance, compliance, corporate governance, treasury function and accounting aspects of the Group. She joined the Group as a Financial Controller in June 2015 and, prior to this, was the Vice President Finance with The Straits Trading Company Limited, responsible for financial and management reporting, budget and tax, as well as cash and risk management in relation to the Group's various business segments. She was also actively involved in some of the Group's merger and acquisition projects. Ms Cheah is a Chartered Accountant of Singapore and is a Fellowship member of The Association of Chartered Certified Accountants.

RISK MANAGEMENT

Risk management is an integral part of the management of our Group's business. The Group's risk management framework is designed to enable Management to address operational risks, financial risks and compliance risks of key operating units within the Group.

Risk management and control procedures are reviewed and updated regularly to reflect changes in market conditions and the activities of the Group. The following sets out an overview of the key risks faced by the Group, the nature and the extent of the Group's exposure to these risks and the mitigating actions in place to address these risks.

INTEREST RATE EXPOSURE

Changes in interest rate are a major influence on the bottom line because the Group's investments are mainly financed through bank borrowings. Interest rate risk is managed by arranging different credit facilities with various banks at competitive rates. The Group minimises interest rate risk by considering cash flow forecasts, terms of debt obligations and market outlook. Interest rate hedging instruments are also explored where appropriate.

FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk as a result of its foreign operations in Australia and United Kingdom and its trading investments. The Group uses loans in foreign currency to hedge its exposure to foreign exchange risk on both its trading investments and investments in foreign operations. The Group also considers forward currency contracts to manage these exposures, where appropriate.

LIQUIDITY RISK

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

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 trading investments. The Group does not have exposure to commodity price risk.

BUSINESS CONTINUITY RISK

The Group's operations in various regions have been affected by the COVID-19 pandemic. This pandemic has impacted the lives of many as countries are sent into lockdowns and businesses are forced to cease their operations. Many adjustments have had to be made to adapt during this challenging period. To mitigate the impact of Covid-19 on the Group's business operations, necessary sanitary measures have been put in place. Such measures are aligned with governments' regulations and ensure the safety and wellbeing of our stakeholders. The Group will continue to monitor the situation as it evolves to ensure we are ready for any challenges that lie ahead. The pandemic has further reaffirmed our belief in the importance of sustainability in today's world as we seek to integrate it into our business strategy.

OPERATIONS REVIEW

Bicycle facilities

PROPERTY DEVELOPMENT AND INVESTMENTS

The 13-storey Hiap Hoe Building office tower, the 50,000-sq-ft two-storey Zhongshan Mall, and two hotels, Ramada Singapore at Zhongshan Park and Days Hotel Singapore at Zhongshan Park, make up the Group's 190,000-sq-ft integrated development at Zhongshan Park.

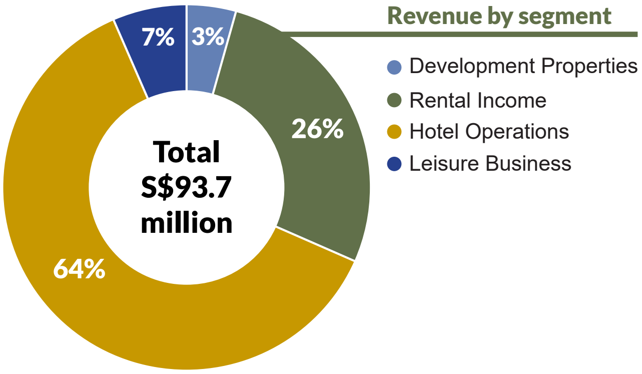
Occupancy for Zhongshan Mall increased by 4% from FY2020's 94% to 98% and Hiap Hoe Building office tower was fully occupied in 2021 up from the previous year's 78% occupancy rate. Meanwhile, the occupancy rate for HH@Kallang, the Group's freehold light industry building located in the heart of Singapore's key growth areas, Paya Lebar Central and the city centre, went up from 81% to 87% in FY2021.

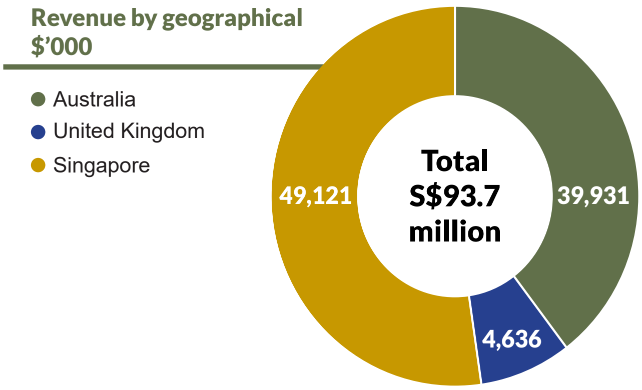
Orchard Towers, a mixed development located in a prime area in Singapore, comprises 21 retail spaces and 38 offices. The occupancy rate dropped to 47% FY2021 as compared to 57% in FY2020 as a result of tenants, mainly in the entertainment sector, having to suspend operations during the Covid-19 pandemic, combined with a lower demand for office units with employees switching to hybrid working arrangements. However, given its prime location, the Group remains confident of potential capital appreciation in the near future.

On the regional front, the Group will adopt a cautious but strategic approach on adding value to its investments, while seeking new growth avenues. Located along the northern fringe of Perth's Central Business District, the Group's A-grade seven-storey commercial property at 130 Stirling Street in Australia currently has an occupancy rate of 23%. However, with the new lease commencing in February 2022 to a Perth government division, the occupancy rate will rise to more than 70%. With 11,801 sq m and 263 sq m of office and retail space respectively, the property is intertwined with key transportation networks such as the Perth Central and McIver railway stations, which offer easy access to the rest of the city. The Group has completed the refurbishment of the 10-year-old building and retrofit works for end-of-trip facilities.

The Group's other commercial property in Perth at 25 Rowe Avenue office building spans 10,571 sq m of net lettable area and is in proximity of multiple blue-chip companies in Riverdale.

OPERATIONS REVIEW (continued)





The Group is confident that this investment, with a high 81% occupancy rate currently, will reinforce its recurring income stream for years to come.

The Group's residential waterfront development in Melbourne, Marina Tower, is part of an integrated residential-cum-hotel development project completed in 2017. It consists of two residential towers of 43 storeys and 36 storeys respectively, with a total of 461 residential units. As of 31 December 2021, 98% of the unit sale was recognised, with eight unsold units left in the development.

HOSPITALITY

The Group's hospitality business accounted for 64% of its total revenue for FY2021 with S$60.1 million, reflecting a year-on-year increase of 30.8%. The increase in revenue was attributed to Australia, UK and Singapore and was mainly due to the gradual reopening of borders and easing of travel restrictions.

OPERATIONS REVIEW (continued)

The Group's hotel, Ramada Singapore at Zhongshan Park performed better in FY2021 as compared to last year as the hotel benefits from the increase inbound travel with the introduction of Vaccinated Travel Lanes and domestic staycation business. For Days Hotel Singapore at Zhongshan Park, the Singapore government isolation programme had ended in February 2022. Both Singapore hotels have been certified SG Clean establishments, and we continue to keep safety measures in place.

The Group owns two hotels in Australia. Aloft Perth Hotel, which has 224 rooms and is managed by Starwood Australia Hotels Pty Ltd, is part of Marriott International. Four Points by Sheraton Melbourne Docklands, a 273-room hotel, is also managed by Marriott International and is part of Marina Tower integrated hotel-cum-residential development, the first international hotel in the bustling Docklands area. Aloft Perth had recorded higher occupancy in FY2021 with the gradual reopening of borders and the government isolation programme at Four Points by Sheraton Melbourne had ended in December 2021.

In United Kingdom, a 220-room Holiday Inn Express in Trafford City, Mercury Way, Manchester is located in the city's high-growth region. The opening of the new Metrolink line connecting Trafford City to Manchester City Centre now offers greater accessibility to the hotel and we have been able to claw back revenue lost in the first year of the pandemic.


Food preparation safety at Days Hotel Singapore


Ramada Singapore – Housekeeping


Banquet Support - Covid

OPERATIONS REVIEW (continued)

LEISURE

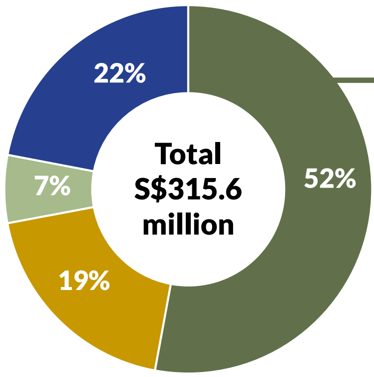
There are currently eight SuperBowl centres situated islandwide. The outlets are at Khatib HomeTeamNS Clubhouse, HomeTeamNS-JOM, SAFRA Tampines, Keat Hong Community Club, SuperBowl Mount Faber, SuperBowl Toa Payoh, SuperBowl Jurong and the latest addition, a new bowling centre at Siglap Community Club. This 12-bowling-lane addition is targeted to commence operations in the 2nd quarter of 2022.

The leisure business continued to see reduced revenue as a result of the restrictions on attendance for all sports and recreation activities due to the ongoing pandemic. The Group is committed to delivering a safe environment for staff, visitors and guests. We have implemented good practices into our daily business activities and continue to observe regulations stipulated by public health authorities.

INVESTMENTS

The market value of the Group's trading investment portfolio increased by 12% over the year from S$281.7 million in FY2020 to S$315.6 million in FY2021. The Group maintains a diversified investment portfolio across different asset classes and geographies, with the objective to generate income and achieve capital appreciation over the long term.

The portfolio comprises both quoted (listed bonds and equities) and unquoted (unlisted bonds, mutual and private equity funds) investments and can be sold from time to time for liquidity management. This diversification allows us to manage our investment risks in a prudent way, while maintaining exposure to real estate (including hospitality) assets. The Group recorded fair value gain of S$13.9 million in the year, mainly arising from its investments in the real estate sector globally.



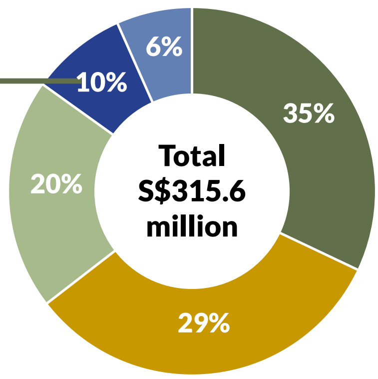
Sector exposure for trading investments

- Real Estate (including Hospitality)
- Financials
- Technology/ Communications
- Others

* Others includes investment in mutual funds, healthcare, energy, etc.

Currency denominations for trading investments

- United States Dollar US$
- Euro €
- Singapore Dollar S$
- Australian Dollar A$
- Others



SUSTAINABILITY

As the world grapples with the challenges of sustainable development, it is becoming increasingly apparent that businesses need to take into consideration the environmental, socioeconomic and governance ("ESG") risks and opportunities that are most significant to the organisation and its stakeholders. At Hiap Hoe, we recognise our shared responsibility towards a sustainable future for all, and constantly strive to integrate ESG across our operations. The Board continues to maintain its oversight on managing and integrating ESG issues into our business operations and strategies. It remains our responsibility to set strategic objectives to ensure the long-term success and growth of Hiap Hoe.

The Company will make available its full Sustainability Report for FY2021 by 31 May 2022 in accordance with Practice Note 7.6.


Nursery

THE WYNDHAM GREEN PROGRAMME

Our sustainable practices are created and driven by the Wyndham Green programme, which focuses on education and innovation, and is now in its ninth year. Our Wyndham Green committee meets regularly to implement initiatives for both hotels based on the company's vision and core values, enhancing customers' lives by improving the environment, supporting global and local communities, and developing sustainable programmes that deliver economic benefits.

Supporting the Farm-to-Fork Movement

Part of these initiatives is the hotels' Wyndham Nurseries, where small plots of land are set aside in both hotels for growing fruits, vegetables and herbs. The nurseries are maintained, harvested and used sustainably. Trees and herbs are planted on Earth Day and Wyndham Green Day annually. The herbs and plants grown in the Wyndham Nurseries, including papayas, lemons, peppermint, butterfly peas, pandan, Thai basil, starfruit and yellow ginger, are ingredients that are frequently used in the hotels' three onsite food and beverage outlets. Other than enhancing the flavours of the dishes, they are widely used in our juice concoctions and as garnishes to our dishes.

Supporting this farm-to-fork movement not only ensures maximum freshness and minimises the import cost of ingredients, but it also reduces the miles it takes for the food to reach the plate, thus reducing carbon emissions through transportation, packaging and storage.

CORPORATE GOVERNANCE

The Board of Directors (the "**Board**" or the "**Directors**") of Hiap Hoe Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to upholding effective corporate procedures and policies in compliance with the Code of Corporate Governance 2018 (the "**Code**"). The Board believes that good corporate governance establishes and maintains an ethical corporate environment, which protects and enhances the interests of all shareholders.

This report describes the Company's corporate governance processes and activities that were in place throughout the financial year ended 31 December 2021 ("**FY2021**"), with specific references made to the principles and guidelines as set out in the Code. The Company has provided the rationale for each area where it has not complied with the Code, and in such cases the Company would re-assess its deviation from the relevant guidelines and implement the recommended procedures as and when it deems it appropriate to do so.

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 totals six (6) Board members and currently comprises three (3) Executive Directors (one of whom is the Chief Executive Officer ("**CEO**") of the Company, and another who is the Managing Director), two (2) Non-Executive Independent Directors and one (1) Non-Executive Director. Collectively, they possess the right core competencies and diversity of experience, which enables them to contribute to the overall effective management of the Group.

The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board has in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture and ensures proper accountability within the Company. Any Director who faces conflicts of interest is required to recuse himself from discussions and decisions involving the issues of conflict.

The role of the Board pursuant to its terms of reference includes the following:

(a) meeting regularly to review and approve matters such as those relating to the Company's strategic directions, appointment of Directors and key management personnel, business results, and major funding and investment proposals;
(b) reviewing the financial performance of the Group;
(c) supervising the management of the business and affairs of the Group;
(d) reviewing the adequacy of the Group's internal controls and risk management framework;
(e) setting the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;
(f) assuming responsibility for the corporate governance of the Group; and
(g) ensuring that all decisions are made in the interests of the Group.

The Board has separate and independent access to the Company's management team (the "**Management**") and is free to request for further clarification and information from the Management on all matters within their purview. The Board will conduct at least two (2) meetings in a year and ad-hoc meetings will be convened, when required. The Company's Constitution provides for the Board to convene meetings via telephone conferences and electronic means. In addition to holding meetings, important matters concerning the Group are also put to the Board for its decision by way of written resolutions.

In order to provide an independent oversight and to discharge its responsibilities more efficiently, the Board has delegated certain functions to various committees (the "**Committees**"). These Committees are the Audit and Risk Committee ("**ARC**"), the Remuneration Committee ("**RC**"), and the Nominating Committee ("**NC**"). The respective committees have written terms of reference setting out their compositions, authorities and duties. The chairman of the respective Committees will report and update the Board on the outcome of the Committee meetings and their recommendations on the specific agendas mandated to the Committee by the Board.

CORPORATE GOVERNANCE

The Board accepts that, while these Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters lies with the Board. In particular, the Board notes that it has overall responsibility for putting in place a framework of good corporate governance in the Group, including the processes for financial reporting and compliance.

Board members are provided with complete, adequate and timely information from the Management on an ongoing basis and as and when requested by them and all relevant information on material events and transactions are circulated to the Directors as and when they arise. Draft announcements, along with sufficient information relating to the context of the relevant announcement as communicated by email or tele-conversations, will be circulated to the Board for review and approval before dissemination to the shareholders via SGXNET.

The Company's joint company secretaries (the "**Joint Company Secretaries**") would assist the Management to prepare the board papers of the Board and Committee meetings for circulation. The Directors receive the board papers at least two (2) days before the meeting so that they have ample time to review the documents. The board papers include, among others, the following documents and details:

- background or explanation on matters brought before the Board and Committees for their decision or information, including issues being dealt with by Management, relevant forecasts, announcements and projections; and
- minutes of the previous Board and Committee meeting.

All Board members have separate and independent access to the advice and services of the Joint Company Secretaries. The Joint Company Secretaries are responsible for ensuring that Board procedures (including those stipulated in the Company's Constitution) are followed and that applicable rules and regulations (including the requirements of the Singapore Companies Act 1967 and the SGX-ST Listing Manual) are complied with. At least one Joint Company Secretary and/or her representatives are present at all Board meetings, to ensure that Board procedures are complied with and to provide advice and guidance on matters of corporate governance as well as on legal and regulatory compliance. The appointment and cessation of the Joint Company Secretaries is subject to the approval of the Board.

Should Directors, whether as a group or individually, need independent advice to fulfill their duties, they may obtain independent professional advice, if necessary, at the Company's expense.

Records of the attendance of the Directors at the various meetings held during FY2021 are as follows:

Name of Director	Board	Audit and Risk Committee	Remuneration Committee	Nominating Committee
Number of meetings held:	2	2	1	2
Number of meetings attended:				
Mr Ronald Lim Cheng Aun	2	2	1	2
Mr Teo Ho Beng	2	2*	1*	2*
Mr Roland Teo Ho Kang	2	N.A.	N.A.	N.A.
Mr Teo Keng Joo, Marc	2	2*	1*	2*
Mr Koh Kok Heng, Leslie	2	2	1	2
Mr Chan Boon Hui	2	2	1	2

*Attendance by invitation.

CORPORATE GOVERNANCE

The Board has adopted internal guidelines setting out, inter alia, the following matters which require the Board's approval:

(a) transactions involving a conflict of interest for any substantial shareholder or Director;
(b) material acquisitions and disposals of assets;
(c) corporate or financial restructuring and share issuances, dividends and other returns to shareholders; and
(d) matters as specified under the Company's interested person transaction policy.

The Company also ensures that all Directors understand the Company's business as well as their directorship duties. Newly-appointed Directors are provided with background information about the Group and are invited to visit the Group's operations and facilities to have an understanding of the Group's business operations. Formal letters were issued to newly-appointed Directors upon their appointment explaining their statutory and other duties and responsibilities as a Director of the Company. In line with Rule 201(5)(a) of the SGX-ST Listing Manual, the Company will arrange for newly-appointed directors who have no prior experience as directors of an issuer listed on the SGX to undergo the mandatory SGX prescribed training on their roles and responsibilities unless the NC otherwise at its discretion waives the need for the newly-appointed Director to attend the mandatory SGX prescribed training.

Directors are encouraged to participate in seminars, discussion groups, or external training programmes to be kept abreast of the latest developments relevant to the Group's businesses and to develop and maintain their skills and knowledge at the Company's expense. The Board also receives updates from time to time, particularly on relevant new laws and regulation, changing commercial risks, and business conditions from the Company's relevant advisors and the Management.

As at the date of this annual report, the Directors have participated in various seminars and other such external programmes. Some of the programmes and seminars include the Singapore Governance and Transparency Forum 2021 on Corporate Governance beyond the pandemic, a webinar conducted by CFA Institute on Chinese Property Developers, a webinar conducted by UBS on sustainability and climate change, a webinar conducted by S&P Global on transitioning to net zero, and conferences held by the Singapore Institute of Directors such as the Corporate Governance Roundup 2021, the Launch of Singapore Directorship Report 2021, and the ASEAN Corporate Governance Scorecard Briefing.

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 three (3) Executive Directors, two (2) Non-Executive Independent Directors and one (1) Non-Executive Director. There is a strong and independent element on the Board. The members of the Board are as follows:

Executive Directors

Mr Teo Ho Beng (CEO)

Mr Roland Teo Ho Kang (Managing Director)

Mr Teo Keng Joo, Marc (Executive Director)

Non-Executive Directors

Mr Ronald Lim Cheng Aun (Non-Executive Chairman and Independent Director)

Mr Koh Kok Heng, Leslie (Independent Director)

Mr Chan Boon Hui (Non-Executive Director)

As at the date of this Annual Report, the position of Non-Executive Independent Chairman is held by Mr Ronald Lim Cheng Aun and the position of CEO is held by Mr Teo Ho Beng, thereby ensuring proper balance of power and authority in the Group.

CORPORATE GOVERNANCE

Provision 2.3 of the Code states that Non-Executive Directors should make up a majority of the Board to avoid undue influence of the management over the Board and ensure appropriate checks and balances are in place. The Board currently has three (3) Non-Executive Directors and two of whom are also Independent Directors. Furthermore, the Non-Executive Chairman of the Board is also an Independent Director. Accordingly, whilst Non-Executive Directors do not make up the majority of the Board, they make up 50% of the Board with an Independent Non-Executive Chairman and the Board believes that there is a sufficiently strong independent element on the Board to maintain appropriate checks and balances and avoid undue influence of the Management on the Board's decision making process. The Company further believes that the existing Board composition is also consistent with the intent of Principle 2 of the Code as the Non-Executive Independent Directors, chair the Board and Board committees, are independent and are able to provide the appropriate level of independence and diversity of thought and background and to make decisions in the best interests of the Company.

The independence of each Non-Executive Independent Director is reviewed annually by the NC. The NC has adopted the Code's and SGX-ST Listing Manual's definition of what constitutes an independent director in its review. Pursuant to Provision 2.1 of the Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Under Rule 210(5)(d) of the SGX-ST Listing Manual, a director will not be considered independent (i) if he is employed or has been employed by the Company or any of its related corporations for the current or any of the past three financial years or (ii) if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the current or any of the past three financial years, and whose remuneration is determined by the remuneration committee of the Company.

The Board has identified each of the Company's Non-Executive Independent Directors to be independent, after determining, taking into account the views of the NC, whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when it arises. In addition, every year, each Non-Executive Independent Director is required to complete the Director's independence form to confirm his independence annually based on the guidelines set out in the Code.

Mr Chan Boon Hui has served on the Board for more than nine (9) years from the date of his first appointment. The Board subjects the independence of such directors to particularly rigorous review. As such, the Board has decided to re-designate Mr Chan Boon Hui from an independent director to a non-executive director, in line with good corporate governance practice.

The Board's and Committees' structure, size and composition are reviewed annually by the NC. The NC, with the concurrence of the Board, is of the view that the Board's and Committees' current size is appropriate and has the right mix of skills and experience given the nature and scope of the Group's operations. The Directors as a group provide a diversity of skills, knowledge, as well as extensive experience in business management, investments, strategic planning, and knowledge in accounting and finance, all of which are crucial in steering the Group towards the direction of growth and in avoiding group think and fostering constructive debate.

In reviewing the appointments of new Directors (including any future appointments of new Directors), the Board together with the NC ensures that it sets the relevant objectives to promote and achieve diversity on the Board. In discharging its duties, the Board and the NC shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of the Company. The main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company. The Board and the NC will also as far as possible, take into consideration female representation as and when the Company is looking to appoint new Directors.

Whilst the Company has not adopted a board diversity policy formally taking into consideration the size of the Board as well as the scale of the Company's operations, the Board and the NC recognise the importance of having an effective and diverse Board, taking into consideration the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. Further to this, the Board and NC will also continue to take into consideration the need for diversity on the Board in the appointment of new Directors in line with the intent of Principle 2 of the Code. The NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new Directors with the aim of having at least one (1) female Director on the Board.

