STATUTORY REPORTS
AND ACCOUNTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Directors of the Company present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

In the opinion of the Directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 88 to 171 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

1 DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr Richard Eu Yee Ming
Mr William Nursalim alias William Liem
Mr Cheng Hong Kok
Mr Choo Teow Huat Albert
Ms Michelle Liem Mei Fung

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company or of related corporations as recorded in the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act (the "**Act**") except as follows:

	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
Names of Directors and companies in which interests are held	**As at 31 December 2020**	**As at 1 January 2020**	**As at 31 December 2020**	**As at 1 January 2020**
The Company (Ordinary Shares)				
Ms Michelle Liem Mei Fung	–	–	629,064,529[(1)(2)]	628,814,529[(1)]
Mr William Nursalim alias William Liem	–	–	628,814,529[(1)]	628,814,529[(1)]
The Company				
S$150 million 3-year 6% per annum Notes due 2020 pursuant to the S$900,000,000 Multicurrency Medium Term Note Programme ("**MTN Programme**")				
Mr William Nursalim alias William Liem	–[(3)]	$500,000	–	–
Mr Choo Teow Huat Albert	–	–	–[(3)]	$250,000
S$65 million 2-year 7.75% per annum Notes due 2022 pursuant to the MTN Programme				
Mr William Nursalim alias William Liem	$750,000	–	–	–
Subsidiary				
SP Corporation Limited (Ordinary Shares)				
Ms Michelle Liem Mei Fung	–	–	28,146,319[(1)]	28,146,319[(1)]
Mr William Nursalim alias William Liem	–	–	28,146,319[(1)]	28,146,319[(1)]

Note
(1) By virtue of interest in Nuri Holdings (S) Pte Ltd.
(2) Ms Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.
(3) The S$150 million 3-year 6% per annum Notes due 2020 pursuant to the MTN Programme were redeemed in full.

By virtue of Section 7 of the Act, Ms Michelle Liem Mei Fung and Mr William Nursalim alias William Liem are deemed to have an interest in the Company and in all the related corporations of the Company.

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

4 SHARE OPTIONS

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

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT AND RISK COMMITTEE

The members of the Audit & Risk Committee at the date of this statement are as follows:

Choo Teow Huat Albert	(Chairman, Non-Executive and Independent Director)
Richard Eu Yee Ming	(Non-Executive and Independent Director)
Michelle Liem Mei Fung	(Non-Executive and Non-Independent Director)

The Audit and Risk Committee performed functions specified in Section 201B (5) of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Singapore Code of Corporate Governance.

The Audit and Risk Committee met four times during the financial year ended 31 December 2020 and had reviewed, *inter alia*, the followings with the executive Director, external and internal auditors of the Company where relevant:

(a) the external and internal audit plans; the scope of the internal audit procedures and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the consolidated financial statements of the Group and the financial statements of the Company before their submission to the Directors of the Company and the external auditors' report on those financial statements;

(d) the half-yearly and annual announcements on the results and financial positions of the Company and the Group;

(e) the interested person transactions as specified under Chapter 9 of the SGX-ST Listing Manual Rules;

(f) the co-operation and assistance given by the management to the Group's external and internal auditors; and

(g) the re-appointment of the external and internal auditors of the Group.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as the external auditors of the Group at the forthcoming Annual General Meeting of the Company.

6 EXTERNAL AUDITORS

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

On Behalf of the Directors

Mr Richard Eu Yee Ming
Chairman

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

9 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tuan Sing Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 88 to 171.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition of development properties

The Group recognises revenue based on the stage of completion for the sale of development properties under development on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprises one or more performance obligations, determination of whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition for these development properties requires estimate by management.

The stage of completion is measured by reference to certifications of the value of work performed to date by third party quantity surveyors as compared to the estimated total construction costs of the development project as approved by management. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total construction costs will impact the stage of completion, and consequentially the revenue recognised.

Our audit performed and responses thereon

We read the sales and purchase agreements of development properties and discussed with management to understand the relevant terms of the contracts and the basis of management's identification of performance obligations to determine whether the criteria for recognising revenue over time were met. We performed procedures to evaluate the design and implementation of the relevant controls put in place by the Group in respect of revenue recognition from the development properties.