The Board notes that the Company's Non-Executive Directors, including Independent Directors, are able to constructively challenge the Management's mindset and planning, with a view to the best interests of the Group. They also play a crucial role in helping the Management develop proposals on business strategy and in reviewing the performance of the Management. The Company would arrange to avail the Company's premises for use by the Non-Executive Directors, including Independent Directors, at any time to meet regularly without the presence of the Management.

Details of the Directors' academic and professional qualifications can be found on pages 6 and 7 of the 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.

To ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the Chairman and CEO are separate persons. Mr Ronald Lim Cheng Aun is the Non-Executive Chairman as well as Independent Director of the Company. Mr Teo Ho Beng is the CEO of the Company. Mr Roland Teo Ho Kang, brother of Mr Teo Ho Beng, is the Managing Director of the Company and Mr Teo Keng Joo, Marc, son of Mr Teo Ho Beng, is an Executive Director of the Company.

As the Non-Executive Independent Chairman, Mr Ronald Lim Cheng Aun performs the following in relation to Board proceedings:

(a) schedule meetings that enable the Board to perform its duties responsibly while not interfering with the Company's operations;
(b) prepare meeting agendas in consultation with the CEO and Managing Director;
(c) exercise control over quality, quantity and timelines of the flow of information between the Management and the Board;
(d) promote a culture of openness and debate at the Board;
(e) facilitate the effective contribution of the Non-Executive Independent Directors in particular to the Board and Group affairs; and
(f) assist in ensuring compliance by the Company with the Code's guidelines on corporate governance.

The CEO is responsible for the day-to-day management of the Group and in developing the businesses of the Group. Major decisions made by the CEO and the Managing Director, are reviewed by the ARC and approved by the Board.

As at the date of the Annual Report, as the position of Non-Executive Chairman and the CEO are different persons, the Company has complied with Provision 3.1 of the Code and the Company is not required to appoint a Lead Independent Director under Provision 3.3 of the Code.

In line with the Code, the Non-Executive Directors (including Independent Directors) will meet at least once a year without the presence of the other Executive Directors. After such meetings, the Non-Executive Directors (including Independent Directors) would provide feedback to the Non-Executive Chairman and CEO.

As such, the Board is of the view that for FY2021 there is a clear division of responsibilities between the Board and the Management and there are adequate safeguards in place to ensure a balance of power and authority on the Board, such that no one individual represents a considerable concentration of power.

CORPORATE GOVERNANCE

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 entirely of three Non-Executive Directors, the majority of whom (including the Chairman of the NC) are Independent Directors, and they are:

1) Mr Ronald Lim Cheng Aun (Chairman of the NC);
2) Mr Koh Kok Heng, Leslie; and
3) Mr Chan Boon Hui.

The principal functions of the NC based on its terms of reference include the following:

(a) identifying and making recommendations to the Board as to the Directors who are to retire by rotation and who are to be put forward for re-election at each annual general meeting ("**AGM**") of the Company;
(b) determining annually whether or not a Director is independent;
(c) deciding, in relation to a Director who has multiple board representations, whether or not such Director is able to and has been adequately carrying out his duties as a Director of the Company;
(d) identifying and nominating candidates for the approval of the Board to fill vacancies in the Board as and when they arise;
(e) reviewing and making recommendations to the Board regarding the Board's structure, size, composition, and core competencies, having regard at all times to the principles of corporate governance and the Code;
(f) reviewing succession plans for directors, in particular the appointment and/or replacement of the Chairman, CEO and key management personnel;
(g) appointment and re-appointment of Directors;
(h) creating the process and criteria for evaluating the effectiveness of the Board, as a whole, the Committees and the contribution of the Directors to the effectiveness of the Board; and
(i) reviewing training and professional development programmes.

New Directors are appointed by way of a Board resolution after the NC has approved their nomination. These new Directors must submit themselves for re-election at the next AGM of the Company in accordance with Regulation 91 of the Company's Constitution. The NC would through various avenues, source for suitable candidates as new Director(s) and appraise the candidates to ensure they have the relevant experience and calibre to contribute effectively to the Group. These avenues include the Directors' personal contacts, search companies or through internal assessments conducted on any suitable candidates within the Group. The NC shall endeavour to consider female candidates when identifying candidates to be appointed as new Directors. As and when necessary, the Company will release announcements on the appointments or cessations of its Directors via SGXNET.

The NC makes recommendations to the Board on all Board appointments and re-nominations. The NC has conducted the annual review of the Directors' independence based on the circumstances set forth in Provision 2.1 of the Code. The NC, having evaluated the independence of each of the Non-Executive Independent Directors, is of the view that Mr Ronald Lim Cheng Aun and Mr Koh Kok Heng, Leslie are independent.

The Company's Constitution provides for at least one-third of the Directors to retire from office by rotation at each AGM. The retiring Directors shall be eligible for re-election at the AGM. Pursuant to Rule 720(4) of the SGX-ST Listing Manual, all directors submit themselves for re-nomination and re-appointment at least once every three years.

The Board has accepted the NC's nomination of Mr Roland Teo Ho Kang and Mr Chan Boon Hui, who are retiring pursuant to Regulation 106 of the Company's Constitution for re-election at the Company's forthcoming AGM.

The NC is also tasked with deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations. For the avoidance of doubt, all Directors are required to declare their board representations to the Board and the Management. As a guide,

CORPORATE GOVERNANCE

Directors should not have more than six (6) listed companies board representations and other principal commitments. After conducting reviews, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group and that the Directors have been adequately carrying out their duties as Directors of the Company.

Details of the appointment of each Director, including the date of initial appointment and the date of last re-election as a Director of the Company, as well as their directorships in other listed companies, both current and for the preceding three (3) years, are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Directorship in Listed Companies	
			Past Preceding 3 years	Present
Mr Ronald Lim Cheng Aun	28 April 2015	25 June 2020	-	ESR Funds Management (S) Limited
Mr Teo Ho Beng	16 January 2003	29 April 2021	-	Ley Choon Group Holdings Limited
Mr Roland Teo Ho Kang	16 January 2003	30 April 2019	-	-
Mr Teo Keng Joo, Marc	11 May 2017	29 April 2021	-	-
Mr Koh Kok Heng, Leslie	28 April 2015	25 June 2020	-	-
Mr Chan Boon Hui	4 April 2003	30 April 2019	-	(i) JCY International Berhad (ii)Gamma Civic Ltd

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.

Once every financial year, all Directors are requested to complete a Board performance evaluation questionnaire to assess the overall effectiveness of the Board for the year under review. The Joint Company Secretaries will compile the Directors' responses to the questionnaire into a summarised report and circulate the same to the Board for discussion. The results of the exercise are reviewed by the NC before submission of the same to the Board for further discussion. The Board will determine areas for improvement and methods to enhance Board effectiveness.

For FY2021, the NC had evaluated the Board's performance as a whole, including the participation and contribution of the Non-Executive Chairman and the individual Directors to the Management of the Company at Board and Committee Meetings. To assess the effectiveness of the Board as a whole, the factors considered by the NC include but are not limited to:

(a) the current size and composition of the Board;
(b) the discussion and decision-making processes of the Board (including quality of the Board's conduct of meetings);
(c) the Board's access to information;
(d) the observation of risk management and internal control policies by the Board; and
(e) the performance of the Board (including the Board's performance in relation to the discharge of its principal responsibilities in terms of the financial indicators set out in the Code).

For FY2021, the NC has also evaluated the performance of the Directors. To assess the contribution of each individual Director, the factors evaluated by the NC include but are not limited to:

CORPORATE GOVERNANCE

(a) his participation at the meetings of the Board;
(b) his ability to contribute to the discussions conducted by the Board and to constructively challenge and contribute effectively to the Board;
(c) his ability to evaluate the Company's strength and weaknesses and make informed business decisions;
(d) his ability to interpret the Company's financial reports and contribute to the formulation of strategies, budgets and business plans that are compatible with the Group's vision and existing business strategy;
(e) his compliance with the policies and procedures of the Group;
(f) his performance of specific tasks delegated to him;
(g) his disclosure of any related person transactions or conflicts of interest; and
(h) for Independent Directors, his independence from the Group and the Management.

With respect to FY2021, the Board, in consultation with the NC, considered the performance of each individual Director and the Board to be satisfactory. For the avoidance of doubt, each member of the NC abstained from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

For FY2021, the Board had also evaluated the performance of the ARC, NC and RC. To assess the performance of each Committee, the factors evaluated by the Board include but are not limited to:

(a) the ARC/NC/RC's ability to function properly and to discharge its responsibility effectively;
(b) the ARC/NC/RC's meetings are conducted in a manner that allows a frank and candid exchange of views;
(c) there is strong support from Management in the preparation and submission of papers for discussion;
(d) papers for meetings are distributed to members in advance and they do contain adequate details on issues for discussion;
(e) members do have sufficient expertise and knowledge to ask searching questions and challenge Management on its judgement and findings on issues for discussion; and
(f) ARC/NC/RC will not hesitate to seek outside third party professional and expert advice as and when the need arises.

The Board considered the performance of the ARC, NC and RC to be satisfactory in FY2021.

REMUNERATION MATTERS

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.

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.

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.

The RC comprises entirely of Non-Executive Directors, the majority of whom (including the Chairman of the RC) are Independent Directors and they are:

1) Mr Koh Kok Heng, Leslie (Chairman of the RC);
2) Mr Ronald Lim Cheng Aun; and
3) Mr Chan Boon Hui.

One of the key roles of the RC is to review and recommend to the Board a general framework of remuneration for the Directors and the key management personnel and the specific remuneration packages for each Director as well as for the key management personnel. The RC also considers all aspects of remuneration, including termination terms, to ensure they are fair. For the avoidance of doubt, no Director or member of the RC is involved in deciding his own remuneration. The Company has not engaged any remuneration consultants.

CORPORATE GOVERNANCE

Remuneration matters concerning the Board, key management personnel, and employees who are immediate family members of a Director

The Company adopts a remuneration policy for Executive Directors and key management personnel, which comprises a fixed component and a variable component. The fixed component is in the form of a monthly base salary, whereas the variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The variable bonus is aligned with the interests of shareholders and other stakeholders and promotes the long term success of the Company.

The RC's objective is to establish and maintain a level of remuneration that would be appropriate to attract, retain and motivate the Directors and key management personnel to run the Company successfully in the long term. The RC has adopted a framework of remuneration for the Board and determined specific remuneration packages for each Executive Director. The recommendations of the RC are submitted to the Board for endorsement.

The Executive Directors have service agreements which are renewed annually. The service agreements may be terminated by either the Company or the Executive Directors by giving six (6) months' written notice to the other party. The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Non-Executive Directors, including Non-Executive Independent Directors, are paid Directors' fees, taking into consideration individual contribution, including effort, attendance at various meetings, time spent and responsibilities held at the Committee level. The breakdown of those fees is as follows:

Independent / Non-Executive Director	$40,000
Chairman of Board	$15,000
Chairman of Audit and Risk Committee	$15,000
Chairman of Remuneration Committee	$ 5,000
Chairman of Nominating Committee	$ 5,000

Such fees are subject to the approval of shareholders at the AGM every year.

The members of the RC possess general knowledge in the field of executive remuneration and/or compensation and have access to external professional advice. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals.

To avoid poaching of the Company's staff and in the interest of privacy and confidentiality of remuneration matters and taking into consideration the relative size as well as the competitive business environment in which the Group operates in, the Company is not disclosing the precise remuneration and in aggregate the total remuneration of the Directors and top key management personnel of the Group in the annual report. The Company also took into consideration the disadvantages which would be caused to the Group's business interest would far outweigh the benefits of such disclosure as well as the sensitivity of remuneration matters and the need to maintain the confidentiality of the remuneration packages of the Directors and top key management personnel of the Group. However, the Company shall disclose the remunerations in bands of S$250,000 and provide a detailed breakdown in percentage terms of the same. In view of the aforementioned reasons, the Company believes that whilst it has not disclosed the precise remuneration and in aggregate total remuneration of the Directors and top key management personnel of the Group, its current disclosure is consistent with the

CORPORATE GOVERNANCE

intent of Principle 8 of the Code as shareholders are still given information on the level and mix of remuneration in percentage terms and that the interests of shareholders will not be prejudiced as a result of such non-disclosure of the total remuneration in dollar terms for the Directors as well as for key management personnel.

Details of the remuneration of the Directors (in percentage terms) are as follows:

Directors' Remuneration	Fees(1)	Salary(2)	Bonus(3)	Other Benefits(4)	Total
$250,000 and below					
Mr Ronald Lim Cheng Aun	100%	-	-	-	100%
Mr Koh Kok Heng, Leslie	100%	-	-	-	100%
Mr Chan Boon Hui	100%	-	-	-	100%
Between $250,001 to $500,000					
Mr Teo Keng Joo, Marc	-	74%	19%	7%	100%
Between $750,001 to $1,000,000					
Mr Roland Teo Ho Kang	-	78%	19%	3%	100%
Between $1,750,001 to $2,000,000					
Mr Teo Ho Beng	-	79%	20%	1%	100%

Notes:

(1) Directors' fee proposed for FY2021.
(2) Salary includes gross salary and Central Provident Fund ("**CPF**") contribution.
(3) Bonus includes salary and CPF contribution.
(4) Other benefits include use of the company car and its maintenance costs.

The range of gross remuneration received by the top five (5) executives (excluding Executive Directors and CEO) of the Group is as follows:

Top Five (5) Executives' Remuneration	Salary(1)	Bonus(2)	Other Benefits(3)	Total
Between $250,001 to $500,000				
Ms Teo Poh Sim Agnes	76%	19%	5%	100%
Ms Irene Cheah Lan Kwee	79%	21%	-	100%
$250,000 and below				
Mr Teo Ho Kheong Andrew	76%	13%	11%	100%
Ms Teo Poh Ho Josephine	79%	13%	8%	100%
Ms Teo Poh Leng Jocelyn	76%	13%	11%	100%

Notes:

(1) Salary includes gross salary and CPF contribution.
(2) Bonus includes salary and CPF contribution.
(3) Other benefits include use of the company car and its maintenance costs.

The remuneration of employees who are immediate family members of a Director or the CEO is disclosed below:

CORPORATE GOVERNANCE

Remuneration Bands	Number of Employees
$100,001 to $150,000	1
$150,001 to $200,000	2
$200,001 to $250,000	1
$300,001 to $350,000	1

Ms Sin Wong Chan is the wife of Mr Teo Ho Beng whose remuneration ranged between $100,001 and $150,000 for FY2021.

Ms Teo Poh Ho Josephine and Ms Teo Poh Leng Jocelyn are the sisters of Mr Teo Ho Beng and Mr Roland Teo Ho Kang whose remuneration ranged between $150,001 and $200,000 for FY2021.

Mr Teo Ho Kheong Andrew is the brother of Mr Teo Ho Beng and Mr Roland Teo Ho Kang whose remuneration ranged between $200,001 and $250,000 for FY2021.

Ms Teo Poh Sim Agnes is the sister of Mr Teo Ho Beng and Mr Roland Teo Ho Kang whose remuneration ranged $300,001 and $350,000 for FY2021.

Save for the remuneration of Ms Sin Wong Chan, the amount and breakdown of the remuneration of the immediate family members of substantial shareholders or Director or CEO of the Company has been disclosed in percentage terms under the remuneration table for the top five (5) executives on page 25 of the Annual Report.

Save as disclosed above, there are no employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO, or a substantial shareholder of the Company, and whose remuneration exceed S$100,000 during FY2021.

In respect of the Company's decision not to disclose the amounts and breakdown of the remuneration of employees who are immediate family members of a substantial shareholder, Director or CEO of the Company ("**Related Employees**") in dollar terms, this decision was taken after careful deliberation and taking into consideration the confidential nature and sensitivity of remuneration matters, the relative size of the Group as well as the competitive business environment in which the Group operates in. The Company also took into consideration the disadvantages which would be caused to the Group's business interest would far outweigh the benefits of such disclosure and as well as the sensitivity of remuneration matters and the need to maintain the confidentiality of the remuneration package of the Related Employees.

The Company has adopted a disclosure of the remuneration band which each Related Employee falls within and which would still enable shareholders to understand the Company's remuneration structure for Related Employees.

The Company believes that notwithstanding its decision not to disclose the amounts and breakdown of the remuneration of Related Employees, its current disclosure is consistent with the intent of Principle 8 of the Code and that the interests of shareholders will not be prejudiced as a result of such non-disclosure of the total remuneration in dollar terms for the Related Employees.

The Company currently does not have any long-term incentive scheme or employee share option scheme.

ACCOUNTABILITY AND AUDIT

The Board is accountable to shareholders for the management of the Group. The Board is mindful of its obligations to provide an assessment of the Company's performance and updates shareholders on the operations and financial position of the Company through half yearly results announcements through SGXNET. The Board will also release timely announcements of other matters to ensure full disclosure of material information, as prescribed by the SGX-ST Listing Manual and other relevant rules and regulations. In particular, price sensitive information is publicly announced before it is communicated to any other interested person.

CORPORATE GOVERNANCE

The Management, who is accountable to the Board, provides the Board with the necessary financial information for the discharge of the Board's disclosure duties. The Board is provided with periodic financial reports and other relevant disclosure documents, where appropriate, by the Management.

Further to the above, the Company also completes and submits compliance checklists to SGX-ST (if applicable and when required) to ensure that all announcements, circulars or letters to shareholders comply with the requirements set out in the SGX-ST Listing Manual. The Board is also notified by the Management, the Joint Company Secretaries, and the Company's auditors on any statutory changes or updates in regulatory or accounting standards affecting the Group. The Board will, after reviewing the necessary documents and/or discussions at any Board or Committee meetings, take action where it deems appropriate to do so to ensure that the Group complies with the prescribed requirements.

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 determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company has put in place a risk management and internal controls system in relation to the Group's financial, operational, compliance and information technology controls. Risk management and internal controls are detailed in formal instructions, standard operating procedures, and financial authority limits policies. The principal aim of the internal control system (including financial, operational, compliance and information technology controls) and risk management system is to safeguard shareholders' investments and the Group's assets.

The Management maintains the risk management and internal controls system and the Board monitors the Group's risks through the ARC and the Company's internal auditors. In designing these controls, the Company has considered the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

The Group maintains a system of internal controls for all companies within the Group. The Board acknowledges that it is responsible for the overall internal controls framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as such systems are designed to manage rather than eliminate all risks of failure in achieving business objectives. The internal controls system is implemented to provide reasonable, but not absolute, assurance against material misstatement or loss, with a view to safeguard shareholders' investments and the Group's assets.

The Group has adopted the Enterprise Risk Management ("**ERM**") framework pursuant to which it has established risk management policies and guidelines for adoption. The ERM framework is designed to enable Management to address the operational risks, financial risks, compliance risks of key operating units in the Group. The ERM sets out the following processes:

(a) identifying each risk factor which the Group is exposed to;
(b) quantifying each exposure's size in terms of cash valuations;
(c) inserting these figures into a risk estimation calculation and mapping out the results;
(d) identifying the Group's overall risk exposures as well as the contribution to the overall risk as derived from each risk factor;
(e) setting up a process to report on these risks periodically to the Management, who will set a committee of division heads and executives to determine capital allocations, risk limits, and risk management policies; and
(f) monitoring the Group's compliance with these policies and risk limits.

The ERM provides a point of reference for the Company to address the on-going changes and challenges in its business environment, manage and reduce commercial uncertainties, facilitate shareholder value creation process, and assist the ARC and the Board in discharging their responsibilities.

CORPORATE GOVERNANCE

The ARC is responsible for overseeing the internal controls and risk management of the Group and the Board of Directors reviews the adequacy and effectiveness of the key internal controls including financial, operational, compliance and information technology controls, as well as risk management systems on an on-going basis, such reviews of which are carried out internally or with the assistance of any competent third parties. In particular, it was noted by the ARC and the Board that the Company's external auditors confirmed that proper accounting records are maintained for FY2021 and that the financial information used for business purposes and for publication in the relevant financial period is reliable.

In addition, the Board has received assurance from the CEO and the Chief Financial Officer ("**CFO**") for FY2021 that the financial records 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, regarding the adequacy and effectiveness of the Company's risk management and internal control systems for FY2021.

Based on the ERM framework and internal controls established and maintained by the Company, work performed in conjunction with the statutory audit, and reviews performed by the Management, various Committees and the Board in respect of the internal controls (including financial, operational, compliance and information technology controls) and the risk management system, the Board, having concurred with the ARC, is satisfied with the adequacy and effectiveness of the issuer's internal controls (including financial, operational, compliance and information technology control) and risk management systems for FY2021. The Company has thereby complied with Rule 1207(10) of the SGX-ST Listing Manual.

AUDIT AND RISK COMMITTEE

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

The ARC comprises entirely of Non-Executive Directors, the majority of whom (including the Chairman of the ARC) are Non-Executive Independent Directors, and the members are as follows:

1) Mr Koh Kok Heng, Leslie (Chairman of the ARC);
2) Mr Ronald Lim Cheng Aun; and
3) Mr Chan Boon Hui.

The role of the ARC is to assist the Board of Directors in the execution of its corporate governance responsibilities within its terms of reference and requirements.

The functions of the ARC include:

(a) reviewing any significant financial reporting issues and judgements so as to preserve the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
(b) reviewing with the external auditors, the audit plan, their audit report, the Management's letter and the Management's responses;
(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
(d) reviewing the half year and full year financial statements before submission of the same to the Board for approval;
(e) reviewing annually the scope and results of the internal controls and risk management system including the adequacy and effectiveness of the internal audit functions;
(f) reviewing the assistance given by the Management to the external auditors;
(g) overseeing the internal controls and risk management of the Company and assessing the adequacy and effectiveness of these internal controls and risk management systems;
(h) reviewing the scope and results and the cost-effectiveness, the independence and objectivity of the external auditors and internal audit function, annually, and the nomination of the external auditors re-appointment as auditors of the Company;

CORPORATE GOVERNANCE

(i) making recommendations to the Board on (i) the proposals to the shareholders on the appointment and removal of external auditors and (ii) the remuneration and terms of engagement of the external auditors;
(j) reviewing all non-audit services provided by the external auditors so as to ensure that any provision of such services would not affect the independence of the external auditors;
(k) investigate any matters within its terms of reference; and
(l) reviewing interested person transactions falling within the scope of the SGX-ST Listing Manual.

The Board is of the opinion that the members of the ARC have sufficient expertise and experience to discharge their duties effectively. The ARC Chairman and the ARC members have relevant accounting or related financial management expertise and experience.

The Company has in place a whistle-blowing framework, endorsed by the ARC, pursuant to which staff members of the Company have direct access to the Chairman of the ARC to raise concerns about possible corporate improprieties in matters of financial reporting or other matters. The objective of such arrangements is to ensure both independent investigation of such matters and appropriate follow-up action are taken.

There were no whistle-blowing letters received during FY2021 and as of the date of this annual report.

The ARC has full access to all records concerning staff personnel and other relevant information which the ARC considers necessary to enable it to properly discharge its function, and has full discretion to invite any Director and/or executive officer to attend its meetings. Each member of the ARC shall abstain from voting on any resolutions in respect of matters which he has an interest in. The ARC expects to receive full co-operation from the Management and external auditors in this respect.

The ARC met twice during FY2021. The ARC meets with the external auditors without the presence of the Company's Management at least once a year and this was observed in FY2021. For the avoidance of doubt, no former partner or director of the Company's existing audit firm is a member of the ARC.

The aggregate amount of fees paid to the external auditors amounted to approximately S$388,000 for audit services and S$79,000 for non-audit services performed during FY2021.

In selecting suitable audit firms, the ARC relies on the Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority and takes into account several considerations such as the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the current size and complexity of issues of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit.

The ARC has conducted a review of all non-audit services provided by the external auditors for FY2021, and is satisfied with the independence and objectivity of the external auditors. The ARC has recommended to the Board that Messrs Ernst & Young LLP be nominated for re-appointment as auditors at the forthcoming AGM.

Save for the Group's subsidiaries incorporated in the United Kingdom, the Company and all its Singapore subsidiaries are audited by Messrs Ernst & Young LLP and the Group's subsidiaries incorporated in Australia are audited by member firms of EY Global. The ARC and the Board has reviewed the appointment of HLB Beever and Struthers, Manchester as the audit firm of its subsidiaries incorporated in the United Kingdom and is of the view that the appointment does not comprise the standard and effectiveness of the audit of the Group and that the Group has complied with Rule 716 of the SGX-ST Listing Manual.

The external auditors regularly update the ARC on the changes to accounting standards and issues which will have a direct impact on financial statements.

The Company has also established a Code of Conduct and Business Ethics which applies to all employees of the Group. The areas covered include conduct at the workplace, business conduct, protection of the Company's assets, confidentiality of information, and potential conflicts of interest. Directors, key executives, and employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and regulations.

CORPORATE GOVERNANCE

INTERNAL AUDIT

Rule 719(3) of the SGX-ST Listing Manual: The company must establish and maintain on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has established and maintains on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits. The internal audit function is out-sourced to a public accounting firm, Baker Tilly Consultancy (Singapore) Pte Ltd ("**Baker Tilly Singapore**").

Baker Tilly Singapore is the member firm of the top 10 international accounting network. It is currently the outsourced internal auditor for a number of companies listed on the Singapore and Hong Kong Stock Exchanges. It has extensive experience in performing internal audits in the manufacturing, hospitality, real estate, retail, trading and non-profit sector, amongst others.

The team from Baker Tilly Singapore conducts its internal audits in line with the International Professional Practices Framework (IPPF) established by The Institute of Internal Auditors. The internal audit team is adequately staffed and comprises an Engagement Partner, Engagement Manager, Lead Consultants and a number of Consultants necessary to fulfill the engagement requirements. The engagement team is well qualified and possesses relevant professional qualifications such as Master of Business Administration, Certified Internal Auditor, Certification in Risk Management Assurance and other designations such as Chartered Accountant.

The internal auditors report primarily to the chairman of the ARC and the ARC is satisfied that the internal auditors are staffed by qualified and experienced personnel. The ARC also decides on the appointment, termination and remuneration of the internal auditors.

The internal auditors plan their internal audit schedules in consultation with the Management, but remain independent of the Management in its operations. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the ARC and have appropriate standing within the Company. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit. The ARC reviews the activities of the internal auditors on a regular basis, including overseeing and monitoring the implementation of improvements required with regard to internal control weaknesses that have been identified and where necessary, meets with the internal auditors (without management) to discuss the activities. The ARC also reviews and approves the audit plan from the internal auditors. The ARC is satisfied that the internal audit function is effective, adequately resourced and independent for the year ended 31 December 2021.

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.

All shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. In line with the continuing disclosure obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act 1967, the Board's policy is that all shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that impact the Group.

The Group believes in encouraging shareholder participation at general meetings. As such, shareholders are given the opportunity to vote and participate in as well as to express their views and to raise queries to the Board and the Management regarding the proposed resolutions and on matters relating to the operations of the Group during these meetings. The Company also informs shareholders of the rules governing the general meetings. The Chairman of each of the ARC, NC, and RC are also present at the meetings to attend to questions raised by shareholders. The Company's external auditors are invited to attend the Company's AGM and will assist the Directors in addressing relevant queries relating to the conduct of the audit and the preparation and content of the external auditors' report.

CORPORATE GOVERNANCE

Due to the COVID-19 pandemic in Singapore, 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 until it is revoked or amended by the Ministry of Law, alternative arrangements have been put in place to allow shareholders to participate at the forthcoming AGM by (a) watching the AGM proceedings via "live" audio-visual broadcast 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 attendance of the Directors of the Company at the Company's general meetings held during FY2021 are reflected in the table below:

Name of Director	General Meetings
Number of meetings held:	1
Number of meetings attended:	
Mr Ronald Lim Cheng Aun	1
Mr Teo Ho Beng	1
Mr Roland Teo Ho Kang	1
Mr Teo Keng Joo, Marc	1
Mr Koh Kok Heng, Leslie	1
Mr Chan Boon Hui	1

The Board considers it to be crucial that the notices of general meetings are distributed on time to the shareholders prior to such general meetings as the notices set out the agendas that will be discussed, some of which may be of interest to the shareholders. A shareholder who is entitled to attend and vote may either vote in person or *in absentia* through the appointment of one or more proxies. However, as the authentication of information purporting to identify an individual as a shareholder still remains a concern, the Company has decided, for the time being, not to accept voting *in absentia* by mail, email or fax.

The Company also ensures separate resolutions are proposed at general meetings on each substantially distinct issue unless the issues are interdependent and so linked as to form one significant proposal. Where the resolutions are "bundled", the Company will make the necessary explanations and material implications in the notice of general meeting. The Company has implemented the practice of voting by poll at its past general meetings. Votes at the forthcoming AGM and all general meetings going forward will be taken by poll so that shareholders are accorded rights proportionate to their shareholding and all votes are counted. As shareholders are unable to attend the forthcoming AGM in person, under the COVID-19 Act and the COVID-19 Order which is applicable until it is revoked or amended by the Ministry of Law, shareholders are able to participate and vote at the forthcoming AGM by way of proxy.

The Joint Company Secretaries prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and the corresponding responses from the Board and the Management. These minutes are published on the Company's corporate website as soon as practicable. Results of the general meeting are also released as an announcement via SGXNET, detailing the number of votes cast for and against each resolution as well as the respective percentages.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirement, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate. In compliance with Rule 704(24) of the SGX-ST Listing Manual, in the event that the Board decides not to declare or recommend a dividend, the Company will expressly disclose the reason(s) for the decision together with the announcement of the relevant financial statements.

Notwithstanding the abovementioned, the Company has been declaring dividends on an annual basis. Any pay-outs are clearly communicated to shareholders via the financial results announcements through SGXNET. For the first half year ended 30 June 2021, in view of the Group's capital requirements, no interim dividend was

CORPORATE GOVERNANCE

declared. For FY2021, the Company intends to propose a final dividend of 0.5 Singapore cent per share, such final dividend to be approved by the shareholders at the forthcoming AGM of the Company.

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.

The Group strives for timeliness and transparency in its disclosure to shareholders and the public. In addition to the regular dissemination of information through SGXNET, the Company also responds to enquiries from investors, analysts, fund managers, and the press. The Company does not practice selective disclosure and is mindful that all price-sensitive information should be released through SGXNET on a timely basis. Where applicable, and generally at every half year following the release of the Company's half year financial results announcement, press releases on the Group's performance and/or any major developments are also made available on SGXNET.

The Company maintains a website (https://www.hiaphoe.com) which allows the public to be aware of the Group's latest development and businesses. The public can provide feedback to the Company via its electronic mail address or its registered office address. Calls and emails requesting information are generally attended to promptly, taking into consideration the fact that Management may need to consult with the Board or any of the Company's relevant advisors before communicating or disseminating certain information.

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 notices of general meetings setting out the agenda are despatched to shareholders while copies of the annual report or circular, explanatory notes, and if necessary, letters to shareholders on the items of special business, are circulated to shareholders at least 14 days before the general meetings called to pass ordinary resolutions or 21 days before general meetings called to pass special resolutions. Notice of the general meeting is also published in one national business newspaper, The Business Times.

Following the passing of the COVID-19 Act and the COVID-19 Order and which is applicable until it is revoked or amended by the Ministry of Law, the Company will be uploading electronic copies of the FY2021 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.

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 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 has adopted a Code of Conduct, which establishes processes and actions to be take in the event of any reportable conduct and establishes the business conduct expected of all employees as well as the Company's stance to avoid conflict of interests with stakeholders.

In order to create sustainable value for stakeholders and to address sustainability challenges and opportunities which the Company may face, the Company regularly engages with various stakeholders, including employees, suppliers, customers and the regulators and shareholders to gather feedback on the concerns and expectations most important to them. 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 FY2021 will also be set out in

CORPORATE GOVERNANCE

the Company's sustainability report which will be published on or before 31 May 2022.The Company also maintains its corporate website which may be accessed by stakeholders at: https://www.hiaphoe.com/.

ADDITIONAL INFORMATION

Securities Transactions

In line with Rule 1207(19) under Chapter 12 of the SGX-ST Listing Manual on Dealings in Securities, the Company has adopted an internal compliance code for the reference of its Directors and officers in relation to the dealings with the Company's securities.

Pursuant to Rule 1207(19)(c), the Company will issue Internal Notices reminding its Directors, officers and relevant staff members who have access to unpublished material price sensitive information reminding them that they are prohibited from dealing in the Company's shares during the period commencing one (1) month before the release of the Company's half year financial results and full year financial results and ending on the date of the announcement of the relevant results, and when they are in possession of unpublished material price sensitive information.

The Directors, officers, and employees of the Group are discouraged from dealing in the Company's securities on short-term considerations and are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Directors are required to report to the Joint Company Secretaries whenever they deal in the Company's shares and the Joint Company Secretaries will make the necessary announcements in accordance with the requirements of the SGX-ST.

Interested Person Transactions

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil	Nil

The ARC has reviewed all interested person transactions for FY2021, and is satisfied that the transactions are conducted at arm's length and on terms that are fair and reasonable. There were no interested person transactions that were more than $100,000 during FY2021. Pursuant to Rule 920 of the SGX-ST Listing Manual, there was no transaction with interested persons for FY2021 that warrants a shareholders' mandate.

Material Contracts

There were no other material contracts with the Company or its subsidiaries involving the interest of any CEO, Director or controlling shareholder subsisting at the end of FY2021, other than disclosed in other parts of the annual report.

Sustainability Report

Under Practice Note 7.6 - Sustainability Reporting Guide issued by SGX-ST, the Board should determine the environmental, social and governance factors identified as material to the Group's business and ensure that they are monitored and managed. The Board has ultimate responsibility for the issuer's sustainability reporting. In this regard, the Company has established a Sustainability Committee to assist the Board in the execution of its responsibilities.

The Company will make available its full Sustainability Report for FY2021 by 31 May 2022 in accordance with Practice Note 7.6.

CORPORATE GOVERNANCE

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

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

DIRECTORS' STATEMENT

For the Financial Year Ended 31 December 2021

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Hiap Hoe Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2021 and the balance sheet of the Company as at 31 December 2021.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the balance sheet 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 2021 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The Directors of the Company in office at the date of this report are:

Teo Ho Beng
Roland Teo Ho Kang
Teo Keng Joo, Marc
Ronald Lim Cheng Aun
Chan Boon Hui
Koh Kok Heng, Leslie

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 object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND 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 1967, an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

DIRECTORS' STATEMENT

For the Financial Year Ended 31 December 2021

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of Director	Direct interest: At the beginning of financial year	Direct interest: At the end of financial year	Direct interest: At 21 January 2022	Deemed interest: At the beginning of financial year	Deemed interest: At the end of financial year	Deemed interest: At 21 January 2022
The Company						
Hiap Hoe Limited						
(Ordinary shares)						
Teo Ho Beng	2,662,100	2,662,100	2,662,100	349,578,726	349,578,726	349,578,726
Roland Teo Ho Kang	–	–	–	349,578,726	349,578,726	349,578,726
Chan Boon Hui	93,750	93,750	93,750	–	–	–
The immediate and ultimate holding company						
Hiap Hoe Holdings Pte Ltd						
(Ordinary shares)						
Teo Ho Beng	6,245,664	6,345,664	6,345,664	–	–	–
Roland Teo Ho Kang	4,133,689	4,133,689	4,133,689	–	–	–
Subsidiary						
SuperBowl Holdings Limited						
(Ordinary shares)						
Teo Ho Beng	–	–	–	322,407,480	322,412,480	322,412,480
Roland Teo Ho Kang	–	–	–	322,407,480	322,412,480	322,412,480

By virtue of Section 7 of the Singapore Companies Act 1967, Mr Teo Ho Beng and Mr Roland Teo Ho Kang are deemed to have interests in the shares of each of the wholly-owned subsidiaries of Hiap Hoe Limited, Hiap Hoe Holdings Pte Ltd and SuperBowl Holdings Limited.

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 its related corporations, either at the beginning of the financial year, at his date of appointment as a Director during the financial year (as the case may be), or at the end of the financial year.

OTHER INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Except as disclosed in Note 32 to the financial statements, no material contracts of the Company and its subsidiaries involving the interests of the Chief Executive Officer, the Directors or controlling shareholders subsisted at the end of the financial year or were entered into since the beginning of the financial year.

DIRECTORS' STATEMENT

For the Financial Year Ended 31 December 2021

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (the "**ARC**") at the end of the financial year comprises the following members:

Koh Kok Heng, Leslie (Chairman)
Ronald Lim Cheng Aun
Chan Boon Hui

The ARC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, including the following:

- reviewed the audit plans of the internal and external auditors of the Group and the Company, reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management team (the "**Management**") to the internal and external auditors;

- reviewed the half yearly and annual financial statements and the auditor's report on the consolidated financial statements of the Group and the balance sheet of the Company before their submission to the Board of Directors;

- reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management, noting the reviews carried out by the Company's internal auditors;

- met with the external auditor, other committees, and the Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

- reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- reviewed the nature and extent of non-audit services provided by the external auditor;

- recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

- reviewing the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;

- reported actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considers appropriate; and

- reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

DIRECTORS' STATEMENT

For the Financial Year Ended 31 December 2021

AUDIT AND RISK COMMITTEE (CONT'D)

The ARC, having reviewed all the non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened two (2) meetings during the year with full attendance from all members. The ARC also met with the external auditor without the presence of the Company's Management, which it does at least once a year.

Further details regarding the ARC are disclosed in the Report on Corporate Governance.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

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

On behalf of the Board of Directors

Teo Ho Beng
Director

Roland Teo Ho Kang
Director

Singapore
6 April 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIAP HOE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hiap Hoe Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) [SFRS(I)] so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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.

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
TO THE MEMBERS OF HIAP HOE LIMITED

Key Audit Matters (Cont'd)

Carrying value of investment properties and properties included in property, plant and equipment

As at 31 December 2021, the Group's investment properties and properties included in property, plant and equipment amounted to $594,229,476 and $593,252,969, net of accumulated impairment of $1,443,239 and $1,577,838 respectively. In aggregate, these property assets represented 72.9% of the Group's total assets. The assets are accounted using the cost model. For the purpose of assessing whether there is any indication that the asset is impaired, and recoverable amount where necessary, management considers both external and internal sources of information including the fair values appraised by external valuers. The fair value assessment is complex and highly dependent on a range of assumptions made by the valuers, and heightened by the increased level of estimation uncertainty arising from changes in market and economic conditions brought on by the COVID-19 pandemic. Accordingly, we have identified this as a key audit matter.

As part of the audit, we reviewed and obtained an understanding of the Group's policies and procedures in identifying trigger events for potential impairment and material changes in the carrying value of the property assets. We considered the objectivity, independence and expertise of the external valuers. We also evaluated the methodologies and assumptions used in the valuations. Where management used fair value as a basis to determine recoverable amount, we evaluated the appropriateness of this basis in light of the relevant accounting standard requirements. Where applicable, we involved our internal real estate valuation specialists to assist us in reviewing the appropriateness of the key inputs used in the valuation process by comparing against achieved rates and yields of comparable properties. Key inputs evaluated include capitalisation rates, discount and terminal yield rates, and relevant market pricing benchmarks. We evaluated the adequacy of the related disclosures in the financial statements relating to the investment properties and properties included in property, plant and equipment in Note 13 and Note 12 to the financial statements.

Carrying value of properties, plant and equipment used in leisure business

The Group's property, plant and equipment used in the leisure business amounted to $14,456,190 as at 31 December 2021. These assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The recoverable amount of these assets is based on value-in-use determined by present valuing future cash flows expected to be derived from operating these assets in the leisure business. This requires estimates to be made including future revenues, operating costs, growth rates, capital expenditures and discount rates applicable to the cash flows. The impairment assessment is significant to our audit given the magnitude of the amounts and the significant management judgment involved in the assessment.

As part of the audit, we reviewed and obtained an understanding of the Group's policies and procedures in identifying trigger events for potential impairment and material changes to the carrying value of property, plant and equipment used in the leisure business. We evaluated the robustness of management's forecasts and assessed the reasonableness of key assumptions used in relation to future market and economic conditions by comparing against actual historical asset performance and considering the latest economic outlook. These include economic growth, inflation rates, discount rate, revenue and margin estimates. In addition, we involved our internal valuation specialists to evaluate the reasonableness of the discount rate applied in the value-in-use computation. The related disclosures for property, plant and equipment are included in Note 12.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIAP HOE LIMITED

Key Audit Matters (Cont'd)

Valuation of unquoted investments

The Group has unquoted investments which include fixed income instruments, mutual and private equity funds. These unquoted investments are measured at fair value with corresponding fair value changes recognised in profit or loss. As at 31 December 2021, these investments amounted to $154,639,478.

The fair values of unquoted investments are determined based on various valuation techniques which involve the use of assumptions and estimates determined by financial institutions managing these investments and application of management judgement. Estimation uncertainty exists for the valuation as these investments are not traded in an active market and the valuation techniques involve the use of significant unobservable inputs. The valuation of the unquoted investments was considered a key audit matter given the significance of judgements and estimates involved. Further, the risk around these judgements and estimates has increased in the current year due to continuously evolving impacts of COVID-19 pandemic on valuations.

As part of the audit, we obtained an understanding of management's processes in determining the valuation of unquoted investments. For unquoted investments managed by financial institutions, we obtained valuation statements issued by the respective financial institutions to compare the fair values recorded by the Group and to verify the existence and ownership of the investments. For material unquoted investments, we also evaluated the reasonableness of the valuation techniques and inputs used by comparing the valuation to supporting financial information of the underlying investees such as audited financial statements and investor reports. For unquoted investments managed by the Group, we evaluated the appropriateness of the valuation techniques, inputs and assumptions used by management. For selected unquoted investments, we involved our internal valuation specialists to assess the appropriateness of the valuation approach used by management and compared the valuation determined by management with valuation outcomes obtained based on peer companies' valuation multiples involving these investments. We checked the arithmetic accuracy of management's fair value computation and evaluated the adequacy of financial statement disclosures in Notes 20 and 37.

Other Information

Management is responsible for the other information. The other information comprises the 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 and will not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information, 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIAP HOE LIMITED

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIAP HOE LIMITED

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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 Lee Wei Hock.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore, 6 April 2022

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 December 2021

	Note	2021 $	2020 $
Revenue	4	**93,687,536**	79,552,112
Other items of income			
Dividend income		**7,056,696**	5,437,832
Other income	5	**29,506,716**	16,924,195
Impairment loss on trade receivables written back	17	**135,145**	–
Interest income	6	**2,816,911**	3,003,774
Foreign exchange gain		**1,591,834**	2,328,154
		41,107,302	27,693,955
Changes in completed properties for sale		**(2,206,049)**	(2,388,336)
Employee benefits expense	7	**(27,117,409)**	(24,975,818)
Depreciation of property, plant and equipment	12	**(25,642,130)**	(25,074,821)
Depreciation of investment properties	13	**(9,530,828)**	(9,332,546)
Finance cost	6	**(10,888,344)**	(12,467,982)
Fair value changes in financial instruments	8	**13,898,666**	(24,803,593)
Impairment loss on trade receivables	17	**(1,124,836)**	(1,230,410)
Other expenses	9	**(45,648,466)**	(43,810,741)
Profit/(loss) before tax		**26,535,442**	(36,838,180)
Income tax (expense)/credit	10	**(5,344,010)**	69,959
Profit/(loss) for the year		**21,191,432**	(36,768,221)
Attributable to:			
Owners of the Company		**21,196,378**	(36,709,505)
Non-controlling interests		**(4,946)**	(58,716)
Total		**21,191,432**	(36,768,221)
Earnings per share attributable to owners of the Company (cents per share)			
Basic	11	**4.50**	(7.80)
Diluted	11	**4.50**	(7.80)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2021

	2021 **$**	2020 $
Profit/(loss) for the year	**21,191,432**	(36,768,221)
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to income statement		
- Foreign currency translation	**(3,964,908)**	8,700,586
- Exchange differences realised on de-registration of subsidiary recycled to profit or loss	**184,860**	–
Other comprehensive (loss)/income for the year, net of tax of nil	**(3,780,048)**	8,700,586
Total comprehensive income/(loss) for the year	**17,411,384**	(28,067,635)
Attributable to:		
Owners of the Company	**17,416,330**	(28,008,919)
Non-controlling interests	**(4,946)**	(58,716)
Total comprehensive income/(loss) for the year	**17,411,384**	(28,067,635)

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

BALANCE SHEETS

As at 31 December 2021

		Group		Company	
		2021	2020	**2021**	2020
	Note	**$**	$	**$**	$
Non-current assets					
Property, plant and equipment	12	**637,204,453**	659,475,881	**–**	–
Investment properties	13	**594,229,476**	598,018,282	**–**	–
Subsidiaries	14	**–**	–	**595,141,021**	579,001,021
Joint venture	15	**–**	–	**22,856,657**	21,067,654
Other assets	16	**–**	235,942	**–**	–
Other receivables	17	**401,319**	484,215	**–**	–
Lease incentives	17	**13,908,992**	–	**–**	–
Deferred tax assets	19	**12,728,683**	16,381,614	**–**	–
		1,258,472,923	1,274,595,934	**617,997,678**	600,068,675
Current assets					
Other investments	20	**315,564,404**	281,742,198	**–**	–
Inventories	21	**2,819,593**	2,859,020	**–**	–
Other assets	16	**337,073**	437,524	**–**	–
Trade and other receivables	17	**9,590,530**	7,331,433	**–**	1,840
Lease incentives	17	**1,477,061**	–	**–**	–
Prepaid operating expenses		**1,505,202**	1,198,207	**5,591**	2,877
Due from subsidiaries, trade	18	**–**	–	**624,214**	305,969
Due from subsidiaries, non-trade	18	**–**	–	**19,877,364**	20,247,011
Due from related companies, trade	18	**–**	2,743	**–**	–
Due from related companies, non-trade	18	**45**	4,497	**–**	–
Derivatives - assets	22	**61,135**	152,250	**–**	–
Completed properties for sale	23	**2,282,455**	4,536,449	**–**	–
Cash and short-term deposits	24	**29,580,450**	20,312,973	**154,864**	89,391
		363,217,948	318,577,294	**20,662,033**	20,647,088
Asset held-for-sale	25	**6,971,154**	–	**–**	–
		370,189,102	318,577,294	**20,662,033**	20,647,088