We also reviewed management's estimated total construction cost for each of the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year which may impact the estimated total construction cost. In addition, we also used the value of the work performed to date as provided by third party quantity surveyors, compared to the estimated total construction cost and performed arithmetic computations of the stage of completion and revenue to be recognised for the year.

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

Further disclosures are made in Note 28 to the financial statements.

Valuation of development properties

The Group has residential properties under development and completed properties for sale which are mainly located in Singapore. These development properties are stated at the lower of cost and net realisable values.

The determination of the estimated net realisable value of these development properties is dependent upon the Group's expectations of future selling prices. Weakening market conditions and slow take up rate of development properties may impact and create downward pressure on the selling prices of these properties. There is a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold.

Key Audit Matters (cont'd)

Valuation of development properties (cont'd)

Our audit performed and responses thereon

We discussed with and evaluated management's basis used in their assessment in determining whether the Group's properties under development and completed properties for sale are impaired and the amount of impairment to be recorded if any, based on the Group's estimated selling prices of these properties, by comparing where available, to recently transacted prices for the same project and prices of past sales of comparable properties in the vicinity. In addition, we made reference to valuation performed by professional external valuers engaged by the Group. We also performed sensitivity analysis on the estimated selling prices used by management in their assessment and considered the adequacy of the disclosures in respect of the impairment losses, if any, presented in the financial statements for these properties.

We found management's estimates to be reasonable based on supportable information available, and that management had applied their knowledge of the business in determining the estimated selling prices of the respective properties, by taking into consideration the selling prices of recent sales of the respective properties and that of comparable properties, and expectations of the property market conditions. We found that the Group had appropriately recorded the impairment loss in profit or loss and the related disclosures to be appropriate.

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

Valuation of investment properties and hotel properties

The Group has investment and hotel properties stated at fair value, determined based on professional external valuers engaged by the Group.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and the underlying assumptions used, which includes price per square metre of market comparables used; capitalisation rates; price per square metre of gross / net lettable area and value per room for hotel properties. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon

We read the terms of engagement of the external valuers engaged and also considered the objectivity and independence of the external valuers including their qualifications and competency.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective investment and hotel properties, taking into account the profile and type of these properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks or comparables where available and considered whether these assumptions are consistent with the current market environment. We have also engaged our internal valuation specialists to assist in reviewing the valuation reports issued by external independent professional valuers for the Group's major investment and hotel properties by assessing whether the valuation methodology and key assumptions adopted is reasonable.

Some of the external valuers highlighted that given the unprecedented set of circumstances on which to base a judgment, less certainty and higher degree of caution should be attached to their valuation than would normally be the case. Due to the unknown future impact that the Coronavirus Disease ("COVID-19") pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found the external valuers to have the appropriate level of qualifications and experience, and that the valuation methodologies adopted were in line with generally accepted market practices for similar properties. The key assumptions used were within reasonable range, taking into account historical rates and available industry data for comparable markets and properties. We also found that the related disclosures in the financial statements to be appropriate.

Further disclosures on the investment properties and hotel properties are found in Notes 14 and 12 to the financial statements respectively.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Company and Strategy, 5-Year Financial Highlights, Corporate Stewardship, Management Discussion and Analysis, Corporate Governance Report, Sustainability Report and Shareholding Statistics reports, which are expected to be made available to us after that date.

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

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

Information Other than the Financial Statements and Auditor's Report Thereon (cont'd)
If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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

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

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

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

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

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

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Kee Cheng Kong, Michael.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