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

BALANCE SHEETS

As at 31 December 2021

		Group		Company	
		2021	2020	**2021**	2020
	Note	**$**	$	**$**	$
Current liabilities					
Trade and other payables	26	**4,573,012**	4,145,515	**53,506**	113,988
Derivatives - liabilities	22	**288,892**	554,243	**–**	–
Due to subsidiaries, trade	18	**–**	–	**9,191**	6,995
Due to subsidiaries, non-trade	18	**–**	–	**129,965,368**	127,013,920
Due to related companies, trade	18	**11,021**	11,160	**–**	–
Due to related companies, non-trade	18	**12,279**	–	**–**	–
Interest-bearing loans and borrowings	27	**373,140,851**	504,301,194	**–**	–
Tax payable		**3,229,032**	3,601,299	**213,000**	258,894
Other liabilities	28	**10,968,516**	10,086,032	**457,605**	377,394
		392,223,603	522,699,443	**130,698,670**	127,771,191
Non-current liabilities					
Other payables	26	**592,252**	–	**–**	–
Interest-bearing loans and borrowings	27	**398,435,662**	249,886,251	**–**	–
Deferred tax liabilities	19	**79,193,878**	76,628,145	**–**	–
Other liabilities	28	**2,353,062**	3,150,914	**–**	–
		480,574,854	329,665,310	**–**	–
Net assets		**755,863,568**	740,808,475	**507,961,041**	492,944,572
Equity attributable to owners of the Company					
Share capital	29	**84,445,256**	84,445,256	**84,445,256**	84,445,256
Treasury shares	30	**(1,101,125)**	(1,101,125)	**(1,101,125)**	(1,101,125)
Reserves	31	**669,166,892**	654,103,353	**424,616,910**	409,600,441
		752,511,023	737,447,484	**507,961,041**	492,944,572
Non-controlling interests		**3,352,545**	3,360,991	**–**	–
Total equity		**755,863,568**	740,808,475	**507,961,041**	492,944,572

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2021

Group	Share capital (Note 29) $	Treasury shares (Note 30) $	Accumulated profits $	Capital reserve $	Foreign currency translation reserve $	Gain on reissuance of treasury shares $	Total reserves (Note 31) $	Total equity attributable to equity holders of the Company $	Non-controlling interests $	Total equity $
At 1 January 2021	**84,445,256**	**(1,101,125)**	**678,555,465**	**(7,671,719)**	**(16,832,283)**	**51,890**	**654,103,353**	**737,447,484**	**3,360,991**	**740,808,475**
Profit for the year	–	–	21,196,378	–	–	–	21,196,378	21,196,378	(4,946)	21,191,432
Foreign currency translation	–	–	–	–	(3,964,908)	–	(3,964,908)	(3,964,908)	–	(3,964,908)
Exchange differences realised on de-registration of subsidiary recycled to profit or loss	–	–	–	–	184,860	–	184,860	184,860	–	184,860
Other comprehensive loss net of tax of nil	–	–	–	–	(3,780,048)	–	(3,780,048)	(3,780,048)	–	(3,780,048)
Total comprehensive income/(loss) for the year	–	–	21,196,378	–	(3,780,048)	–	17,416,330	17,416,330	(4,946)	17,411,384
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares (Note 35)	–	–	(2,352,791)	–	–	–	(2,352,791)	(2,352,791)	–	(2,352,791)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	(3,500)	(3,500)
Total contributions by and distributions to owners	–	–	(2,352,791)	–	–	–	(2,352,791)	(2,352,791)	(3,500)	(2,356,291)
At 31 December 2021	84,445,256	(1,101,125)	697,399,052	(7,671,719)	(20,612,331)	51,890	669,166,892	752,511,023	3,352,545	755,863,568

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2021

Group	Share capital (Note 29)	Treasury shares (Note 30)	Accumulated profits	Capital reserve	Foreign currency translation reserve	Gain on reissuance of treasury shares	Total reserves (Note 31)	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	$	$	$	$	$	$	$	$	$	$
At 1 January 2020	84,445,256	(1,101,125)	719,970,545	(7,671,719)	(25,532,869)	51,890	686,817,847	770,161,978	3,474,147	773,636,125
Loss for the year	–	–	(36,709,505)	–	–	–	(36,709,505)	(36,709,505)	(58,716)	(36,768,221)
Foreign currency translation	–	–	–	–	8,700,586	–	8,700,586	8,700,586	–	8,700,586
Other comprehensive income net of tax of nil	–	–	–	–	8,700,586	–	8,700,586	8,700,586	–	8,700,586
Total comprehensive (loss)/income for the year	–	–	(36,709,505)	–	8,700,586	–	(28,008,919)	(28,008,919)	(58,716)	(28,067,635)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares (Note 35)	–	–	(4,705,575)	–	–	–	(4,705,575)	(4,705,575)	–	(4,705,575)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(31,340)	(31,340)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	(23,100)	(23,100)
Total contributions by and distributions to owners	–	–	(4,705,575)	–	–	–	(4,705,575)	(4,705,575)	(54,440)	(4,760,015)
At 31 December 2020	84,445,256	(1,101,125)	678,555,465	(7,671,719)	(16,832,283)	51,890	654,103,353	737,447,484	3,360,991	740,808,475

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2021

	Note	2021 $	2020 $
Operating activities			
Profit/(loss) before taxation		**26,535,442**	(36,838,180)
Adjustments for:			
Impairment loss on trade receivables	17	**1,124,836**	1,230,410
Impairment loss on trade receivables written back		**(135,145)**	–
Amortisation of deferred income	5	**(84,269)**	(78,983)
Amortisation of deferred government grant income	5	**(361,868)**	–
Amortisation of lease incentives		**600,606**	–
Depreciation of investment properties	13	**9,530,828**	9,332,546
Depreciation of property, plant and equipment	12	**25,642,130**	25,074,821
Dividend income from investments		**(7,056,696)**	(5,437,832)
Fair value changes in other investments	8	**(13,881,266)**	24,941,279
Fair value changes in derivative instruments	8	**(17,400)**	(137,686)
Loss/(gain) on disposal of other investments	9,5	**285,161**	(139,963)
Gain on disposal of property, plant and equipment	5	**(77,818)**	(183,492)
Gain on disposal of asset held-for-sale	25	**–**	(930,316)
Impairment loss on property, plant and equipment	9	**–**	4,830,703
Write back of impairment loss on investment property	5	**(15,569,820)**	(1,156,021)
Write back of impairment loss on property, plant and equipment	5	**(3,339,196)**	–
Finance cost	6	**10,888,344**	12,467,982
Interest income	6	**(2,816,911)**	(3,003,774)
Property, plant and equipment written off	9	**17,957**	35,664
Effects of COVID-19 related rent waivers received from lessors		**(342,479)**	(437,991)
Exchange difference		**(1,696,719)**	(2,086,440)
Operating cash flows before changes in working capital		**29,245,717**	27,482,727
<u>Changes in working capital</u>			
(Increase)/decrease in:			
Due from related companies, trade		**2,743**	(2,743)
Due from related companies, non-trade		**4,452**	(4,497)
Inventories		**14,716**	16,000
Other assets		**101,532**	219,503
Prepaid operating expenses		**(303,894)**	433,900
Completed properties for sale		**2,206,049**	2,388,336
Trade and other receivables		**(3,989,532)**	(1,901,533)
Increase/(decrease) in:			
Due to related companies, trade		**(139)**	(25,517)
Due to related companies, non-trade		**12,279**	(39,663)
Other liabilities		**1,349,163**	(3,975,869)
Trade and other payables		**1,082,784**	(2,792,568)
Cash flows generated from operations		**29,725,870**	21,798,076
Income tax paid		**(70,564)**	(1,942,700)
Net cash flows generated from operating activities		**29,655,306**	19,855,376

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2021

	Note	2021 $	2020 $
Investing activities			
Dividend income received and return of capital		**7,342,995**	6,288,227
Interest income received and settlement of derivatives		**2,335,635**	2,998,047
Improvements of investment properties	A	**(891,068)**	–
Payment of upfront lease incentives		**(16,640,724)**	–
Proceeds from disposal of property, plant and equipment		**173,923**	233,409
Deposits paid on acquisition of capital assets		**–**	(229,750)
Proceeds from disposal of other investments		**15,933,398**	37,869,330
Proceeds from disposal of asset held-for-sale		**–**	1,968,874
Purchase of property, plant and equipment	A	**(1,334,525)**	(1,274,114)
Purchase of other investments		**(36,445,798)**	(39,086,110)
Purchase option deposit received		**203,000**	–
Net cash flows (used in)/generated from investing activities		**(29,323,164)**	8,767,913
Financing activities			
Acquisition of non-controlling interests		**(3,500)**	(23,100)
Dividends paid on ordinary shares by the Company		**(2,352,791)**	(4,705,575)
Dividends paid to non-controlling interests		**–**	(31,340)
Interest paid	B	**(9,417,516)**	(11,717,841)
Changes in cash and bank balances pledged		**(3,106,217)**	(4,075,737)
Changes in fixed deposits pledged		**(2,020,939)**	(9,037)
Proceeds from loans and borrowings	B	**35,982,933**	51,989,317
Repayment of loans and borrowings	B	**(12,135,973)**	(58,221,944)
Repayment of principal portion of lease liabilities	B	**(3,012,268)**	(2,731,168)
Net cash flows generated from/(used in) financing activities		**3,933,729**	(29,526,425)
Net increase/(decrease) in cash and cash equivalents		**4,265,871**	(903,136)
Effect of exchange rate changes on cash and cash equivalents		**(125,550)**	246,148
Cash and cash equivalents at beginning of year		**7,184,918**	7,841,906
Cash and cash equivalents at end of year (Note 24)		**11,325,239**	7,184,918

A. (i) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment of $2,936,818 (2020: $5,195,779) which included non-cash additions to right-of-use assets of $1,267,575 (2020: $1,791,437), acquisition by means of hire purchase arrangements of $150,000 (2020: nil), transfer from other assets relating to a deposit of $184,718 (2020: $2,130,228) paid in prior year and the balance of $1,334,525 (2020: $1,274,114) was made in cash.

(ii) Improvement of investment properties

During the year, the Group incurred improvement works on investment properties of $942,339 (2020: $Nil) of which transfer from other assets relating to a deposit of $51,271 (2020: $Nil) paid in prior year and the balance of $891,068 (2020: $Nil) was made in cash.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2021

B. Reconciliation of liabilities arising from financing activities

			Non-cash changes				
	1 January 2021 $	**Cash flows $**	**Rent waivers and others $**	**Interest expense $**	**Foreign exchange movement $**	**New leases $**	**31 December 2021 $**
Lease liabilities	**33,942,229**	**(4,345,720)**	**(342,479)**	**1,333,452**	**–**	**1,267,575**	**31,855,057**
Loans and borrowings	**720,245,216**	**15,762,896**	**–**	**9,554,892**	**(5,841,548)**	**–**	**739,721,456**
	754,187,445	**11,417,176**	**(342,479)**	**10,888,344**	**(5,841,548)**	**1,267,575**	**771,576,513**

			Non-cash changes				
	1 January 2020 $	**Cash flows $**	**Rent waivers and others $**	**Interest expense $**	**Foreign exchange movement $**	**New leases $**	**31 December 2020 $**
Lease liabilities	35,319,951	(4,123,289)	(437,991)	1,392,121	–	1,791,437	33,942,229
Loans and borrowings	717,703,817	(16,558,347)	–	11,075,861	8,023,885	–	720,245,216
	753,023,768	(20,681,636)	(437,991)	12,467,982	8,023,885	1,791,437	754,187,445

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 2021

1. CORPORATE INFORMATION

Hiap Hoe Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard.

The registered office and principal place of business of the Company is located at 18 Ah Hood Road #13-51, Hiap Hoe Building At Zhongshan Park, Singapore 329983.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Its immediate and ultimate holding company is Hiap Hoe Holdings Pte Ltd, a company incorporated in Singapore. Related companies refer to members of the immediate and ultimate holding company’s group of companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet 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 $) unless otherwise stated.

2.2 Changes in accounting policies

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 SFRS(I) and Amendments to SFRS(I) that are effective for annual periods beginning on or after 1 January 2021. The adoption of these standards did not have any effect on the financial performance of the Group or financial position of the Group and the Company.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: *References to the Conceptual Framework*	1 January 2022
SFRS(I) 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

The Group has performed a preliminary assessment and the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (Cont'd)

(a) Basis of consolidation (Cont'd)

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are deemed to be an asset or liability which will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets, are recognised on the acquisition date either at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition date fair value, unless another measurement basis is required by SFRS(I)s.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, and are represented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable 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 SGD, 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 reporting period are recognised in profit or loss. However, in the consolidated financial statements, exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation, 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 and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Foreign currency (Cont'd)

(b) Consolidated financial statements (Cont'd)

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis to allocate the depreciable amount over the estimated useful lives (or lease term, if shorter). Leased assets are depreciated over the shorter of the lease terms and their useful lives unless it is reasonably certain that the Group will obtain ownership by end of the lease term.

The estimated useful lives of property, plant and equipment are as follows:

Freehold properties	- 50 years
Leasehold land and properties	- over remaining period of lease (subject to a maximum of 50 years)
Motor vehicles	- 5 to 10 years
Furniture, fittings and office equipment	- 1 to 20 years
Plant and machinery	- 3 to 15 years
Leased premises	- over remaining period of lease

Freehold land has an unlimited useful life and therefore is not depreciated.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment (Cont'd)

The residual values, useful lives and depreciation methods 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 arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are properties 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 for sale in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Right-of-use assets are classified as investment properties when the definition of an investment property is met.

Plant and machinery included under investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on plant and machinery using a straight-line method to allocate the depreciable amounts over the estimated useful lives ranging from 3 to 15 years.

Investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, similar to the policy for property, plant and equipment. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated remaining useful lives of a maximum of 50 years for freehold properties, and the remaining period of lease or a maximum of 50 years, whichever is lower for leasehold properties. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are derecognised when either they have 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 are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. As the Group uses the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

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, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment of non-financial assets (Cont'd)

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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase in other comprehensive income.

2.10 Subsidiaries

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 are accounted for at cost less any impairment losses.

2.11 Joint ventures

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

The Group account for its investments in joint ventures using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Joint ventures (Cont'd)

Under the equity method, the investment in joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in the joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

In the Company's balance sheet, the investment in joint venture have been accounted for using the equity method. At the Group level, the interest in joint venture is reversed and consolidated as a subsidiary, as disclosed in Note 14.

The financial statement of the joint venture is prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.12 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.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

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 de-recognised.

(iii) Fair value through profit or loss (FVPL)

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.

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. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. Amount presented in OCI shall not be subsequently transferred to profit or loss. However, the entity may transfer the cumulative gain or loss within equity. 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.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

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.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

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.

De-recognition
A financial liability is de-recognised 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.

(c) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 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, 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.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Completed properties for sale

Completed properties for sale 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.

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

The costs of completed properties for sale include:

- Freehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Completed properties for sale (Cont'd)

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of completed properties for sale is the estimated selling price in the ordinary course of the 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.

The costs of completed properties for sale recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.16 Inventories

Inventories, comprising consumables which include smart cards, spare parts and hotel supplies, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

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

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each 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.

2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.13 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised over the period of the guarantee.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition and construction of that asset. 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 being incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to the defined contribution pension scheme 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 accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.21 Leases

(a) As lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (Cont'd)

(a) As lessee (Cont'd)

Right-of-use asset (Cont'd)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset as set of in Note 2.7.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets (except for those which meets the definition of an investment property) are presented within Property, plant and equipment in the balance sheet [Note 12(i)].

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (Cont'd)

(a) As lessee (Cont'd)

Lease liabilities (Cont'd)

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented within interest-bearing loans and borrowings in the balance sheet.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

(i) the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

(ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

(iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (Cont'd)

(b) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss.

Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "finance lease receivables" in the balance sheet. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

2.22 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 development properties

Revenue from completed development properties are recognised at a point in time when the control of the properties have been transferred to the buyers.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue (Cont'd)

(b) Dividend income

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

(c) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Hotel income

Revenue from operations of a hotel is recognised from the following major sources: hotel stay and sales of food and beverages.

Provision of hotel stays are recognised as performance obligations satisfied over time. Progress towards satisfaction of these performance obligations is measured based on the proportion of the total duration of stay that has elapsed at the end of the reporting period.

Revenue from sales of food and beverages are recognised when control of the goods has transferred, being at the point in time when the food and beverages are consumed. This is also the point where the Group is entitled to payment.

(f) Leisure income

Revenue from leisure activities are recognised when services are provided or goods consumed.

(g) Management fee and other operating income

Management fee and other operating income are recognised on an accrual basis.

2.23 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 countries where the Group operates and generates taxable income.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (Cont'd)

(a) Current income tax (Cont'd)

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 taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at 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 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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) Goods and services tax

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

- Where the taxes incurred on a purchase of assets or services are not recoverable from the taxation authorities, in which case the taxes are recognised as part of the cost of acquisition of the assets or as part of the expenses item as applicable; and

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

The net amount of taxes recoverable from or payable to the taxation authorities are included as part of receivables or payables in the balance sheet.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 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.

Notes to the Financial Statements
For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Treasury shares

The Group's own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.27 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.28 Government grants

Government grants are recognised where 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, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.29 Asset held-for-sale

The Group classifies investment properties as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the property must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

Notes to the Financial Statements

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 Asset held-for-sale (Cont'd)

For the sale to be highly probable, the following criteria must be met:

- The board must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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 each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that 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 judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Determination of lease term of contracts with extension options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. There are no restrictions placed upon the Group by entering into these contracts and the Group negotiates extension options to provide flexibility in managing the leased assets and align with the Group's business needs.

(ii) Investment in A2I Holdings S.A.R.L. ("A2I")

Included in unquoted investments is investment in A2I Holdings S.A.R.L ("A2I") which relates to the investment in AccorInvest Group, which owns or leases hotels mainly operated by the Accor Group. The Group holds 20.71% (2020: 19.73%) interest in A2I and the carrying value of A2I as at 31 December 2021 was $61,510,065 (2020: $50,892,353). A2I is a limited liability investment holding company which is incorporated and domiciled in Luxembourg.

Notes to the Financial Statements

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.1 Judgments made in applying accounting policies (Cont'd)

(ii) Investment in A2I Holdings S.A.R.L. ("A2I") (Cont'd)

Management has determined that the investment in A2I is passive and the Group has no significant influence in the said investee. The Group has accounted for A2I as investments measured at fair value through profit or loss [Note 20(iii)]. Management has determined the fair value of A2I based on revalued net asset value.

(iii) Classification and measurement of financial assets

Classification and measurement of financial assets depends on the results of the SPPI and the business model test [Note 2.12(a)]. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

As stated in Note 20, the Group has investment portfolio which includes quoted and unquoted debt instruments. The Group has accounted for these debt instruments at fair value through profit or loss as they will be sold from time to time to realise capital appreciation or for liquidity management.

(iv) Impairment of investments in subsidiaries and joint venture companies

The Group and the Company assess at the end of each reporting period whether there is any indication that the investments in subsidiaries and joint venture may be impaired.

The assessment of indication of impairment involves judgment. In making these judgments, the Group and the Company evaluate, among other factors, the performance of the subsidiaries and joint venture companies.

The carrying amounts of investments in subsidiaries and joint venture at 31 December 2021 of the Group and the Company are disclosed in Notes 14 and 15 respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. 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.

Notes to the Financial Statements

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(i) Impairment of financial assets at amortised cost

The Group assesses at the end of each reporting period whether there is any expected credit loss of financial assets based on assumptions about risk of default and expected loss rates. The Group considers factors such as past collection history, existing market conditions as well as forward looking estimates at each reporting period.

The assessment of the correlation between historical observed default, economic conditions and expected credit loss is a significant estimate. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

The carrying amounts of trade and other receivables from third parties, related parties and subsidiaries, and allowance for expected credit losses at the end of the reporting period are disclosed in Note 17 and Note 18 to the financial statements.

(ii) Impairment of non-financial assets

<u>Investment properties</u>

The Group carries its investment properties at cost less accumulated depreciation and accumulated impairment, with excess of carrying value over recoverable amount being recognised as impairment in profit or loss.

In determining the recoverable value, the Group considers both external and internal sources of information, including the fair value apprised by external valuers, in assessing whether the properties may have been impaired. The fair value assessment is complex and highly dependent on a range of assumptions such as discount rate, capitalisation rate, terminal yield and growth rate made by the valuers, and heightened by the increased level of estimation uncertainty arising from changes in market and economic conditions brought on by the COVID-19 pandemic.

The carrying amounts of the investment properties as at 31 December 2021 is $594,229,476 (2020: $598,018,282). As at 31 December 2021, the fair value of the investment properties is $823,477,600 (2020: $800,764,400).

<u>Property, plant and equipment</u>

The Group carries its property, plant and equipment at cost less accumulated depreciation and accumulated impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. This requires estimates to be made including future revenues, operating costs, growth rates, capital expenditures and discount rates applicable to the cash flows.

The carrying amounts of the property, plant and equipment as at 31 December 2021 is $637,204,453 (2020: $659,475,881).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(iii) Valuation of unquoted investments

The Group has unquoted investments which include fixed income instruments, mutual and private equity funds. The fair values of unquoted investments are determined based on various valuation techniques which involve the use of assumptions and estimates determined by financial institutions managing these investments and application of management judgement. Estimation uncertainty exists for the valuation as these investments are not traded in an active market and the valuation techniques involve the use of significant unobservable inputs. Further, the risk around these judgements and estimates has increased in the current year due to continuously evolving impacts of COVID-19 pandemic on valuations.

The carrying amounts of the unquoted investment as at 31 December 2021 are $154,639,478 (2020: $131,148,085). If the price of the unquoted investments had been 2% higher/lower with all other variables held constant, the Group's profit (2020: loss) net of tax would have been approximately $2,929,000 (2020: $2,493,000) higher/lower (2020: lower/higher), arising as a result of higher/lower fair value gains on other investments.

(iv) Estimation of incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses the incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group estimates the IBR relevant to each lease by using observable inputs such as market interest rate and asset yield when available, and then making certain lessee specific adjustments such as a group entity's credit rating.