9 March 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		31 December 2020 $'000	31 December 2019 $'000 (restated)	31 December 2020 $'000	31 December 2019 $'000 (restated)
ASSETS					
Current assets					
Cash and bank balances	5	**274,392**	172,274	**50,188**	37,558
Trade and other receivables	6	**55,816**	70,424	**506**	408
Contract assets	7	**46,966**	29,974	**–**	–
Contract costs	8	**2,855**	1,295	**–**	–
Amounts due from subsidiaries	20	**–**	–	**281,333**	378,149
Inventories	9	**2,146**	2,370	**–**	–
Development properties	10,45	**303,815**	344,611	**–**	–
		685,990	620,948	**332,027**	416,115
Assets classified as held for sale	11	**410,943**	–	**–**	–
Total current assets		**1,096,933**	620,948	**332,027**	416,115
Non-current assets					
Property, plant and equipment	12,45	**407,590**	412,712	**3,091**	2,386
Right-of-use assets	13	**266**	250	**9,557**	1,060
Investment properties	14	**1,452,351**	1,778,168	**498**	498
Investments in subsidiaries	15,45	**–**	–	**755,923**	759,284
Investments in equity accounted investees	16	**152,547**	137,863	**–**	–
Financial asset at fair value through other comprehensive income	17	**29,343**	30,916	**–**	–
Deferred tax assets	23	**1,721**	2,047	**–**	–
Trade and other receivables	6	**2,915**	14,433	**–**	–
Other non-current assets		**5**	5	**–**	–
Total non-current assets		**2,046,738**	2,376,394	**769,069**	763,228
Total assets		**3,143,671**	2,997,342	**1,101,096**	1,179,343
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	18	**210,130**	281,062	**–**	149,763
Lease liabilities	13	**54**	63	**1,940**	907
Trade and other payables	19	**153,604**	109,045	**21,047**	31,674
Amounts due to subsidiaries	20	**–**	–	**417,614**	401,438
Contract liabilities	22	**–**	1,536	**–**	–
Income tax payable		**3,776**	4,148	**–**	–
		376,564	395,854	**440,601**	583,782
Liabilities directly associated with assets classified as held for sale	11	**298,483**	–	**–**	–
Total current liabilities		**666,047**	395,854	**440,601**	583,782
Non-current liabilities					
Loans and borrowings	18	**1,254,823**	1,430,270	**63,795**	–
Lease liabilities	13	**84**	52	**7,533**	153
Derivative financial instruments	35	**2,038**	939	**–**	–
Deferred tax liabilities	23	**46,859**	50,805	**–**	–
Other non-current liabilities	19	**322**	349	**–**	–
Total non-current liabilities		**1,304,126**	1,482,415	**71,328**	153
Capital, reserves and non-controlling interests					
Share capital	24	**176,234**	175,234	**176,234**	175,234
Treasury shares	25	**(3,891)**	(2,955)	**(3,891)**	(2,955)
Reserves	26,45	**987,724**	932,684	**416,824**	423,129
Equity attributable to owners of the Company		**1,160,067**	1,104,963	**589,167**	595,408
Non-controlling interests		**13,431**	14,110	**–**	–
Total equity		**1,173,498**	1,119,073	**589,167**	595,408
Total liabilities and equity		**3,143,671**	2,997,342	**1,101,096**	1,179,343

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group	
		31 December 2020 $'000	31 December 2019 $'000
Revenue	28	**196,817**	310,689
Cost of sales		**(148,240)**	(239,153)
Gross profit		**48,577**	71,536
Other operating income		**28,505**	5,520
Distribution costs		**(5,931)**	(6,833)
Administrative expenses		**(33,469)**	(29,151)
Other operating expenses		**(5,658)**	(1,313)
Share of results of equity accounted investees	16	**25,645**	21,561
Interest income	29	**4,833**	5,836
Finance costs	30	**(47,803)**	(58,325)
Profit before tax and fair value adjustments		**14,699**	8,831
Fair value adjustments	31	**45,188**	33,207
Profit before tax	32	**59,887**	42,038
Income tax expenses	33	**(1,356)**	(9,359)
Profit for the year		**58,531**	32,679
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	35	**(27,263)**	4,292
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	35	**8,179**	(1,288)
Fair value loss on investments in equity instruments designated as at FVTOCI	35	**(1,573)**	–
		(20,657)	3,004
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	35	**26,938**	(12,953)
Share of exchange differences on translation of equity accounted investees	35	**(2,516)**	(1,131)
Cash flow hedges	35	**(1,027)**	(939)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	35	**308**	282
		23,703	(14,741)
Other comprehensive income / (loss) for the year, net of tax	35	**3,046**	(11,737)
Total comprehensive income for the year		**61,577**	20,942
Profit attributable to:			
Owners of the Company		**59,009**	33,213
Non-controlling interests		**(478)**	(534)
		58,531	32,679
Total comprehensive income attributable to:			
Owners of the Company		**62,146**	21,504
Non-controlling interests		**(569)**	(562)
		61,577	20,942
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	34	**5.0**	2.8
Excluding fair value adjustments	34	**1.5**	0.4

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group	
		31 December 2020 $'000	31 December 2019 $'000
Operating activities			
Profit before tax		**59,887**	42,038
Adjustments for:			
Fair value gain	31	**(45,188)**	(33,207)
Share of results of equity accounted investees	16	**(25,645)**	(21,561)
Write-back of allowance for diminution in value for development properties, net	10	**(199)**	(328)
Depreciation of property, plant and equipment	12	**9,199**	8,024
Depreciation of right-of-use assets	13	**81**	26
Amortisation of contract costs	8	**3,472**	2,607
Allowance / (Write-back) of allowance for doubtful trade and other receivables, net	6	**746**	(53)
Bad debts written off	6	**25**	429
Write-back of recognised corporate guarantee no longer required	16	**–**	(346)
Net (gain) / loss on disposal of property, plant and equipment	32	**(5)**	14
Plant and equipment written off		**14**	–
Shares of results in a joint venture	16	**5**	–
Net loss on disposal of an investment property	11	**–**	48
Reversal of accruals for development costs previously capitalised	32	**(8,744)**	–
Rent concessions		**(74)**	–
Interest income	29	**(4,833)**	(5,836)
Finance costs	30	**47,803**	58,325
Operating cash flows before movements in working capital		**36,544**	50,180
Development properties		**40,751**	10,197
Inventories		**266**	400
Trade and other receivables		**8,584**	(7,310)
Contract costs		**(5,032)**	(3,489)
Contract assets		**(16,992)**	(14,523)
Contract liabilities		**(1,536)**	943
Trade and other payables		**7,845**	(18,507)
Cash generated from operations		**70,430**	17,891
Interest received		**5,225**	8,198
Income tax paid		**(6,530)**	(5,599)
Net cash from operating activities		**69,125**	20,490
Investing activities			
Purchase of property, plant and equipment	12	**(5,555)**	(7,103)
Proceeds from disposal of property, plant and equipment		**42**	44
Proceeds from sale of an investment property		**–**	41,992
Additions to investment properties		**(8,280)**	(6,920)
Deposits collected from planned divestment of a subsidiary	11	**50,000**	–
Loan to related parties	21	**–**	(5,000)
Proceeds from repayment of loan by a related party		**21,500**	–
Investment in an equity accounted investee	16	**(5)**	–
Acquisition of subsidiaries	37	**–**	(4,677)
Dividend received from an equity accounted investee	16	**9,352**	–
Acquisition of financial asset designated at FVTOCI		**–**	(25,396)
Net cash from / (used in) investing activities		**67,054**	(7,060)
Financing activities			
Proceeds from loans and borrowings		**238,658**	687,268
Repayment of loans and borrowings		**(218,527)**	(589,206)
Repayment of lease liabilities	13	**(82)**	(25)
Interest paid		**(49,032)**	(58,901)
Bank deposits pledged as securities for bank facilities		**5,941**	(18,482)
Dividend paid to shareholders	27	**(6,104)**	(9,383)
Purchase of treasury shares	25	**(936)**	(1,432)
Acquisition of non-controlling interests of a subsidiary		**(112)**	–
Net cash (used in) / from financing activities		**(30,194)**	9,839
Net increase in cash and cash equivalents		**105,985**	23,269
Cash and cash equivalents at the beginning of the year	5	**88,986**	66,567
Foreign currency translation adjustments		**3,427**	(850)
Cash and cash equivalents at the end of the year	5	**198,398**	88,986