The carrying amount of the right-of-use assets and lease liabilities calculated on IBR are $29,794,392 (2020: $32,221,186) and $31,756,203 (2020: $33,730,028) respectively. The weighted average incremental borrowing rate was 4.71% (2020: 4.71%) per annum. If the incremental borrowing rate had been 50 basis point higher/lower with all other variables held constant, the Group's right-of use assets and lease liabilities would have been approximately lower/higher by $793,000 (2020: $896,000) and $722,000 (2020: $827,000), respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(v) Income taxes

The Group's exposure to income taxes mainly arises from Singapore and Australia. Significant judgement is involved in determining the Group-wide provision for income taxes. 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.

Deferred tax assets are recognised for all deductible temporary differences, the 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 the carry forward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of the Company's tax payables at 31 December 2021 was $213,000 (2020: $258,894). Whereas, the carrying amount of the Group's tax payables, deferred tax assets and deferred tax liabilities at 31 December 2021 was $3,229,032 (2020: $3,601,299), $12,728,683 (2020: $16,381,614) and $79,193,878 (2020: $76,628,145), respectively.

Notes to the Financial Statements
For the financial year ended 31 December 2021

4. REVENUE

The Group derives its revenue from the transfer of goods and services over time and at a point in time for the following major products lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (Note 39).

Disaggregation of revenue

A disaggregation of the Group's revenue for the year is as follows:

Group	Development properties $	Rental and carpark income $	Leisure business $	Hotel income $	Total revenue $
2021					
Major product or service lines					
Residential properties	**2,796,917**	**1,129,326**	**–**	**–**	**3,926,243**
Commercial and industrial properties	**–**	**23,093,207**	**–**	**–**	**23,093,207**
Hotel operations and related income	**–**	**–**	**–**	**60,124,876**	**60,124,876**
Owner and operators of bowling centres and recreation centres	**–**	**–**	**6,543,210**	**–**	**6,543,210**
	2,796,917	**24,222,533**	**6,543,210**	**60,124,876**	**93,687,536**
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers					
At a point in time	**2,796,917**	**747,703**	**6,512,428**	**14,742,423**	**24,799,471**
Over time	**–**	**1,210,382**	**30,782**	**45,382,453**	**46,623,617**
	2,796,917	**1,958,085**	**6,543,210**	**60,124,876**	**71,423,088**

Group	Development properties $	Rental and carpark income $	Leisure business $	Hotel income $	Total revenue $
2020					
Major product or service lines					
Residential properties	3,223,139	1,107,467	–	–	4,330,606
Commercial and industrial properties	–	23,864,928	–	–	23,864,928
Hotel operations and related income	–	–	–	45,974,112	45,974,112
Owner and operators of bowling centres and recreation centres	–	–	5,382,466	–	5,382,466
	3,223,139	24,972,395	5,382,466	45,974,112	79,552,112
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers					
At a point in time	3,223,139	486,364	5,377,280	18,245,935	27,332,718
Over time	–	66,281	5,186	27,728,177	27,799,644
	3,223,139	552,645	5,382,466	45,974,112	55,132,362

Revenue represents the fair value of goods and services supplied. The Group's revenue from sale of completed development properties is recognised based on the completion method. There are no performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

* Excluding rental income from lease of properties which is out of scope of SFRS(I) 15 *Revenue from Contracts with Customers.*

Notes to the Financial Statements
For the financial year ended 31 December 2021

5. OTHER INCOME

Group	2021 $	2020 $
Property recovery income	**2,845,413**	2,928,695
Miscellaneous income	**114,525**	134,683
Recovery of reinstatement costs from tenants	**232,273**	–
Gain on disposal of property, plant and equipment	**77,818**	183,492
Gain on disposal of other investments	**–**	139,963
Gain on disposal of asset held-for-sale (Note 25)	**–**	930,316
Amortisation of deferred government grant income [1]	**361,868**	–
Amortisation of deferred income (Note 28)	**84,269**	78,983
Write back of impairment loss on property, plant and equipment (Note 12)	**3,339,196**	–
Write back of impairment loss on investment property (Note 13)	**15,569,820**	1,156,021
Forfeiture of deposits	**30,426**	53,902
Effect of COVID-19 related rent waivers received from lessors	**342,479**	437,991
Government grants [1]	**5,810,491**	10,880,149
Settlement claim for defect works	**698,138**	–
	29,506,716	16,924,195

[1] Government grants includes mainly Job Support Scheme pay-out in Singapore and other similar support schemes in Australia and United Kingdom of $3,168,269 (2020: $6,242,603).

6. INTEREST INCOME/(FINANCE COST)

Group	2021 $	2020 $
Interest income		
- fixed deposits	**4,967**	10,815
- unquoted investments	**2,711,193**	2,853,723
- others	**100,751**	139,236
	2,816,911	3,003,774
Finance cost		
- interest on bank loans	**(9,554,892)**	(11,075,861)
- interest on lease liabilities	**(1,333,452)**	(1,392,121)
	(10,888,344)	(12,467,982)

7. EMPLOYEE BENEFITS EXPENSE

Group	2021 $	2020 $
Wages, salaries and bonuses	**22,618,950**	20,493,027
Central Provident Fund contributions	**1,745,723**	1,665,414
Other staff costs	**2,612,219**	2,638,750
Casual labour	**140,517**	178,627
	27,117,409	24,975,818

Employee benefits include compensation of key management personnel as disclosed in Note 32(b).

Notes to the Financial Statements
For the financial year ended 31 December 2021

8. FAIR VALUE CHANGES IN FINANCIAL INSTRUMENTS

Group	2021 $	2020 $
Fair value changes in derivative instruments (Note 22)	**17,400**	137,686
Fair value changes in other investments [Note 20(vi)]	**13,881,266**	(24,941,279)
	13,898,666	(24,803,593)

9. OTHER EXPENSES

Group	2021 $	2020 $
Audit fees paid to the		
- auditor of the Company	**388,480**	377,930
- other auditors	**41,598**	47,046
Non-audit fees paid to the		
- auditor of the Company	**79,411**	66,938
- other auditors	**19,116**	19,073
Bad debt – trade	**–**	71,145
Bank charges	**19,268**	27,851
Directors' fees	**160,000**	160,000
Hotel consumables	**4,718,229**	3,332,997
Hotel management fees	**2,446,282**	1,865,305
Impairment loss on property, plant and equipment (Note 12)	**–**	4,830,703
Marketing and distribution expenses	**5,332,352**	3,809,330
Government grant expense [(1)]	**–**	2,062,438
Lease expense (Note 27.3)	**104,009**	142,445
Loss on disposal of other investments	**285,161**	–
Professional fees	**629,262**	747,043
Property related taxes	**3,810,773**	4,287,419
Property, plant and equipment written off	**17,957**	35,664
Upkeep and maintenance expenses of properties	**25,423,239**	20,105,841
Others	**2,173,329**	1,821,573
	45,648,466	43,810,741

(1) This pertains to property tax rebates received from the Singapore Government that were transferred to tenants in the form of rental rebates and waivers to eligible tenants under the rental relief framework.

Notes to the Financial Statements
For the financial year ended 31 December 2021

10. INCOME TAX EXPENSE/(CREDIT)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 31 December 2021 and 2020 are:

Group	2021 $	2020 $
Current income tax		
Current income taxation	**3,856,110**	3,120,903
Over provision in respect of prior years	**(685,963)**	(295,209)
	3,170,147	2,825,694
Deferred income tax		
Provision/(reversal) of temporary differences	**2,009,626**	(2,895,653)
Over provision of deferred tax assets in respect of prior years	**164,237**	–
	2,173,863	(2,895,653)
Income tax expense/(credit) recognised in profit or loss	**5,344,010**	(69,959)

Relationship between tax expense/(credit) and accounting profit

A reconciliation between tax expense/(credit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

Group	2021 $	2020 $
Profit/(loss) before tax	**26,535,442**	(36,838,180)
Tax at the domestic rate applicable to results in the countries where the Group operates	**6,849,503**	(6,026,566)
Income not subject to taxation (1)	**(3,302,833)**	(2,269,818)
Non-deductible expenses (2)	**2,419,000**	8,699,152
Deferred tax assets not recognised	**50,232**	189,069
Over provision of current taxation in respect of prior years	**(685,963)**	(295,209)
Over provision of deferred tax assets in respect of prior years	**164,237**	–
Utilisation of previously unrecognised tax losses	**(2,354)**	(26,165)
Effect of partial tax exemption	**(87,407)**	(136,655)
Others	**(60,405)**	(203,767)
Income tax expense/(credit) recognised in profit or loss	**5,344,010**	(69,959)

10. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

(1) This relates to non-taxable income occurred in the ordinary course of business. During the year, the non-taxable income relates mainly to exempt dividend received, foreign exchange gain on certain subsidiaries, fair value on financial instruments and government grants recognised. In 2020, the non-taxable income relates mainly to exempt dividend received and government grants recognised.

(2) This relates to depreciation of non-qualifying assets and other disallowed expenses incurred in the ordinary course of business. In 2020, the non-deductible expenses relate mainly to depreciation of non-qualifying assets, fair value changes in financial instruments and other disallowed expenses incurred in the ordinary course of business.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 35) for the years ended 31 December 2021 and 2020.

11. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit/(loss) net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit/(loss) net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit/(loss) and share data used in the computations of basic and diluted earnings per share for the years ended 31 December:

Group	**2021** $	2020 $
Profit/(loss) for the year attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	**21,196,378**	(36,709,505)
Weighted average number of ordinary shares for basic and dilutive earnings per share computation (no. of shares)	**470,557,541**	470,557,541

Earnings per share computation

The basic and diluted earnings per share are calculated by dividing the profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profit/(loss) and share data are presented in the tables above.

Notes to the Financial Statements

For the financial year ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and properties $	Leasehold land and properties $	Motor vehicles $	Furniture, fittings and office equipment $	Plant and machinery $	Leased premises $	Total $
Cost							
At 1 January 2020	93,070,320	758,695,207	4,477,062	24,046,220	35,717,886	12,451,125	928,457,820
Reclassification to investment properties [1] (Note 13)	–	(159,012,103)	–	–	–	–	(159,012,103)
Additions/(adjustment)	–	1,285,290	630,312	1,031,998	2,256,379	(8,200)	5,195,779
Exchange difference	7,023,222	439,906	37,299	1,090,477	815,510	–	9,406,414
Disposals/written off	–	–	(448,179)	(52,298)	(110,118)	–	(610,595)
At 31 December 2020 and 1 January 2021	**100,093,542**	**601,408,300**	**4,696,494**	**26,116,397**	**38,679,657**	**12,442,925**	**783,437,315**
Additions/(adjustment)	**–**	**1,267,885**	**619,776**	**576,912**	**472,555**	**(310)**	**2,936,818**
Exchange difference	**(3,120,516)**	**585,249**	**(1,156)**	**(435,540)**	**(189,867)**	**–**	**(3,161,830)**
Disposals/written off	**–**	**–**	**(637,408)**	**(124,808)**	**(35,280)**	**–**	**(797,496)**
At 31 December 2021	**96,973,026**	**603,261,434**	**4,677,706**	**26,132,961**	**38,927,065**	**12,442,615**	**782,414,807**
Accumulated depreciation and impairment loss							
At 1 January 2020	3,674,183	88,882,131	1,823,262	7,440,830	10,350,316	1,041,360	113,212,082
Depreciation charge for the year	1,721,414	14,281,456	723,326	2,847,375	3,967,648	1,533,602	25,074,821
Impairment loss (Note 9)	–	4,830,703	–	–	–	–	4,830,703
Reclassification to investment properties [1] (Note 13)	–	(19,536,915)	–	–	–	–	(19,536,915)
Exchange difference	396,252	31,417	549	305,520	172,019	–	905,757
Disposals/written off	–	–	(397,777)	(32,953)	(94,284)	–	(525,014)
At 31 December 2020 and 1 January 2021	**5,791,849**	**88,488,792**	**2,149,360**	**10,560,772**	**14,395,699**	**2,574,962**	**123,961,434**
Depreciation charge for the year	**1,836,129**	**14,317,939**	**748,114**	**3,121,832**	**4,089,706**	**1,528,410**	**25,642,130**
Write back of impairment loss (Note 5)	**–**	**(3,339,196)**	**–**	**–**	**–**	**–**	**(3,339,196)**
Exchange difference	**(233,592)**	**119,570**	**(412)**	**(191,367)**	**(64,779)**	**–**	**(370,580)**
Disposals/written off	**–**	**–**	**(546,243)**	**(111,218)**	**(25,973)**	**–**	**(683,434)**
At 31 December 2021	**7,394,386**	**99,587,105**	**2,350,819**	**13,380,019**	**18,394,653**	**4,103,372**	**145,210,354**
Net carrying amount							
At 31 December 2020	94,301,693	512,919,508	2,547,134	15,555,625	24,283,958	9,867,963	659,475,881
At 31 December 2021	**89,578,640**	**503,674,329**	**2,326,887**	**12,752,942**	**20,532,412**	**8,339,243**	**637,204,453**

[1] Reclassification to investment properties relates to the transfer of commercial properties at Zhongshan Park from property, plant and equipment for a more reflective representation of the existing use of the properties.

Notes to the Financial Statements

For the financial year ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture, fittings and office equipment $	Total $
Cost		
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	**18,506**	**18,506**
Accumulated depreciation		
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	**18,506**	**18,506**
Net carrying amount		
At 31 December 2020	–	–
At 31 December 2021	**–**	**–**

(i) Right-of-use ("ROU") assets classified under property, plant and equipment

Group

ROU assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such assets are disclosed below:

(a) Addition of ROU assets during the year was $1,267,575 (2020: $1,791,437).

(b) Carrying amounts and related depreciation of ROU assets classified within property, plant and equipment are as follows:

	2021 $	2020 $
Carrying amounts of ROU assets		
Leasehold land	**74,458,305**	76,615,903
Furniture, fittings and office equipment	**104,534**	135,532
Motor vehicles	**657,230**	885,894
Leased premises	**8,339,243**	9,867,963
	83,559,312	87,505,292
Depreciation charge of ROU assets during the year		
Leasehold land	**3,425,483**	3,310,221
Furniture, fittings and office equipment	**30,998**	33,431
Motor vehicles	**228,664**	195,298
Leased premises	**1,528,410**	1,533,603
	5,213,555	5,072,553

Notes to the Financial Statements
For the financial year ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(ii) Assets pledged as security

Certain property, plant and equipment are mortgaged to secure bank facilities (Note 27.1).

(iii) Motor vehicles with carrying amount of $1,772,550 (2020: $1,787,647) for the Group and $Nil for the Company are registered in the names of certain directors and employees. These are held in trust for the Company and for the respective companies in the Group.

(iv) Impairment of assets

During the year ended 31 December 2020, a subsidiary of the Group, Trafford City Hotel Limited, impaired the hotel at Holiday Inn Express Manchester, United Kingdom. This is due to the lower occupancy rate from the effect of COVID-19. An impairment loss of $4,830,703 representing the excess of carrying value over its recoverable amount was charged to profit or loss (Note 9). In the current year, the Group recorded a reversal of impairment loss of $3,339,196 (Note 5) in the profit or loss relating to the said property to reflect an increase in recoverable amount, arising from an improved occupancy rate. The recoverable amount of the property, plant and equipment was based on its value in use and the pre-tax discount rate used was 9.5% (2020: 9.5%).

Notes to the Financial Statements
For the financial year ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(v) Details of properties included in property, plant and equipment as at 31 December 2021 are as follows:

Description of properties	Tenure	Existing use	Land area sq. m.	Group's effective equity interest
Singapore				
1 Yuan Ching Road	30-year leasehold from 1.1.2002	Land parcel, sports and recreation complex, and carpark	21,754	99.04%
Ramada Singapore at Zhongshan Park and Days Hotel Singapore at Zhongshan Park	99-year leasehold from 4.11.2008	Hotels	23,983 (gross floor area)	99.52%
Australia				
Hotel at 433 Docklands Drive, Melbourne with 273 rooms	Freehold	Hotel	17,091 (gross floor area)	100%
Hotel at 27 Rowe Avenue, Rivervale, Perth with 224 rooms	Freehold	Hotel	17,774 (gross floor area)	100%
United Kingdom				
Hotel at 2 Mercury Way, Trafford, Urmston, Manchester with 220 rooms	200-year long leasehold from 28.8.2015	Hotel	7,042	100%

(vi) Assets subject to operating lease

	2021 $	2020 $
Carrying value		
- Properties on leasehold land	**6,853,105**	7,529,596

Notes to the Financial Statements

For the financial year ended 31 December 2021

13. INVESTMENT PROPERTIES

Group	2021 $	2020 $
Cost		
At 1 January	**668,996,061**	499,070,108
Improvements	**942,339**	–
Reclassification from property, plant and equipment (Note 12)	–	159,012,103
Transfer to asset held-for-sale (Note 25)	**(7,667,748)**	–
Exchange differences	**(4,863,294)**	10,913,850
At 31 December	**657,407,358**	668,996,061
Accumulated depreciation and impairment loss		
At 1 January	**70,977,779**	41,151,569
Depreciation charge for the year	**9,530,828**	9,332,546
Write back of impairment loss (Note 5)	**(15,569,820)**	(1,156,021)
Transfer to asset held-for-sale (Note 25)	**(696,594)**	–
Reclassification from property, plant and equipment (Note 12)	–	19,536,915
Exchange differences	**(1,064,311)**	2,112,770
At 31 December	**63,177,882**	70,977,779
Net carrying amount	**594,229,476**	598,018,282

The following amounts are recognised in profit or loss:

Rental income from investment properties - Minimum lease payments	**20,907,800**	21,673,350
Direct operating expenses (including repairs and maintenance) - Rental generating properties	**(24,829,400)**	(20,381,426)

Except as disclosed in Note 27.1, the Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Valuation of investment properties is performed for bank covenant assessment, disclosure purpose and impairment assessments. The Group obtains external, independent valuations for its investment properties annually. These independent valuers have recognised and relevant professional qualification with relevant experience in the location and category of the properties being valued.

Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The Group reviews the appropriateness of the valuation methodologies and assumptions adopted. The Group also evaluates the appropriateness and reliability of the inputs used in the valuations.

Notes to the Financial Statements

For the financial year ended 31 December 2021

13. INVESTMENT PROPERTIES (CONT'D)

Valuation of investment properties (Cont'd)

The valuation methods applied are further discussed in Note 37(d).

Impairment of assets

A subsidiary of the Group, Meteorite Property (Stirling Street) Pty Ltd, recorded a reversal of impairment loss on the investment property situated at 130 Stirling Street, Perth, Australia. The reversal of impairment loss of $15,569,820 (2020: $1,156,021) (Note 5) was recorded in the profit or loss to reflect an increase in recoverable amount, arising from an improved tenancy profile. The recoverable amount was determined based on fair value less cost to sell.

Assets pledged as security

Certain investment properties are mortgaged to secure bank facilities (Note 27.1).

Details of investment properties as at 31 December 2021 are as follows:

Description of properties	Tenure	Existing use	Strata area sq. m.
Singapore			
3 residential units at 68 St Thomas Walk	Freehold	Residential	1,336
2 residential units at 1 Lewis Road	Freehold	Residential	607
1 Claymore Drive #B1-01/40 Orchard Towers	Freehold	Retail space	735
150 Orchard Road #09-01/02 Orchard Plaza	99-year leasehold from 2.6.1977	Retail space	1,424
1 Jalan Anak Bukit #B1-59/59A Bukit Timah Plaza	99-year leasehold from 30.8.1976	Retail space	112
35 Selegie Road #B1-04 to #B1-12, #B1-14 to #B1-18, #B1-20 to #B1-38 Parklane Shopping Mall	99-year leasehold from 1.12.1974	Retail space	2,352
Commercial properties At Zhongshan Park	99-year leasehold from 4.11.2008	Retail/ office space	15,138 (gross floor area)
21 retail units and 38 office units at 400 Orchard Road and 1 Claymore Drive Orchard Towers	Freehold	Retail/ office space	11,898
45 factory units and 1 canteen of 9-storey multiple user light industrial development at 56 Kallang Pudding Road	Freehold	Industrial	8,373

Notes to the Financial Statements
For the financial year ended 31 December 2021

13. INVESTMENT PROPERTIES (CONT'D)

Details of investment properties as at 31 December 2021 are as follows (Cont'd):

Description of properties	Tenure	Existing use	Strata area sq. m.
Australia			
7-level commercial building comprising five levels of office, four retail tenancies to ground level, and a total of 242 parking bays at 130 Stirling Street, Perth	Freehold	Commercial	12,064 (net lettable area)
10-level commercial building comprising seven levels of office, two retail tenancies to ground level, and a total of 506 parking bays at 25 Rowe Avenue, Perth	Freehold	Commercial	10,571 (net lettable area)

14. SUBSIDIARIES

Company	**2021 $**	2020 $
Unquoted equity shares, at cost	**395,040,397**	395,040,397
Loans to subsidiary	**227,560,624**	227,560,624
	622,601,021	622,601,021
Impairment losses	**(27,460,000)**	(43,600,000)
	595,141,021	579,001,021
Movement in allowance accounts:		
At 1 January	**(43,600,000)**	(15,750,000)
Charge for the year	**–**	(28,750,000)
Write back of allowance	**16,140,000**	900,000
At 31 December	**(27,460,000)**	(43,600,000)

The loans to subsidiary represent an extension of its investment in the subsidiary. These amounts are unsecured and interest-free with repayment terms at the discretion of the subsidiary.

During the year, the Company had written back impairment losses of $16,140,000 (2020: $900,000) previously provided for on its subsidiaries to its recoverable amount determined based on the subsidiaries revalued net assets of $245,876,419 (2020: $66,772,934) as at end of reporting period which are classified under level 3 of the fair value hierarchy. The key inputs used in determining the revalued net assets includes recent market comparable.

During the year ended 31 December 2020, the Company had provided an impairment loss of $28,750,000 which was to write down the carrying value of its subsidiaries to its recoverable amount as the investments are no longer represented by net assets of the investees. The recoverable amount of the investments had been determined based on the subsidiaries' revalued net assets of $159,947,416 as at end of reporting period which is classified under level 3 of the fair value hierarchy. The key inputs used in determining the revalued net assets includes recent transacted price and market comparable.