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 January 2020		175,234	(2,955)	(62,652)	142,155	–	184,924	668,257	1,104,963	14,110	1,119,073
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	59,009	59,009	(478)	58,531
Exchange differences on translation of foreign operations	35	–	–	24,513	–	–	–	–	24,513	(91)	24,422
Revaluation of properties	35	–	–	–	(27,263)	–	–	–	(27,263)	–	(27,263)
Cash flow hedges	35	–	–	–	–	–	(1,027)	–	(1,027)	–	(1,027)
Fair value loss on investments in equity instruments designated as at FVTOCI	35	–	–	–	–	(1,573)	–	–	(1,573)	–	(1,573)
Income tax adjustments relating to other comprehensive income	35	–	–	–	8,179	–	308		8,487	–	8,487
Other comprehensive income / (loss) for the year, net of tax		–	–	24,513	(19,084)	(1,573)	(719)	–	3,137	(91)	3,046
Total		–	–	24,513	(19,084)	(1,573)	(719)	59,009	62,146	(569)	61,577
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		–	–	–	–	–	9,624	(9,624)	–	–	–
Effects of acquiring non-controlling interests of a subsidiary	15	–	–	–	(70)	–	68	–	(2)	(110)	(112)
Issue of shares under the Scrip Dividend Scheme	24	1,000	–	–	–	–	–	–	1,000	–	1,000
Repurchase of shares	25	–	(936)	–	–	–	–	–	(936)	–	(936)
Dividend paid to shareholders:											
- Cash	27	–	–	–	–	–	–	(6,104)	(6,104)	–	(6,104)
- Share	27	–	–	–	–	–	–	(1,000)	(1,000)	–	(1,000)
Total		1,000	(936)	–	(70)	–	9,692	(16,728)	(7,042)	(110)	(7,152)
At 31 December 2020		176,234	(3,891)	(38,139)	123,001	(1,573)	193,897	710,538	1,160,067	13,431	1,173,498

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group										
At 1 January 2019		173,945	(1,523)	(48,596)	139,151	156,909	668,471	1,088,357	14,672	1,103,029
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	33,213	33,213	(534)	32,679
Exchange differences on translation of foreign operations	35	–	–	(14,056)	–	–	–	(14,056)	(28)	(14,084)
Revaluation of properties	35	–	–	–	4,292	–	–	4,292	–	4,292
Cash flow hedges	35	–	–	–	–	(939)	–	(939)	–	(939)
Income tax adjustments relating to other comprehensive income	35	–	–	–	(1,288)	282	–	(1,006)	–	(1,006)
Other comprehensive (loss)/income for the year, net of tax		–	–	(14,056)	3,004	(657)	–	(11,709)	(28)	(11,737)
Total		–	–	(14,056)	3,004	(657)	33,213	21,504	(562)	20,942
Transactions with owners, recognised directly in equity										
Transfer from revenue reserve to other capital reserves		–	–	–	–	22,755	(22,755)	–	–	–
Discount on investment in equity instrument designated as at FVTOCI		–	–	–	–	5,520	–	5,520	–	5,520
Discount on acquisition of a subsidiary		–	–	–	–	397	–	397	–	397
Issue of shares under the Scrip Dividend Scheme	24	1,289	–	–	–	–	–	1,289	–	1,289
Repurchase of shares	25	–	(1,432)	–	–	–	–	(1,432)	–	(1,432)
Dividend paid to shareholders:										
- Cash	27	–	–	–	–	–	(9,383)	(9,383)	–	(9,383)
- Share	27	–	–	–	–	–	(1,289)	(1,289)	–	(1,289)
Total		1,289	(1,432)	–	–	28,672	(33,427)	(4,898)	–	(4,898)
At 31 December 2019		175,234	(2,955)	(62,652)	142,155	184,924	668,257	1,104,963	14,110	1,119,073

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Other capital reserve# $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 January 2020		**175,234**	**(2,955)**	**101,264**	**321,865**	**595,408**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**–**	**799**	**799**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**1,000**	**–**	**–**	**–**	**1,000**
Dividend paid to shareholders						
- Cash	27	**–**	**–**	**–**	**(6,104)**	**(6,104)**
- Share	27	**–**	**–**	**–**	**(1,000)**	**(1,000)**
Repurchase of shares	25	**–**	**(936)**	**–**	**–**	**(936)**
Total		**1,000**	**(936)**	**–**	**(7,104)**	**(7,040)**
At 31 December 2020		**176,234**	**(3,891)**	**101,264**	**315,560**	**589,167**
At 1 January 2019		173,945	(1,523)	101,264	324,548	598,234
Adjustment for deemed investment in subsidiaries previously liquidated	45	–	–	–	(1,476)	(1,476)
At 1 January 2019 (restated)		173,945	(1,523)	101,264	323,072	596,758
Profit for the year, representing total comprehensive income for the year		–	–	–	9,465	9,465
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	1,289	–	–	–	1,289
Dividend paid to shareholders						
- Cash	27	–	–	–	(9,383)	(9,383)
- Share	27	–	–	–	(1,289)	(1,289)
Repurchase of shares	25	–	(1,432)	–	–	(1,432)
Total		1,289	(1,432)	–	(10,672)	(10,815)
At 31 December 2019 (restated)		175,234	(2,955)	101,264	321,865	595,408

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

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

1 General

Tuan Sing Holdings Limited (Registration number: 196900130M) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries and associates are disclosed in Notes 41 and 42 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 9 March 2021.

2 Summary of significant accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries, associates and joint venture are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Business combinations *(cont'd)*

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year from acquisition date.

Associates and joint venture (equity accounted investees)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results of and assets and liabilities of associates or joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, investment in associates or joint venture are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates or joint venture. When the Group's share of losses of an associate or a joint venture exceed the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired (Note 2(f)).

The requirements of SFRS(I) 1-28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Associates and joint venture (equity accounted investees) (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associates or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where the group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies SFRS(I) 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying SFRS(I) 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by SFRS(I) 1-28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with SFRS(I) 1-28).

(c) Foreign currency transactions and translation

Functional and presentation currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (i.e. its functional currency).

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("SGD") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to the functional currency at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

2 Summary of significant accounting policies (cont'd)

(c) Foreign currency transactions and translation (cont'd)

Foreign currency translation

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Net investment in foreign operations

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

(d) Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Classification of financial assets (cont'd)

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

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "interest income" line item.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

The Group has designated all investments in equity instrument that are not held for trading as at FVTOCI on initial recognition.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Equity instruments designated as at FVTOCI (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 40(e).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date.

Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income / (expense)" line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other operating income / (expense)" line item;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income / (expense)" line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Impairment of financial assets *(cont'd)*

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped based on the nature, size and industry of the debtors. Balances from related parties are assessed for expected credit on an individual basis.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Measurement and recognition of expected credit losses (cont'd)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Financial liabilities at FVTPL (cont'd)
Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 40(e).

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments
The Group enters into interest rate swap contracts to manage its exposure to interest rate risks. Further details of derivative financial instruments are disclosed in Note 35.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Derivative financial instruments (cont'd)
A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset.

Hedge accounting
The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Offsetting arrangements
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available as of the date of the reporting rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(e) Property, plant and equipment

Measurement
Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost (or at restated amounts, see below) less any subsequent accumulated depreciation and accumulated impairment losses.

Cost includes professional fees and for qualifying assets, borrowing cost, capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2 Summary of significant accounting policies (cont'd)

(e) Property, plant and equipment (cont'd)

Revaluation

Certain land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising from the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than properties under construction and freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

	Useful lives
Building on freehold land	50 years
Leasehold land, buildings and improvements	Over the remaining lease periods ranging 3 to 99 years
Plant and equipment	1 to 15 years
Motor vehicles	5 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

(f) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2 Summary of significant accounting policies (cont'd)

(g) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and non-tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units ("CGU"), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(h) Investment properties

Investment properties comprise completed properties and properties under construction held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from development property to investment property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use with fair value gain or loss recognised in profit or loss. For a transfer from investment property to owner occupied property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment Note 2(e) up to the date of change in use.

(i) Development properties

Development properties comprise properties in the course of development and completed properties held for sale in the ordinary course of business.

Completed properties held for sale are stated at the lower of cost and estimated net realisable value. Cost is determined by apportionment of the total land cost and development costs capitalised attributable to properties. Net realisable value takes into account the estimated selling price, less cost to be incurred in marketing and selling, and the expected costs to completion, where appropriate.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project.

When losses are expected, full allowance are recognised as expenses immediately based on best estimates of net realisable value and estimated costs to completion.

Lands held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

The Group's policy for revenue recognition in relation to development properties is described under "Revenue recognition" Note 2(n).

2 Summary of significant accounting policies (cont'd)

(i) Development properties (cont'd)

Costs attributable to the construction of showflat are capitalised as prepayment and disclosed under trade and other receivables when incurred and are recognised in the profit or loss in the period when the development properties are launched for sale.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and direct labour costs where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(k) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents in the consolidated statement of cash flows exclude encumbered fixed deposits and bank balances.