Notes to the Financial Statements

For the financial year ended 31 December 2021

14. SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Effective shareholding 2021 %	Effective shareholding 2020 %	Principal activities
Held by the Company				
Hiap Hoe Investment Pte Ltd	Singapore	**100**	100	Investment holding
WestBuild Construction Pte Ltd	Singapore	**100**	100	Civil engineering, general road construction and sub-contractor works
Hiap Hoe Strategic Pte Ltd	Singapore	**100**	100	Investment holding
HH Land Pte Ltd (2)	Singapore	**100**	100	Dormant
Meteorite Group Pte Ltd	Singapore	**100**	100	Investment holding
HH Residences Pte Ltd	Singapore	**100**	100	Property investment and owner
Golden Bay Realty (Private) Limited	Singapore	**100**	100	Property investment and owner
Held by Meteorite Group Pte Ltd				
Meteorite Land Pty Ltd	Australia	**100**	100	Property owner
Meteorite Assets Pte Ltd	Singapore	**100**	100	Investment holding
Held by Meteorite Land Pty Ltd				
Meteorite Land (Pearl River) Pty Ltd Meteorite Land (Pearl River) Unit Trust (3)	Australia	**100**	100	Property owner
Meteorite Property (Stirling Street) Pty Ltd	Australia	**100**	100	Property investment and owner
Meteorite Development (Pearl River) Pty Ltd (1)	Australia	**–**	100	Property developer
Meteorite Land (Rowe Avenue) Pty Ltd Meteorite Land (Rowe Avenue) Unit Trust (3)	Australia	**100**	100	Property investment and owner

Notes to the Financial Statements
For the financial year ended 31 December 2021

14. SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows (Cont'd):

Name of subsidiaries	Country of incorporation/ principal place of business	Effective shareholding		Principal activities
		2021	2020	
		%	%	
Held by Meteorite Assets Pte Ltd				
Meteorite Assets Limited	United Kingdom	**100**	100	Investment holding
Held by Meteorite Assets Limited				
Meteorite Manchester Limited	United Kingdom	**100**	100	Investment holding
Held by Meteorite Manchester Limited				
Trafford City Hotel Limited	United Kingdom	**100**	100	Hotel owner
Held by Hiap Hoe Strategic Pte Ltd				
SuperBowl Holdings Limited	Singapore	**99.04**	99.04	Investment holding
Held by SuperBowl Holdings Limited				
SuperBowl Jurong Pte Ltd	Singapore	**99.04**	99.04	Property investment
SuperBowl Development Pte Ltd	Singapore	**99.04**	99.04	Owners and operators of bowling centres and recreation centres
Super Funworld Pte Ltd	Singapore	**99.04**	99.04	Property investment
Held by the Company and SuperBowl Holdings Limited				
HH Properties Pte Ltd *	Singapore	**99.52**	99.52	Property developer and owner

The Singapore incorporated subsidiaries are audited by Ernst & Young LLP, Singapore. The Australia incorporated subsidiaries are audited by member firms of EY Global in Australia and the United Kingdom incorporated subsidiaries are audited by HLB Beever and Struthers, Manchester.

(1) Deregistered on 24 February 2021.
(2) This company is dormant and exempted from audit under the Singapore Companies Act.
(3) Unit Trust was incorporated to own the properties.

* The Company holds 50% ownership interest in HH Properties Pte Ltd and account for it as a joint venture in its separate financial statements (Note 15).

Notes to the Financial Statements
For the financial year ended 31 December 2021

15. JOINT VENTURE

Company	**2021** **$**	2020 $
Shares, at cost	**5**	5
Share of post-acquisition reserves	**22,856,652**	21,067,649
	22,856,657	21,067,654

This relates to interest in HH Properties Pte Ltd ("HHP") which is jointly held by the Company and SuperBowl Holdings Limited in equal proportions of 50%.

The Company has equity accounted for its investment in HHP in its separate financial statements. As the Group effectively owned 99.52% (2020: 99.52%) interest in HHP, the interests in joint venture are reversed and consolidated with the Group. Details of HHP are disclosed in Note 14.

16. OTHER ASSETS

	Group		**Company**	
	2021 **$**	2020 $	**2021** **$**	2020 $
Non-current				
Other deposits	**–**	235,942	**–**	–
Current				
Pre-sale deposits	**43,454**	163,798	**–**	–
Other deposits	**293,619**	273,726	**–**	–
	337,073	437,524	**–**	–
Total other assets	**337,073**	673,466	**–**	–

Other deposits (non-current) comprised mainly deposits paid for acquisition of capital assets and construction-in-progress.

Notes to the Financial Statements

For the financial year ended 31 December 2021

17. TRADE AND OTHER RECEIVABLES/ LEASE INCENTIVES

	Group		Company	
	2021	2020	**2021**	2020
	$	$	**$**	$
Current				
Trade receivables	**6,121,941**	5,377,168	**–**	–
Allowance for impairment	**(550,728)**	(897,773)	**–**	–
GST receivables	**68,619**	112,823	**–**	–
	5,639,832	4,592,218	**–**	–
Other receivables:				
Interest receivables	**1,498,758**	1,174,053	**–**	–
Staff loans	**20,830**	21,450	**–**	–
Sundry receivables	**219,371**	445,594	**–**	–
Government grant receivables	**–**	956,443	**–**	1,840
Lease receivables	**2,211,739**	141,675	**–**	–
	3,950,698	2,739,215	**–**	1,840
Trade and other receivables (current)	**9,590,530**	7,331,433	**–**	1,840
Lease incentives	**1,477,061**	–	**–**	–
Non-current				
Lease receivables	**382,289**	390,178	**–**	–
Staff loans	**7,030**	20,060	**–**	–
Others	**12,000**	73,977	**–**	–
Other receivables (non-current)	**401,319**	484,215	**–**	–
Lease incentives	**13,908,992**	–	**–**	–
Trade and other receivables (current and non-current)	**9,991,849**	7,815,648	**–**	1,840
Less: GST receivables	**(68,619)**	(112,823)	**–**	–
Less: Lease receivables	**(2,594,028)**	(531,853)	**–**	–
Less: Government grant receivables	**–**	(956,443)	**–**	(1,840)
Add:				
Due from subsidiaries, trade [Note 18(i)]	**–**	–	**624,214**	305,969
Due from subsidiaries, non-trade [Note 18(ii)(a)]	**–**	–	**19,877,364**	20,247,011
Due from related companies, trade [Note 18(i)]	**–**	2,743	**–**	–
Due from related companies, non-trade [Note 18(ii)(a)]	**45**	4,497	**–**	–
Other assets (Note 16)	**337,073**	673,466	**–**	–
Less: Deposit paid for acquisition of capital assets/business (Note 16)	**–**	(235,942)	**–**	–
Cash and short-term deposits (Note 24)	**29,580,450**	20,312,973	**154,864**	89,391
Total financial assets carried at amortised cost	**37,246,770**	26,972,266	**20,656,442**	20,642,371

<u>Trade receivables</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes to the Financial Statements
For the financial year ended 31 December 2021

17. TRADE AND OTHER RECEIVABLES/ LEASE INCENTIVES (CONT'D)

Trade and other receivables

Trade and other receivables of the Group denominated in foreign currencies are as follows:

Group	2021 $	2020 $
Australian Dollar	**249,714**	320,714
British Pound	**–**	13,253
Euro	**803,577**	518,099
United States Dollar	**134,074**	116,859

Interest receivables

Certain interest receivables are pledged to secure bank facilities (Note 27.1).

Staff loans

Staff loans are unsecured and non-interest bearing. Non-current amounts have maturity ranging between 1 to 3 years (2020: 1 to 4 years). The loans are recognised initially at fair value. The carrying amount of non-current staff loans approximates their fair value.

Lease incentives

During the financial year, the Group had paid to an incoming tenant the upfront lease incentives of $16,640,724 relating to a new lease in Perth. These lease incentives will be released to profit or loss on a systematic basis over its tenancy periods.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $5,110,117 (2020: $4,069,356) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

Group	2021 $	2020 $
Trade receivables past due but not impaired:		
Less than 30 days	**3,447,097**	3,499,976
31- 60 days	**1,479,274**	381,309
61- 90 days	**26,490**	26,902
More than 90 days	**157,256**	161,169
	5,110,117	4,069,356

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables past due. These receivables are mainly arising from customers that have a good credit record with the Group.

Notes to the Financial Statements
For the financial year ended 31 December 2021

17. TRADE AND OTHER RECEIVABLES/ LEASE INCENTIVES (CONT'D)

Expected credit losses assessment

The Group provides for lifetime expected credit losses for trade receivables from customers by reference to past default experience of the debtors and an analysis of days past due, adjusted for forward-looking factors specific to the debtors and the economic environment.

The following table provides information about the exposure to credit risk and expected credit losses for current trade receivables as at 31 December:

Group	**2021** **$**	2020 $
Movement in allowance accounts:		
At 1 January	**897,773**	175,275
Amount written off	**(1,324,066)**	(529,747)
Write back of allowance	**(135,145)**	–
Charge for the year	**1,124,836**	1,230,410
Exchange difference	**(12,670)**	21,835
At 31 December	**(550,728)**	897,773

18. DUE FROM/(TO) SUBSIDIARIES/RELATED COMPANIES

(i) Trade

Trade amounts due from/(to) subsidiaries and related companies are unsecured, interest-free and repayable on demand. Related companies refer to members of the immediate and ultimate holding company's group of companies.

Trade amounts due from subsidiaries which are denominated in foreign currency:

	2021 **$**	2020 $
British Pound	**492,715**	305,040

(ii) Non-trade

(a) Non-trade amounts due from subsidiaries and related companies are as follows:

Group

Non-trade amount due from related companies of the Group, the amounts have no repayment terms and are repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 December 2021

18. DUE FROM/(TO) SUBSIDIARIES/RELATED COMPANIES (CONT'D)

(ii) Non-trade (Cont'd)

(a) Non-trade amounts due from subsidiaries and related companies are as follows (Cont'd):

Company	**2021** **$**	2020 $
Current		
Loans	**22,867,765**	22,519,323
Interest receivable	**94,890**	278,547
Performance guarantee fee receivable	**476,773**	456,787
Advances	**21,830**	13,660
Less: allowance for impairment	**(3,583,894)**	(3,021,306)
Total	**19,877,364**	20,247,011

Balances denominated in foreign currency are as follows:

British Pound	**19,855,534**	20,233,351

Amounts due from subsidiaries are unsecured and repayable on demand. The loans bear weighted average effective interest at 1.72% (2020: 1.86%) per annum while advances and performance guarantee fee receivable are interest free.

Expected credit loss assessment

During the financial year, allowance for impairment of $562,588 (2020: $778,058) was made for amounts due from a subsidiary (2020: a subsidiary). The above assessment is after taking into account the current financial position of the subsidiary, and the allowance was due to decrease in net asset value of the subsidiary as at the reporting date.

The following table provides information about the exposure to credit risk and expected credit losses for loans to a subsidiary as at 31 December:

Company	**2021** **$**	2020 $
Movement in allowance accounts		
At 1 January	**3,021,306**	2,243,248
Charge for the year	**562,588**	778,058
At 31 December	**3,583,894**	3,021,306

(b) Non-trade amounts due to subsidiaries and related companies are as follows:

Group

Non-trade amount due to related companies of the Group represent payment made on behalf of related companies, were unsecured, interest-free and repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 December 2021

18. DUE FROM/(TO) SUBSIDIARIES/RELATED COMPANIES (CONT'D)

(b) Non-trade amounts due to subsidiaries and related companies are as follows (Cont'd):

Company	2021 $	2020 $
Current		
Loans	**(117,629,367)**	(115,183,337)
Interest payable	**(663,001)**	(157,583)
Advances	**(11,673,000)**	(11,673,000)
	(129,965,368)	(127,013,920)
Balances denominated in foreign currency are as follows:		
British Pound	**(20,244,515)**	(20,726,763)

Amounts due to subsidiaries are unsecured and repayable on demand. The loans bear weighted average effective interest ranging from 1.20% to 1.55% (2020: 1.12% to 1.42%) per annum while advances are interest-free.

19. DEFERRED TAXATION

	Group			
	Balance sheet		Income statement	
	2021 **$**	2020 $	**2021** **$**	2020 $
Deferred tax assets:				
Unutilised tax losses	**7,229,540**	3,770,369	**6,988,944**	3,003,686
Unutilised capital allowance	**4,181,767**	6,552,840	**(2,143,276)**	(2,303,704)
Temporary differences on leases	**206,363**	145,514	**60,849**	69,874
Difference in depreciation for tax purposes	**1,111,013**	5,912,891	**(4,566,356)**	(447,015)
	12,728,683	16,381,614	**340,161**	322,841
Deferred tax liabilities:				
Unremitted foreign income and profits	**855,573**	795,947	**59,463**	29,157
Temporary differences on leases	**4,476,946**	(121,362)	**4,548,236**	(77,681)
Fair value adjustment on acquisition of subsidiaries	**70,090,563**	71,790,292	**(1,699,728)**	(1,699,728)
Difference in depreciation for tax purposes	**3,770,796**	4,163,268	**(393,947)**	(824,560)
	79,193,878	76,628,145	**2,514,024**	(2,572,812)

Unutilised tax losses

Certain subsidiaries of the Company have unutilised tax losses of $58,417,000 (2020: $58,178,000) for offset against future taxable income, subject to the agreement of various tax authorities in the countries where the Group operates. The deferred tax assets arising from these unutilised tax losses have not been recognised in the financial statements in accordance with the accounting policy in Note 2.23(b) to the financial statements.

At the end of the reporting period, there are no deferred tax liabilities on net investment in subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 December 2021

20. OTHER INVESTMENTS

Group	2021 $	2020 $
At fair value through profit or loss		
- Quoted investments (ii)	**160,924,926**	150,594,113
- Unquoted investments (iii)	**154,639,478**	131,148,085
	315,564,404	281,742,198

(i) Other investments include debt instruments. The Group has reviewed its policy of classification and determined that these debt instruments will be sold from time to time to realise capital appreciation or for liquidity management. Accordingly, these debt instruments will continue to classify as FVPL in accordance with SFRS(I) 9 based on the Group's business model.

(ii) Quoted investments

The fair value of quoted investments is determined by reference to the respective stock exchange quoted bid price.

(iii) Unquoted investments

Included in unquoted investments is investment in A2I Holdings S.A.R.L ("A2I") which relates to the investment in AccorInvest Group, which owns or leases hotels mainly operated by the Accor Group. The Group holds 20.71% (2020: 19.73%) interest in A2I and the carrying value of A2I as at 31 December 2021 was $61,510,065 (2020: $50,892,353). A2I is a limited liability investment holding company which is incorporated and domiciled in Luxembourg. Management has determined that the investment in A2I is passive and the Group has no significant influence in the said investee.

As the unquoted investments are not publicly traded, the fair values are determined based on valuation techniques, such as revalued net asset value or based on recent transacted price [Note 37(c)].

(iv) Assets pledged as security

Certain trading investments are pledged to secure bank facilities (Note 27.1).

Notes to the Financial Statements
For the financial year ended 31 December 2021

20. OTHER INVESTMENTS (CONT'D)

(v) Other investments of the Group denominated in foreign currencies are as follows:

Group	2021 $	2020 $
Australian Dollar	**31,680,504**	34,388,923
Bangladesh Taka	**449,587**	355,036
British Pound	**4,220,578**	3,766,541
Canadian Dollar	**241,203**	207,777
Danish Krone	**894,721**	885,120
Euro	**89,470,691**	73,843,003
Hong Kong Dollar	**8,298,196**	10,602,887
Japanese Yen	**287,469**	264,127
Malaysia Ringgit	**1,432,919**	1,431,570
Swiss Franc	**3,437,178**	3,695,178
United States Dollar	**110,989,431**	96,946,573

(vi) During the financial year, the Group recognised fair value gain of $13,881,266 (2020: loss of $24,941,279) on other investments (Note 8).

21. INVENTORIES, AT COST

Group	2021 $	2020 $
Consumables	**89,533**	102,577
Hotel supplies	**2,730,060**	2,756,443
	2,819,593	2,859,020

Inventories recognised in other expenses amounted to $479,023 (2020: $348,377).

22. DERIVATIVES

	Group			
	2021		2020	
	Assets $	**Liabilities $**	Assets $	Liabilities $
Currency swaps	**61,135**	**–**	152,250	–
Options	**–**	**(288,892)**	–	(554,243)
	61,135	**(288,892)**	152,250	(554,243)
Add: Other investments (Note 20)	**315,564,404**	**–**	281,742,198	–
Total financial assets/(liabilities) at fair value through profit or loss	**315,625,539**	**(288,892)**	281,894,448	(554,243)

Notes to the Financial Statements
For the financial year ended 31 December 2021

22. DERIVATIVES (CONT'D)

During the financial year, the Group recognised fair value gain of $17,400 (2020: $137,686) on derivative instruments (Note 8).

Currency swaps

Currency swaps are used to hedge foreign currency risk arising from the Group's trading investments denominated in foreign currencies.

Options

Options derivatives contracts are entered which gives the Group's the right to buy or sell an underlying trading investment at a specified strike price on a specified date.

Derivatives of the Group denominated in foreign currencies are as follows:

	Group			
	2021		2020	
	Assets	**Liabilities**	Assets	Liabilities
	$	**$**	$	$
Euro	**–**	**–**	–	(5,299)
Hong Kong Dollar	**–**	**(288,892)**	–	(531,981)
United States Dollar	**61,135**	**–**	152,250	(16,963)

23. COMPLETED PROPERTIES FOR SALE

Group	**2021**	2020
	$	$
At 1 January	**4,536,449**	6,646,336
Sale of properties	**(2,206,049)**	(2,388,336)
Exchange differences	**(47,945)**	278,449
At 31 December	**2,282,455**	4,536,449

Details of properties as at 31 December 2021 are as follows:

Description of properties	**Tenure**	**Group's effective interest in property**	**Floor area sq. m.**
Australia			
8 residential units at 6-22 Pearl River Road, Melbourne	Freehold	100%	373

Notes to the Financial Statements

For the financial year ended 31 December 2021

24. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2021	2020	**2021**	2020
	$	$	**$**	$
Cash and bank balances	**25,562,561**	19,197,600	**154,864**	89,391
Fixed deposits	**4,017,889**	1,115,373	**–**	–
	29,580,450	20,312,973	**154,864**	89,391
Cash and bank balances pledged	**(15,118,899)**	(12,012,682)	**–**	–
Fixed deposits pledged	**(3,136,312)**	(1,115,373)	**–**	–
Cash and cash equivalents	**11,325,239**	7,184,918	**154,864**	89,391

Certain cash and bank balances and fixed deposits are pledged to secure bank facilities (Note 27.1).

Cash and fixed deposits of the Group denominated in foreign currencies are as follows:

Group	**2021**	2020
	$	$
Australian Dollar	**6,963,717**	6,599,906
Bangladesh Taka	**30,851**	210,573
British Pound	**496,545**	183,361
Canadian Dollar	**29,466**	18,557
Danish Krone	**355,657**	20,664
Euro	**1,073,138**	1,317,093
Japanese Yen	**23,682**	16,608
Hong Kong Dollar	**1,553,451**	319,693
Swiss Franc	**86,322**	121,943
Malaysia Ringgit	**124,788**	61,297
United States Dollar	**2,687,223**	819,371

Group and Company

Cash and bank balances earn interest at floating rates based on daily bank deposit rates.

Group

Fixed deposits pledged are made for varying periods of between one month to one year (2020: varying periods of one year) and earn interests at the respective fixed deposit rates. The weighted average effective interest rates as at 31 December 2021 ranged from 0.02% to 0.50% (2020: 0.45% to 1.07%) per annum.

25. ASSET HELD-FOR-SALE

Group

During the financial year ended 31 December 2021, the Group had transferred two units of investment properties at Skyline 360° at St Thomas Walk to asset held-for-sale upon obtaining the purchase options. These properties are mortgaged to secure bank facilities as at financial year ended 31 December 2021 and the mortgages were discharged upon completion of the sales on 11 and 18 February 2022 respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2021

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	**2021**	2020
	$	$	**$**	$
Current				
Trade payables	**2,435,248**	2,172,854	**–**	–
GST payables	**1,454,280**	1,001,234	**43,265**	18,987
Advance receipts and billings	**499,549**	671,575	**–**	–
Other payables	**183,935**	272,366	**10,241**	95,001
Lease payables	**–**	18,473	**–**	–
Government related grants	**–**	9,013	**–**	–
Trade and other payables (current)	**4,573,012**	4,145,515	**53,506**	113,988
Non-Current				
Other payables-lease payables	**592,252**	–	**–**	–
Trade and other payables (current and non-current)	**5,165,264**	4,145,515	**53,506**	113,988
Add:				
Due to subsidiaries, trade [Note 18(i)]	**–**	–	**9,191**	6,995
Due to subsidiaries, non-trade [Note 18(ii)(b)]	**–**	–	**129,965,368**	127,013,920
Due to related companies, trade [Note 18(i)]	**11,021**	11,160	**–**	–
Due to related companies, non-trade [Note 18(ii)(b)]	**12,279**	–	**–**	–
Other liabilities (Note 28)	**13,321,578**	13,236,946	**457,605**	377,394
Interest-bearing loans and borrowings (Note 27)	**771,576,513**	754,187,445	**–**	–
	790,086,655	771,581,066	**130,485,670**	127,512,297
Less: GST payables	**(1,454,280)**	(1,001,234)	**(43,265)**	(18,987)
Less: Government related grants	**–**	(9,013)	**–**	–
Less: Lease payables	**(592,252)**	(18,473)	**–**	–
Less: Deposits that are not financial liabilities	**(1,630,737)**	(1,592,475)	**–**	–
Less: Advance receipts and billings	**(499,549)**	(671,575)	**–**	–
Less: Deferred income (Note 28)	**(593,293)**	(729,236)	**–**	–
Less: Deferred government grant income (Note 28)	**(364,787)**	(1,288,311)	**–**	(2,990)
Total financial liabilities carried at amortised cost	**784,951,757**	766,270,749	**130,442,405**	127,490,320

Trade and other payables are non-interest bearing and have an average term of one to three months.

Notes to the Financial Statements

For the financial year ended 31 December 2021

27. INTEREST-BEARING LOANS AND BORROWINGS

	Effective interest rate [1] (% per annum) 2021	2020	Maturity	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
Current liabilities							
Secured bank borrowings (Note 27.1)	**1.47**	1.34	2022	**369,616,715**	500,852,038	**–**	–
Interest payable	**–**	–	2022	**246,833**	187,581	**–**	–
Lease liabilities (Note 27.3)	**4.83**	4.83	2022	**3,277,303**	3,261,575	**–**	–
				373,140,851	504,301,194	**–**	–
Non-current liabilities							
Secured bank borrowings (Note 27.1)	**1.61**	1.54	2023 – 2025	**369,857,908**	219,205,597	**–**	–
Lease liabilities (Note 27.3)	**4.83**	4.83	2023 – 2035	**28,577,754**	30,680,654	**–**	–
				398,435,662	249,886,251	**–**	–
Total				**771,576,513**	754,187,445	**–**	–

[1] Based on weighted average effective interest rates.

27.1 The outstanding secured bank borrowings are secured by the following assets:

Group	**2021** **$**	2020 $
Property, plant and equipment (Note 12)	**593,252,969**	607,221,201
Investment properties (Note 13)	**594,229,476**	584,977,888
Trade and other receivables (Note 17)	**1,488,028**	1,056,266
Other investments (Note 20)	**218,844,579**	172,518,085
Cash and bank balances (Note 24)	**15,070,666**	9,941,394
Fixed deposits (Note 24)	**3,136,312**	1,115,373
Asset held-for-sale (Note 25)	**6,971,154**	–
	1,432,993,184	1,376,830,207

Notes to the Financial Statements
For the financial year ended 31 December 2021

27. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

27.2 The bank borrowings are secured by the following:

(a) legal mortgages on the Group's property, plant and equipment and investment properties, (collectively, the "Properties");
(b) legal assignment of all rights and benefits under the sales and purchase agreements, hotel management contracts and/or tenancy agreements;
(c) assignment of all insurance policies and interest service reserve account for certain Properties;
(d) deed of subordination to subordinate all loans and advances from the Company to the facilities;
(e) corporate guarantees given by the Company and certain subsidiaries; and
(f) a charge over certain trading investments, cash and short-term deposits and shares of a subsidiary

The bank facility agreements include covenants that require the maintenance of certain financial ratios. Non-compliance with certain material covenants may result in these loans being repayable immediately.

27.3 <u>Lease liabilities</u>

The Group enters into leases for building, leased premises, motor vehicles and office equipment from non-related parties under non-cancellable lease agreements. There are no restrictions placed upon the Group by entering into these contracts.

The leases for certain leased premises contain extension periods for which the related lease payments had been included in lease liabilities as the Group is reasonably certain to exercise these extension options. The leases for certain leased premises also include termination options. The Group negotiates extension options to provide flexibility in managing the leased assets and align with the Group's business needs.

These non-cancellable lease payments included in the measurement of the lease liabilities comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

Notes to the Financial Statements
For the financial year ended 31 December 2021

27. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

27.3 Lease liabilities (Cont'd)

Included in the interest-bearing loans and borrowings of the Group are the followings:

Group	2021 $	2020 $
Lease liabilities payable:		
Due not later than one year	**4,576,335**	4,658,888
Due later than one year but not later than five years	**15,636,748**	15,884,720
Due later than five years	**19,027,180**	21,927,890
	39,240,263	42,471,498
Finance charges allocated to future periods	**(7,385,206)**	(8,529,269)
Present value of lease liabilities	**31,855,057**	33,942,229
Present value of lease liabilities:		
Due not later than one year	**3,277,303**	3,261,575
Due later than one year but not later than five years	**11,712,200**	11,608,418
Due later than five years	**16,865,554**	19,072,236
	28,577,754	30,680,654
	31,855,057	33,942,229

As at 31 December 2021 and 2020, the Group's short-term lease commitments are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

In the financial year ended 31 December 2021, lease payments recognised in the consolidated income statement was $104,009 (2020: $142,445). Contingent rents are payable subject to the related revenue exceeding a level stated in the respective agreements. Contingent lease payments recognised in the consolidated income statement in 2021 amounted to $15,858 (2020: $12,843).

Lease expenses not capitalised in lease liabilities but recognised within "operating expenses" in profit or loss are set out below:

Group	2021 $	2020 $
Short-term leases	**42,407**	111,735
Leases of low-value asset	**45,744**	17,867
Variable lease expense due to payments not dependent on an index or rate	**15,858**	12,843
	104,009	142,445

Notes to the Financial Statements
For the financial year ended 31 December 2021

27. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

27.4 The interest-bearing loans and borrowings of the Group denominated in foreign currencies are as follows:

	2021	2020
	$	$
British Pound	**21,725,497**	22,284,768
Euro	**115,681,191**	110,677,233
Hong Kong Dollar	**4,004,979**	3,503,465
United States Dollar	**40,389,441**	36,997,983
Australian Dollar	**15,713,698**	14,196,764

28. OTHER LIABILITIES

	Group		**Company**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Current				
Accrued operating expenses	**6,648,859**	5,133,183	**297,605**	214,404
Deposits received	**3,591,870**	3,504,538	**–**	–
Purchase option deposit	**203,000**	–	**–**	–
Provision for Directors' fees	**160,000**	160,000	**160,000**	160,000
Deferred government grant income	**364,787**	1,288,311	**–**	2,990
	10,968,516	10,086,032	**457,605**	377,394
Non-current				
Deposits received	**1,724,884**	2,391,238	**–**	–
Accruals – Pension liability	**34,885**	30,440	**–**	–
Deferred income	**593,293**	729,236	**–**	–
	2,353,062	3,150,914	**–**	–
Total other liabilities	**13,321,578**	13,236,946	**457,605**	377,394

Group

(i) During the financial year, the Group had amortised a deferred income of $84,269 (2020: $78,983) (Note 5).

(ii) Other liabilities of the Group denominated in foreign currencies are as follows:

	2021	2020
	$	$
United States Dollar	**–**	1,454

Notes to the Financial Statements
For the financial year ended 31 December 2021

29. SHARE CAPITAL

Group and Company

	2021	2020	**2021**	2020
	Number of shares		**$**	$
Issued and fully paid ordinary shares				
Balance at beginning and at end	**474,557,391**	474,557,391	**84,445,256**	84,445,256

The holders of ordinary shares (excluding treasury shares as disclosed in Note 30) 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. TREASURY SHARES

Group and Company

	2021	2020	**2021**	2020
	Number of shares		**$**	$
Balance at beginning and at end	**(3,999,850)**	(3,999,850)	**(1,101,125)**	(1,101,125)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

31. RESERVES

	Group		**Company**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Accumulated profits	**697,399,052**	678,555,465	**424,565,020**	409,548,551
Capital reserve (Note a)	**(7,671,719)**	(7,671,719)	**–**	–
Foreign currency translation reserve (Note b)	**(20,612,331)**	(16,832,283)	**–**	–
Gain on reissuance of treasury shares (Note c)	**51,890**	51,890	**51,890**	51,890
	669,166,892	654,103,353	**424,616,910**	409,600,441

(a) Capital reserve

The capital reserve arises from the application of reverse acquisition accounting in prior years.

(b) Foreign currency translation reserve

The 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.

(c) Gain on reissuance of treasury shares

This represents the gain arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

Notes to the Financial Statements
For the financial year ended 31 December 2021

32. 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	2021 $	2020 $
Income		
Repair and maintenance services rendered to related companies	**19,024**	15,880
Repair and maintenance services rendered to Directors	**360**	2,655
Repair and maintenance services rendered to related parties	**245**	600
Expenses		
Site expenses paid to related company	**131,969**	189,261
Rental expense paid to related companies	**62,649**	61,834
Rental expense paid to related party	**78,516**	78,000
Secondment of staff from related companies	**57,217**	206,398

Related parties refer to companies in which a director has controlling interest.

(b) Compensation of key management personnel

	Group	
	2021 **$**	2020 $
Short-term employee benefits	**3,775,718**	3,510,347
Central Provident Fund contributions	**119,195**	115,509
	3,894,913	3,625,856
Comprise amounts paid to:		
Directors of the Company	**3,069,698**	2,868,274
Other key management personnel	**825,215**	757,582
	3,894,913	3,625,856

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

33. COMMITMENTS AND CONTINGENCIES

(a) Capital and investment commitments

Capital and investment expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

Group	2021 $	2020 $
- Property, plant and equipment	**565,253**	–
- Unquoted investments	**9,875,296**	7,968,726

(b) Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties and property, plant and equipment. These non-cancellable leases have remaining lease terms of up to 11 years (2020: 7 years). All leases include clauses to enable upward revision of the rental charge on an annual basis on prevailing market conditions and agreed fixed yearly increment.

The undiscounted lease payments from the operating leases to be received after 31 December 2021 and 2020 are disclosed below:

Group	2021 $	2020 $
Undiscounted lease payments to be received:		
Year 1	**22,379,070**	22,368,953
Year 2	**15,432,658**	14,363,808
Year 3	**9,386,242**	8,184,646
Year 4	**7,826,391**	3,919,055
Year 5	**7,487,901**	3,512,917
Year 6 and onwards	**22,604,546**	4,425,387
	85,116,808	56,774,766

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with mainly constant increase in value. The Group has not identified any indications that this situation will change.

34. CORPORATE GUARANTEES, UNSECURED

The Company has given corporate guarantees of $1,035,725,440 (2020: $1,065,560,960) to financial institutions in connection with credit facilities granted to its subsidiaries. The liabilities of the Company are limited to the outstanding principal amounts due to lenders and bankers' guarantee issued by financial institutions of its subsidiaries amounting to $698,801,547 (2020: $678,768,832).

Notes to the Financial Statements
For the financial year ended 31 December 2021

35. DIVIDENDS

Group and Company

	2021	2020
	$	$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2020 – 0.5 cent (2020: for 2019 - 1.0 cent) per share	**2,352,791**	4,705,575

Proposed but not recognised as a liability as at 31 December:

Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:

Group and Company

	2021	2020
	$	$
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
- Final exempt (one-tier) dividend for 2021 – 0.5 cent (2020: 0.5 cent) per share	**2,352,791**	2,352,791

36. 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 interest rate risk, liquidity risk, credit risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Executive Director and Financial Controller. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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 bank loans and borrowings, and interest-bearing loans from the subsidiaries. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually repriced at intervals of less than 6 months (2020: less than 6 months) from the end of the reporting period.

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's long term debt obligation with floating interest rates. Management reviews the interest rate strategies to minimise interest rate risk by taking into account the cash flow forecasts, term of debt obligation and market outlook.

<u>Sensitivity analysis for interest rate risk</u>

At 31 December 2021, if interest rates had been 100 (2020: 100) basis points higher with all other variables held constant, the Group's profit (2020: loss) net of tax would have been approximately $6,136,000 lower (2020: $5,977,000 higher) arising mainly as a result of higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

Information relating to the Group's interest rate exposure is disclosed in the notes on the Group's borrowings, including leasing obligations.

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 arrange specific credit facilities with different banks. With the good reputation and the long term relationship maintained with the banks, the Group is able to obtain high financing quantum at favourable interest rates. In addition, the Group has maintained standby credit facilities such as term loans, revolving credit facilities and bank overdraft to meet any immediate obligations.

As at end of financial year, the Group is in a net current liabilities position mainly due to maturity of borrowings within the next 12 months. Notwithstanding the net current liabilities position, after considering the Group existing financing resources, including the Group's unutilised banking facilities, the management believes that the Group will be able to meet its current obligations as and when they fall due through successful debt refinancing with its lender, as necessary. The Group also assessed the concentration of risk with respect to refinancing its debt and concluded it to be low and access to sources of funding is sufficiently available.

Notes to the Financial Statements

For the financial year ended 31 December 2021

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

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

Group	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
31 December 2021				
Financial liabilities				
Trade and other payables [1]	**2,619,183**	**–**	**–**	**2,619,183**
Derivatives - liabilities	**288,892**	**–**	**–**	**288,892**
Due to related companies, trade	**11,021**	**–**	**–**	**11,021**
Due to related companies, non-trade	**12,279**	**–**	**–**	**12,279**
Other liabilities [2]	**8,972,992**	**1,759,769**	**–**	**10,732,761**
Interest bearing loans and borrowings (excluding lease liabilities)	**379,529,939**	**377,851,625**	**–**	**757,381,564**
Lease liabilities	**4,576,335**	**15,636,748**	**19,027,180**	**39,240,263**
Total undiscounted financial liabilities	**396,010,641**	**395,248,142**	**19,027,180**	**810,285,963**

(1) Excludes advance receipts and billings, GST payables, lease payables and government related grants.

(2) Excludes pre-sale deposits received, purchase option deposit, deferred income and deferred government grant income.

Group	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
31 December 2020				
Financial liabilities				
Trade and other payables [1]	2,445,220	–	–	2,445,220
Derivatives - liabilities	554,243	–	–	554,243
Due to related companies, trade	11,160	–	–	11,160
Other liabilities [2]	7,205,246	2,421,678	–	9,626,924
Interest bearing loans and borrowings (excluding lease liabilities)	510,052,651	225,668,847	–	735,721,498
Lease liabilities	4,658,888	15,884,720	21,927,890	42,471,498
Total undiscounted financial liabilities	524,927,408	243,975,245	21,927,890	790,830,543

(1) Excludes advance receipts and billings, GST payables, lease payables and government related grants.

(2) Excludes pre-sale deposits received, deferred income and deferred government grant income.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

Company	**Less than 1 year $**	**1 to 5 years $**	**Total $**
31 December 2021			
Financial liabilities			
Trade and other payables [(1)]	**10,241**	**–**	**10,241**
Other liabilities	**457,605**	**–**	**457,605**
Due to subsidiaries, trade	**9,191**	**–**	**9,191**
Due to subsidiaries, non-trade	**131,386,650**	**–**	**131,386,650**
Total undiscounted financial liabilities	**131,863,687**	**–**	**131,863,687**
31 December 2020			
Financial liabilities			
Trade and other payables [(1)]	95,001	–	95,001
Other liabilities [(2)]	374,404	–	374,404
Due to subsidiaries, trade	6,995	–	6,995
Due to subsidiaries, non-trade	128,351,967	–	128,351,967
Total undiscounted financial liabilities	128,828,367	–	128,828,367

(1) Excludes GST payables.

(2) Excludes deferred government grant income.

The table below shows the contractual expiry by maturity of the Group's and Company's financial guarantees. The maximum amounts of financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

Group	**Less than 1 year $**	**1 to 5 years $**	**Total $**
31 December 2021			
Financial guarantees	**388,470**	**509,867**	**898,337**
31 December 2020			
Financial guarantees	537,940	401,697	939,637
Company			
31 December 2021			
Financial guarantees	**328,433,771**	**370,367,776**	**698,801,547**
31 December 2020			
Financial guarantees	458,573,023	220,195,809	678,768,832

Notes to the Financial Statements

For the financial year ended 31 December 2021

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

Based on historical experience and adjusted for forward-looking factors specific to the company, management has assessed that the estimated credit loss arising from financial guarantees is minimal.

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 and other receivables, including amounts due from subsidiaries and related companies. For the other financial assets (including investment securities, cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The Group does not expect to incur material credit losses on its financial instruments.

The Group and the Company develops and maintains its credit risk gradings to categorise exposures to its financial instruments according to their degree of risk of default. The Group uses its past collection history, existing market conditions as well as forward looking estimates to rate its receivables.

The Group's credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

The Group and the Company determines that its financial assets (including amounts due from subsidiaries and related companies) are credit-impaired when:

– There is significant financial difficulty of the debtor
– A breach of contract, such as a default or past due event
– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
– There is disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group and the Company. Where loans and receivables have been written off, the Group and the Company continue to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management assessed the recoverability of the amounts due from subsidiaries to determine if there is any credit default and expected credit loss. In determining the expected credit loss, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of the loans due from subsidiaries as well as the loss upon default.

Based on available information, management has assessed that amounts due from subsidiaries have low credit risk. Accordingly, for the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12 months expected credit losses. The assessment of the credit quality and loss allowance for the amounts due from subsidiaries are disclosed in Note 18(ii)(a).

There has been no material change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from subsidiaries.

For trade receivables, the Group applies the simplified approach in calculating lifetime expected credit losses. The Group determines the expected credit losses on trade receivables by reference to its historical credit loss experience based on past due status of the debtors, adjusted for forward-looking factors specific to the debtors and the economic environment. For certain trade receivables, the Group have sufficient deposit to cover those debts that are overdue. The probability of default is nil for cases where deposits collected are greater than amounts outstanding. The gross and net carrying amount of the Group's trade and other receivables and further details on the loss allowance for the trade receivables are disclosed in Note 17.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

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
- A nominal amount of $1,035,725,440 (2020: $1,065,560,960) relating to corporate guarantees provided by the Company to banks on subsidiaries' bank facilities

Information regarding credit exposure for trade and other receivables is disclosed in Note 17.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2021		2020	
Group	**$**	**% of total**	$	% of total
By country:				
Australia	**3,636,603**	**64**	1,910,800	41
Singapore	**1,948,145**	**35**	2,602,258	57
United Kingdom	**55,084**	**1**	79,160	2
	5,639,832	**100**	4,592,218	100
By industry sectors:				
Rental	**192,593**	**3**	713,709	16
Hotel	**5,295,636**	**94**	3,830,609	83
Leisure	**151,603**	**3**	47,900	1
	5,639,832	**100**	4,592,218	100

For trade and other receivables, the Group has applied the simplified approach in SFRS(I) 9 and uses an allowance matrix to measure the expected credit losses of trade receivables from customers. The allowance matrix is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Note 17 includes further details on the loss allowance for these receivables.

Financial assets that are neither past due nor impaired

Trade and other receivables, due from related companies and other assets that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits and other investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

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 and other receivables).

Notes to the Financial Statements

For the financial year ended 31 December 2021

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Foreign currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group has some assets and liabilities denominated in foreign currencies and have exposure to foreign exchange risk mainly in Australian Dollar, British Pound, Euro, Hong Kong Dollar and United States Dollar. The following table demonstrates the sensitivity of the Group's profit (2020: loss) net of tax if the exchange rates had been 5% (2020: 5%) higher/lower with all other variable held constant.

Group		**Profit after tax 2021**	Loss after tax 2020
Australian Dollar	strengthened 5%	**(352,761)**	301,960
	weakened 5%	**352,761**	(301,960)
British Pound	strengthened 5%	**(881,002)**	916,658
	weakened 5%	**881,002**	(916,658)
Euro	strengthened 5%	**(4,722,886)**	4,516,945
	weakened 5%	**4,722,886**	(4,516,945)
Hong Kong Dollar	strengthened 5%	**(113,727)**	132,127
	weakened 5%	**113,727**	(132,127)
United States Dollar	strengthened 5%	**(1,556,541)**	1,490,305
	weakened 5%	**1,556,541**	(1,490,305)

The Group is also exposed to currency translation risk arising from its net investments in foreign operation in Australia and United Kingdom. The Group uses loans in foreign currency to hedge its exposure to foreign exchange risk on investments in foreign operations where applicable. The Group also uses forward currency contracts to manage foreign exchange risk.

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 price risk arising from its investments classified as financial assets. The Group does not have exposure to commodity price risk.

<u>Sensitivity analysis for price risk</u>

At the end of the reporting period, if the market prices had been 2% (2020: 2%) higher/lower with all other variables held constant, the Group's profit (2020: loss) net of tax would have been approximately $5,908,000 higher/lower (2020: $5,280,000 lower/higher), arising as a result of higher/lower fair value gains on other investments, and the Group's equity would have been $5,908,000 (2020: $5,280,000) higher/lower, arising as a result of an increase/decrease in the fair value of other investments.

Notes to the Financial Statements
For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

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

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

(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			
Group **31 December 2021**	**Quoted prices in active markets for identical instruments (Level 1)** **$**	**Significant observable inputs other than quoted prices (Level 2)** **$**	**Significant unobservable inputs (Level 3)** **$**	**Total** **$**
Recurring fair value measurements				
Assets				
Financial assets:				
At fair value through profit or loss (Note 20)				
Quoted investments	**160,924,926**	**–**	**–**	**160,924,926**
Unquoted investments	**–**	**–**	**154,639,478**	**154,639,478**
Total other investments	**160,924,926**	**–**	**154,639,478**	**315,564,404**
Derivatives (Note 22)				
Currency swaps	**–**	**–**	**61,135**	**61,135**
Total derivatives	**–**	**–**	**61,135**	**61,135**
Financial assets as at 31 December 2021	**160,924,926**	**–**	**154,700,613**	**315,625,539**
Liabilities				
Financial liabilities:				
Derivatives (Note 22)				
Options	**–**	**–**	**(288,892)**	**(288,892)**
Total derivatives	**–**	**–**	**(288,892)**	**(288,892)**
Financial liabilities as at 31 December 2021	**–**	**–**	**(288,892)**	**(288,892)**

Notes to the Financial Statements
For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets and liabilities measured at fair value (Cont'd)

	Fair value measurements at the end of the reporting period using			
Group	**Quoted prices in active markets for identical instruments (Level 1) $**	**Significant observable inputs other than quoted prices (Level 2) $**	**Significant unobservable inputs (Level 3) $**	**Total $**
31 December 2020				
Recurring fair value measurements				
Assets				
Financial assets:				
At fair value through profit or loss (Note 20)				
Quoted investments	150,594,113	–	–	150,594,113
Unquoted investments	–	–	131,148,085	131,148,085
Total other investments	150,594,113	–	131,148,085	281,742,198
Derivatives (Note 22)				
Currency swaps	–	–	152,250	152,250
Total derivatives	–	–	152,250	152,250
Financial assets as at 31 December 2020	150,594,113	–	131,300,335	281,894,448
Liabilities				
Financial liabilities:				
Derivatives (Note 22)				
Options	–	–	(554,243)	(554,243)
Total derivatives	–	–	(554,243)	(554,243)
Financial liabilities as at 31 December 2020	–	–	(554,243)	(554,243)

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

Financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) include unquoted trading investments and derivatives such as options and currency swaps.

To measure the fair values of the unquoted investments and derivatives, the Group relies on the valuations as provided by the respective financial institutions managing the investments. These financial institutions in turn use their own valuation techniques, such as revalued net asset values. For unquoted investments managed directly by the Group, management used valuation techniques such as revalued net asset value or recent transaction price in determining the fair value. Therefore, the unquoted investments and derivatives are reported in Level 3 of the fair value hierarchy as the fair values are determined based on models with unobservable market inputs to derive the closing price.

For unquoted investments and derivative assets/(liabilities), a significant increase/decrease in the discount rate would result in a significantly lower/higher fair value measurement.

Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable input (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)		
Group	**Unquoted investments $**	**Derivatives assets/ (liabilities) $**	**Total $**
31 December 2021			
At 1 January	**131,148,085**	**(401,993)**	**130,746,092**
Gain on disposal of other investments	**(71,832)**	**–**	**(71,832)**
Fair value changes included in profit or loss	**5,142,064**	**17,400**	**5,159,464**
Return of capital	**(116,502)**	**–**	**(116,502)**
Purchase of other investments	**22,118,284**	**–**	**22,118,284**
Proceeds from disposal of other investments	**(3,580,621)**	**–**	**(3,580,621)**
Settlement of derivatives	**–**	**156,836**	**156,836**
At 31 December	**154,639,478**	**(227,757)**	**154,411,721**

Notes to the Financial Statements
For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements (Cont'd)

Movements in Level 3 assets and liabilities measured at fair value

	Fair value measurements using significant unobservable inputs (Level 3)		
Group	**Unquoted investments $**	**Derivatives assets/ (liabilities) $**	**Total $**
31 December 2020			
At 1 January	178,070,723	(107,917)	177,962,806
Loss on disposal of investments	(15,988)	–	(15,988)
Fair value changes included in profit or loss	(16,628,960)	137,686	(16,491,274)
Return of capital	(119,662)	–	(119,662)
Purchase of other investments	15,263,981	–	15,263,981
Proceeds from disposal of other investments	(15,759,080)	–	(15,759,080)
Settlement of derivatives	–	(431,762)	(431,762)
Reclassification	(29,662,929)	–	(29,662,929)
At 31 December	131,148,085	(401,993)	130,746,092

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets not measured at fair value but for which fair value is disclosed:

	Fair value measurements at the end of the reporting period using			
Group	**Quoted prices in active markets for identical instruments (Level 1) $**	**Significant observable inputs other than quoted prices (Level 2) $**	**Significant unobservable inputs (Level 3) $**	**Total $**
31 December 2021				
Assets				
Investment properties	**–**	**–**	**823,477,600**	**823,477,600**
31 December 2020				
Assets				
Investment properties	–	–	800,764,400	800,764,400

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed (Cont'd)

Determination of fair value

The fair values of the investment properties as disclosed in the table above were based on the income capitalisation method and/or direct comparison method. The income capitalisation method involves the conversion of the estimated annual net rental income of the property after deducting all necessary outgoings and expenses such as property tax, costs of repairs and maintenance and insurance into a capital sum at a suitable rate of return which reflects the tenure and quality of the investment, while the direct comparison method considers the sale of similar properties that have been transacted in the open market.

The valuations of the investment properties are based on the highest and best use. Current use, unless there are evidence to the contrary, is considered highest and best use.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and short term deposits, trade and other receivables, other assets, due from/to related companies (trade)/(non-trade), trade and other payables, other liabilities and interest-bearing loans and borrowings are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rate on or near the end of the reporting period.

38. CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below:

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 2021 and 31 December 2020.

The Group monitors capital using a debt to equity ratio, which is total interest-bearing loans and borrowings divided by equity attributable to the owners of the Company. Include in the total interest-bearing loans and borrowings is the lease liabilities of $31,855,057 (2020: $33,942,229).

Group	**2021** $	2020 $
Interest bearing loans and borrowings (Note 27)	**771,576,513**	754,187,445
Equity attributable to the owners of the Company	**752,511,023**	737,447,484
Debt to equity ratio	**102.5%**	102.3%

Notes to the Financial Statements
For the financial year ended 31 December 2021

39. SEGMENT INFORMATION

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

i. The development properties segment is in the business of acquiring land/property and developing them into residential/industrial/commercial properties for sales.

ii. The rental segment is in the business of renting of space under the investment properties and property, plant and equipment.

iii. The leisure segment is in the business of providing leisure and recreational facilities, including bowling centres, billiards centres and amusement centres under the brand ‘SuperBowl’.

iv. The hotel operations segment is operated under the brand names of “Ramada Singapore”, “Days Hotel Singapore”, “Holiday Inn Express Trafford City”, “Four Points by Sheraton Melbourne” and “Aloft Perth”.

v. The other investments portfolio with a mix of quoted and unquoted investments.

vi. The others segment is involved in Group-level corporate services and treasury functions.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements
For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

31 December 2021	Development Properties $	Rental Income $	Leisure Business $	Hotel Income $	Other Investments $	Others $	Elimination $	Total $
Revenue:								
Segment revenue								
- External sales	2,796,917	24,222,533	6,543,210	60,124,876	–	–	–	93,687,536
- Inter-segment sales (Note A)	–	291,211	–	–	–	1,350,187	(1,641,398)	–
	2,796,917	24,513,744	6,543,210	60,124,876	–	1,350,187	(1,641,398)	93,687,536
Results:								
Segment profit/(loss) (Note B)	417,391	13,097,736	354,183	8,961,109	25,906,377	(8,547,746)	(13,653,608)	26,535,442
Income tax expense								(5,344,010)
Profit after tax								21,191,432
Other information:								
Other income	30,425	18,894,609	1,033,324	9,254,632	–	293,726	–	29,506,716
Interest income	–	90,548	–	–	2,713,586	12,777	–	2,816,911
Finance cost	–	(3,834,045)	(370,443)	(3,147,394)	(1,531,323)	(2,005,139)	–	(10,888,344)
Fair value changes in other investments	–	–	–	–	13,881,266	–	–	13,881,266
Fair value changes in derivative instruments	–	–	–	–	17,400	–	–	17,400
Depreciation expense	–	(9,418,065)	(2,587,915)	(10,886,442)	–	(268,326)	(12,012,210)	(35,172,958)
Other expenses	(203,902)	(15,267,623)	(1,211,828)	(27,044,633)	(1,039,286)	(881,194)	–	(45,648,466)
Other material non-cash items:								
Write back of impairment loss on property, plant and equipment	–	–	–	3,339,196	–	–	–	3,339,196
Write back of impairment loss on investment property	–	15,569,820	–	–	–	–	–	15,569,820
Assets:								
Additions to non-current assets (Note C)	–	2,257,276	262,052	721,081	–	638,748	–	3,879,157
Segment assets (Note D)	2,325,910	546,368,360	14,899,370	264,232,540	331,197,998	16,553,710	–	1,175,577,888
Segment liabilities (Note E)	43,454	407,976,080	10,815,388	153,280,587	167,071,097	63,521,288	–	802,707,894

Notes to the Financial Statements
For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

31 December 2020	Development Properties $	Rental Income $	Leisure Business $	Hotel Income $	Other Investments $	Others $	Elimination $	Total $
Revenue:								
Segment revenue								
- External sales	3,223,139	24,972,395	5,382,466	45,974,112	–	–	–	79,552,112
- Inter-segment sales (Note A)	–	290,170	–	–	–	1,236,001	(1,526,171)	–
	3,223,139	25,262,565	5,382,466	45,974,112	–	1,236,001	(1,526,171)	79,552,112
Results:								
Segment profit/(loss) (Note B)	625,040	5,771,109	(497,023)	(5,851,758)	(23,298,843)	342,212	(13,928,917)	(36,838,180)
Income tax credit								69,959
Loss after tax								(36,768,221)
Other information:								
Other income	39,238	7,773,719	964,940	7,473,029	139,963	533,306	–	16,924,195
Interest income	–	124,607	–	29	2,862,126	17,012	–	3,003,774
Finance cost	–	(3,665,912)	(407,304)	(3,871,266)	(1,715,940)	(2,807,560)	–	(12,467,982)
Fair value changes in other investments	–	–	–	–	(24,941,279)	–	–	(24,941,279)
Fair value changes in derivative instruments	–	–	–	–	137,686	–	–	137,686
Depreciation expense	–	(9,020,323)	(2,440,634)	(10,583,172)	–	(351,028)	(12,012,210)	(34,407,367)
Other expenses	(249,000)	(13,685,406)	(1,005,772)	(27,139,766)	(590,392)	(1,140,405)	–	(43,810,741)
Other material non-cash items:								
Impairment loss on property, plant and equipment	–	–	–	(4,830,703)	–	–	–	(4,830,703)
Write back of impairment loss on investment property	–	1,156,021	–	–	–	–	–	1,156,021
Assets:								
Additions to non-current assets (Note C)	–	1,336,660	2,813,140	266,837	–	779,142	–	5,195,779
Segment assets (Note D)	4,673,694	520,495,168	17,094,317	271,704,084	294,168,531	19,941,091	–	1,128,076,885
Segment liabilities (Note E)	163,798	399,737,475	11,646,277	152,507,466	157,445,696	59,073,749	–	780,574,461

Notes to the Financial Statements

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit/(loss) to arrive at "profit/(loss) before tax" presented in the consolidated income statement:

	2021	2020
	$	$
Profit from inter-segment sales	**1,641,398**	1,526,171
Depreciation	**12,012,210**	12,012,210
	13,653,608	13,538,381

C Additions to non-current assets consist of additions to property, plant and equipment and investment properties.

D The following items are deducted from segment assets to arrive at total assets reported in the consolidated balance sheet:

	2021	2020
	$	$
Segment assets	**1,175,577,888**	1,128,076,885
Unallocated assets		
Property, plant and equipment	**326,289,649**	334,801,646
Investment properties	**126,794,488**	130,294,697
Consolidated total assets	**1,628,662,025**	1,593,173,228

E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2021	2020
	$	$
Segment liabilities	**802,707,894**	780,574,461
Unallocated liabilities		
Deferred tax liabilities	**70,090,563**	71,790,292
Consolidated total liabilities	**872,798,457**	852,364,753

Notes to the Financial Statements
For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2021	2020	**2021**	2020
	$	$	**$**	$
Australia	**39,930,850**	29,739,589	**255,949,124**	239,578,162
Singapore	**49,120,339**	47,374,508	**951,501,485**	982,756,098
United Kingdom	**4,636,347**	2,438,015	**38,274,601**	35,848,000

There had been no transaction with a single external customer that amounts to 10% of the Group's revenue.

40. DIRECTORS' REMUNERATION

The numbers of Directors of the Company whose emoluments fall within the following bands are:

Company	**2021**	2020
$1,500,001 to $2,000,000	**1**	1
$500,001 to $1,000,000	**1**	1
$250,001 to $500,000	**1**	–
Below $250,000	**3**	4
	6	6

41. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 6 April 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 22 MARCH 2022

Number of Issued Shares (including Treasury Shares)	:	474,557,391
Number of Issued Shares (excluding Treasury Shares)	:	470,557,541
Number of Treasury Shares	:	3,999,850
Class of Shares	:	Ordinary
Voting Rights (excluding Treasury Shares)	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	444	18.68	16,430	0.00
100 - 1,000	616	25.91	315,845	0.07
1,001 - 10,000	737	31.01	3,302,080	0.70
10,001 - 1,000,000	564	23.73	32,717,263	6.95
1,000,001 AND ABOVE	16	0.67	434,205,923	92.28
Total	2,377	100.00	470,557,541	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	177,885,952	37.80
2	DBS NOMINEES (PRIVATE) LIMITED	130,648,261	27.76
3	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	54,347,500	11.55
4	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	20,060,583	4.26
5	SOON LI HENG CIVIL ENGINEERING PTE LTD	9,125,000	1.94
6	TAN WAN CHER GERALDINE	7,523,000	1.60
7	MORPH INVESTMENTS LTD	6,511,700	1.38
8	OCBC SECURITIES PRIVATE LIMITED	5,711,127	1.21
9	HONG LEONG FINANCE NOMINEES PTE LTD	5,544,050	1.18
10	ONG SIEW ENG @ONG CHAI	4,943,100	1.05
11	SBS NOMINEES PRIVATE LIMITED	2,930,000	0.62
12	TEO HO BENG	2,662,100	0.57
13	HENG SIEW ENG	2,331,100	0.50
14	SOON LEE HENG TRADING & TRANSPORTATION PTE LTD	1,752,450	0.37
15	JEN SHEK CHUEN	1,120,000	0.24
16	CHIN KIAM HSUNG	1,110,000	0.24
17	CHONG TONG CONSTRUCTION PTE LTD	885,152	0.19
18	UOB KAY HIAN PRIVATE LIMITED	843,250	0.18
19	WOO TCHI CHU	708,000	0.15
20	STALLION DEVELOPMENT PTE LTD (IN LIQUIDATION)	578,450	0.12
TOTAL		437,220,775	92.91

The percentage of the issued shares is calculated based on the number of issued shares as at 22 March 2022, excluding any treasury shares held at that date.

19.08% of the Company's shares (excluding treasury shares) are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

Substantial Shareholders as at 22 March 2022

No.	Name	Direct Interest	%	Deemed Interest	%
1	Hiap Hoe Holdings Pte Ltd [(i)]	-	-	349,578,726	74.29
2	Teo Ho Beng [(ii)]	2,662,100	0.57	349,578,726	74.29
3	Roland Teo Ho Kang [(ii)]	-	-	349,578,726	74.29
4	Gui Boon Sui @ Goi Chon Yan [(iii)]	2,405,500	0.51	25,876,950	5.50

Notes:

(i) Hiap Hoe Holdings Pte Ltd holds 349,578,726 shares with its sub-depository agents as its nominees.

(ii) Messrs Teo Ho Beng and Roland Teo Ho Kang's deemed interests are derived from their shareholdings in Hiap Hoe Holdings Pte Ltd.

(iii) Based on the list of shareholders provided by SGX as at 22 March 2022, Mr Gui Boon Sui no longer has a direct shareholding of 4,000,300 shares as reported in the Annual Report 2020. However, as at 22 March 2022, the Company has not received any notification relating to any disclosure of change in interest from Mr Gui Boon Sui. As such, his direct interest continues to be reflected as 2,405,500 shares and his deemed interest continues to be reflected as 25,876,950 shares in the Register of Substantial Shareholders.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hiap Hoe Limited (the "**Company**") will be held by way of electronic means on Friday, 29 April 2022 at 10.30 a.m. for the 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 https://www.hiaphoe.com/annual-general-meeting/2022. A printed copy of this Notice will NOT be despatched to members.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors' Report. **(Resolution 1)**

2. To declare a final dividend of 0.5 Singapore cent per ordinary share (tax exempt one-tier) for the financial year ended 31 December 2021 (FY2020: 0.5 Singapore cent per ordinary share). **(Resolution 2)**

3. To re-elect the following Directors of the Company who are retiring pursuant to Regulation 106 of the Constitution of the Company:

   Mr Roland Teo Ho Kang **(Resolution 3)**
   Mr Chan Boon Hui **(Resolution 4)**

4. To approve the payment of Directors' fees of S$160,000 for the financial year ended 31 December 2021 (FY2020: S$160,000). **(Resolution 5)**

5. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue new shares and convertible securities**

   That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) 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) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

   (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) 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 shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

   (2) (subject to such 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 total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

Adjustments in accordance with (2)(a) or (2)(b) 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 of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such 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 earlier.

[See Explanatory Note (i)] **(Resolution 7)**

By Order of the Board

Ong Beng Hong
Joint Company Secretary
Singapore, 7 April 2022

Explanatory Notes:

(i) The Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

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

Notes:

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 7 April 2022 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 April 2022" which has been uploaded together with this Notice of Annual General Meeting on SGXNet on the same day. This announcement may also be accessed at the URL https://www.hiaphoe.com/annual-general-meeting/2022 .

   In particular, the Annual General Meeting will be held by way of electronic means and a member will be able to watch the proceedings of the Annual General Meeting through a "live" audio-visual broadcast 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" audio-visual broadcast or listen to the "live" audio feed must pre-register by 10.30 a.m. on 26 April 2022, at the URL https://bit.ly/HiapHoeAGM2022. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the audio-visual broadcast and audio feed of the proceedings of the Annual General Meeting by 10.30 a.m. on 28 April 2022. 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" audio-visual broadcast or "live" audio feed.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Members may also submit questions related to the resolutions to be tabled for approval at the Annual General Meeting. To do so, all questions must be submitted by 10.30 a.m. on 19 April 2022:

(a) via the pre-registration website at the URL https://bit.ly/HiapHoeAGM2022;

(b) in hard copy by sending by post and lodging the same at the Registered Office of the Company at 18 Ah Hood Road, #13-51 Hiap Hoe Building At Zhongshan Park, Singapore 329983; or

(c) by email to hiaphoe@hiaphoe.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/Scrip-based 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, SRS or Scrip-based).

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 all substantial and relevant questions received from Shareholders before 10.30 a.m. on 19 April 2022 relating to the resolutions tabled for approval at the Annual General Meeting by 22 April 2022 via an announcement to be published on the Company's website at the URL https://www.hiaphoe.com/annual-general-meeting/2022 and SGXNet.

Please note that members will not be able to ask questions at the Annual General Meeting "live" during the audio-visual broadcast and the audio feed, and therefore it is important for members to submit their questions in advance of the Annual General Meeting.

2. **A member will not be able to attend the Annual General Meeting in person. If a member (whether 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 Annual General 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 of the Annual General Meeting 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 Annual General Meeting may be accessed at the Company's website at the URL https://www.hiaphoe.com/annual-general-meeting/2022 and has also been made available on SGXNet.

3. The Chairman of the Annual General Meeting, as proxy, need not be a member of the Company. Where the instrument appointing the Chairman of the Annual General Meeting as proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company), if required by law, be stamped and:

(a) if sent by post, be deposited at the registered office of the Company at 18 Ah Hood Road, #13-51 Hiap Hoe Building At Zhongshan Park, Singapore 329983; or

(b) if submitted by email, be received by the Company at hiaphoe@hiaphoe.com,

in either case, not less than 72 hours before the time for holding the Annual General Meeting 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 by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. The instrument appointing the Chairman of the Annual General Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Annual General Meeting 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 Annual General Meeting 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 Annual General Meeting as certified by the 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 1967, including CPF and SRS investors, and who wish to participate in the Annual General Meeting ("**Relevant Intermediary Participants**") by (a) observing and/or listening to the Annual General Meeting proceedings via the "live" audio-visual broadcast or the "live" audio feed in the manner provided in Note 1 above; (b) submitting questions in advance of the Annual General Meeting in the manner provided in Note 1 above; and/or (c) appointing the Chairman of the Annual General Meeting as proxy to attend, speak and vote on their behalf at the Annual General Meeting, 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 Annual General Meeting. CPF or SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 19 April 2022.

7. The Annual Report for the financial year ended 31 December 2021 may be accessed at the Company's website at the URL https://www.hiaphoe.com/annual-reports, under "Annual Report 2021", and have also been made available on SGXNet.

Personal data privacy:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing the Chairman of the Annual General Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof or submitting any details of the Relevant Intermediary Participants in connection with the Annual General Meeting, a member of the Company (i) 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 Annual General Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of Relevant Intermediary Participants to the Company (or its agents or service providers), 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 providers) of the personal data of such Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chan Boon Hui and Mr Roland Teo Ho Kang are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 29 April 2022 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	Mr Roland Teo Ho Kang	**Mr Chan Boon Hui**
Date of Appointment	16 January 2003	4 April 2003
Date of last re-appointment	30 April 2019	30 April 2019
Age	56	54
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered the recommendation of the Nominating Committee and having reviewed and assessed Mr Roland Teo Ho Kang's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as an Executive Director.	The Board having considered the recommendation of the Nominating Committee and having reviewed and assessed Mr Chan Boon Hui's qualifications and experience, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as a Non-Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Roland Teo Ho Kang is responsible for overseeing the marketing and promotion of Hiap Hoe's properties and their performance. He also takes care of the Group's product development and staff development.	Non-Executive
Job Title (e.g. Lead ID, ARC Chairman, ARC Member etc.)	Managing Director Executive Director	Member of Audit and Risk Committee, Remuneration Committee and Nominating Committee
Professional Qualifications and Working experience and occupation(s) during the past 10 years	Mr Roland Teo Ho Kang holds a Bachelor in Business Administration and has more than 27 years of experience in the property and leisure industries.	Mr Chan Boon Hui holds a Master of Arts (Hons)(Law) and is a Chartered Financial Analyst. Mr Chan Boon Hui has more than 20 years of experience in the investment banking industry.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

	Mr Roland Teo Ho Kang	**Mr Chan Boon Hui**
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: Nil Deemed Interest: 349,578,726 shares	Direct Interest: 93,750 shares
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Roland Teo Ho Kang is the brother of Mr Teo Ho Beng.	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships Past (for the last 5 years) Present	 No No	 No JCY International Berhad Gamma Civic Ltd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

	Mr Roland Teo Ho Kang	**Mr Chan Boon Hui**
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

	Mr Roland Teo Ho Kang	Mr Chan Boon Hui
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

	Mr Roland Teo Ho Kang	Mr Chan Boon Hui
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

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ANNUAL GENERAL MEETING
HIAP HOE LIMITED

Company Registration Number 199400676Z
(Incorporated in the Republic of Singapore)

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL:
https://www.hiaphoe.com/annual-general-meeting/2022.

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 7 April 2022 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 April 2022" which has been uploaded together with the Notice of Annual General Meeting dated 7 April 2022 on SGXNet on the same day. This announcement may also be accessed at the URL https://www.hiaphoe.com/annual-general-meeting/2022.
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 CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 19 April 2022.

PROXY FORM

(Please see notes overleaf before completing the Proxy Form)

I/We*____ (Name)

of____ (Address)

being a member/members* of Hiap Hoe Limited (the "**Company**") hereby appoint the Chairman of the Annual General Meeting as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held by way of electronic means on Friday, 29 April 2022 at 10.30 a.m. and at any adjournment thereof;

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

(Please indicate your vote "For" or "Against" with an "X" within the box provided. If you wish to abstain from voting, please indicate your vote "Abstain" with an "X" within the box provided.)

No.	Resolutions relating to:	For	Against	Abstain
Ordinary Resolutions				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2	Payment of proposed final dividend of 0.5 Singapore cent per ordinary share			
3	Re-election of Mr Roland Teo Ho Kang as a Director			
4	Re-election of Mr Chan Boon Hui as a Director			
5	Approval of Directors' fees amounting to S$160,000			
6	Re-appointment of Messrs Ernst & Young LLP as Auditors and authorisation for Directors to fix its remuneration			
7	Authority to allot and issue new shares and convertible securities			

* If you wish to exercise all your votes "For" or "Against" the Resolution or to abstain from voting on the Resolution in respect of all your votes, please indicate your vote "For" or "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _______day of ____________ 2022

Total Number of Shares in:	
(a) CDP	
(b) Register of Members	
TOTAL	

____

Signature(s) of shareholder(s) or
common seal of corporate shareholder

Notes:

1. 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 Annual General 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.

2. 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 2001), 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 shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the shares held by you.

3. The Chairman of the Annual General Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing a proxy must:

   (a) if sent by post, be deposited at the registered office of the Company at 18 Ah Hood Road, #13-51 Hiap Hoe Building At Zhongshan Park, Singapore 329983; or

   (b) if submitted by email, be received by the Company at hiaphoe@hiaphoe.com,

   in either case not less than 72 hours before the time appointed for the Annual General Meeting, 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 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 by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. If sent by post, the instrument appointing the Chairman of the Annual General Meeting 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 Annual General Meeting as proxy of a corporation must be executed either under its common seal or under the hand of a duly authorised officer or attorney.

6. Where the instrument appointing the Chairman of the Annual General Meeting 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 appointer 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.

7. Where an instrument appointing the Chairman of the Annual General Meeting 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 Annual General Meeting as proxy, failing which the instrument may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Annual General Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Annual General Meeting as proxy. In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Annual General Meeting as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By attending the Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ronald Lim Cheng Aun (Independent Non-Executive Chairman)
Teo Ho Beng (Chief Executive Officer)
Roland Teo Ho Kang (Managing Director)
Teo Keng Joo, Marc (Executive Director)
Koh Kok Heng, Leslie (Independent Non-Executive Director)
Chan Boon Hui (Non-Executive Director)

AUDIT AND RISK COMMITTEE

Koh Kok Heng, Leslie (Chairman)
Ronald Lim Cheng Aun
Chan Boon Hui

NOMINATING COMMITTEE

Ronald Lim Cheng Aun (Chairman)
Koh Kok Heng, Leslie
Chan Boon Hui

REMUNERATION COMMITTEE

Koh Kok Heng, Leslie (Chairman)
Ronald Lim Cheng Aun
Chan Boon Hui

CHIEF FINANCIAL OFFICER

Irene Cheah Lan Kwee

JOINT COMPANY SECRETARIES

Ong Beng Hong
Tan Swee Gek

REGISTERED OFFICE / BUSINESS OFFICE

18 Ah Hood Road #13-51
Hiap Hoe Building At Zhongshan Park
Singapore 329983
Tel: +65 6250 2200
Fax: +65 6808 8803
Email: hiaphoe@hiaphoe.com
www.hiaphoe.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

AUDITORS

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

AUDIT PARTNER-IN-CHARGE

Lee Wei Hock
Appointed on 25 June 2020

HIAP HOE LIMITED
Company Registration No. 199400676Z

18 Ah Hood Road #13-51
Hiap Hoe Building At Zhongshan Park
Singapore 329983
Tel +65 6250 2200
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www.hiaphoe.com