(l) Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term on the same basis as the lease income.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of SFRS(I) 9, recognising an allowance for ECL on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is determined by obtaining interest rate from external financing sources and make certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

2 Summary of significant accounting policies (cont'd)

(l) Leases (cont'd)

The Group as lessee (cont'd)

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

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

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

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

The right-of-use assets are presented as a separate line in the statement of financial position.

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company has applied the amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions*. The Company applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

2 Summary of significant accounting policies (cont'd)

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods
- Sale of residential properties
- Revenue from hotel operations
- Revenue from services rendered
- Rental income
- Interest income
- Dividend income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customers do not have a right of return.

Sale of residential properties

The Group constructs and sells residential properties under long-term contracts with customers.

Under the terms of the contracts for sale of residential properties in Singapore, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is recognised based on the stage of completion of construction. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects as approved by management. Management considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract. For development properties under construction, the Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party surveyor and an invoice for the related milestone payment. For completed development properties, the Group is entitled to invoice customers in accordance with the payment schedule in the sales contract.

If the value of the goods transferred exceed the milestone payments, a contract asset is recognised. If the milestone payment exceeds the revenue recognised to date, a contract liability is recognised.

When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

2 Summary of significant accounting policies (cont'd)

(n) Revenue recognition (cont'd)

Revenue from hotel operations

Revenue from operations of a hotel is recognised from the following major sources: hotel stays, valet parking services and sales of food and beverages.

Provision of hotel stays and valet parking services are recognised as performance obligations satisfied over time. Progress towards complete satisfaction of these performance obligations is measured based on the proportion of the total duration of stay that has elapsed at the end of the reporting period. Payment for hotel stays and valet parking services sold to corporates are due from the customer at the end of the duration of stay. Payment for such services sold to individual customers are due from the customer prior to the stay. A contract asset is recognised for time which has elapsed representing the Group's right to consideration for the services performed to date, except for short durations of service where the effect would be immaterial.

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

The Group sells hotel packages to customers. The hotel packages offer combined goods and services. These goods and services are considered distinct as they are regularly supplied by the Group to customers on a stand-alone basis. These are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on their stand-alone selling prices. Payment of the transaction price is due immediately when the customer purchases the hotel package.

Revenue from services rendered

The Group provides services to lessees of its investment properties and property management services. Such services are recognised as a performance obligation satisfied over time. Revenue of recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Payment for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

Rental income

The Group's policy for recognition of revenue from operating leases is described above in Note 2(l).

Interest income

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

Dividend income

Dividends on investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends are deducted from shareholders' equity and recorded as a liability when declared payable. Proposed dividends which are subject to shareholders' approval are not deducted from equity and are not recorded as liabilities.

(q) Employee benefits

Retirement benefit obligations

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognised any related restructuring costs.

2 Summary of significant accounting policies (cont'd)

(q) Employee benefits (cont'd)

Employees' leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

(r) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or when the asset is realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties that are measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised either in other comprehensive income or directly in equity, or where they arise from the initial accounting for business combination. In case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2 Summary of significant accounting policies (cont'd)

(s) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(t) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer ("CEO"), who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's CEO to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

Stage of completion for revenue recognition

The Group recognises contract revenue in Note 28 based on the stage of completion for the sale of development properties in Singapore where the Group has enforceable rights to payment for performance completed to date. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the total estimated construction costs of the development projects as approved by management.

Significant judgements are required to estimate the total construction costs which include estimation for variation works and any other claims from contractors and sub-contractors. In making the judgements, the Group relies on past experience and the work of third party quantity surveyors. The valuation of development properties and provisions for foreseeable losses, if any, are therefore subject to uncertainty in respect of variation works and estimation of future costs. The Group adopts a prudent approach in evaluating these uncertainties.

The Group's revenue recognised based on the stage of completion are disclosed in Note 28 to the financial statements.

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

Key sources of estimation uncertainty (cont'd)

Allowance for diminution in value for development properties

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value, assessed on an individual property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

During the year, a net write-back of allowance for diminution in value of $199,000 (2019 : write-back of allowance for diminution in value of $328,000) was made on Singapore development properties, taking into account with reference to actual and past sales of the respective properties and that of comparable properties, location and market conditions.

The carrying amounts of development properties and allowance for diminution in value are disclosed in Note 10.

Fair value measurement and valuation processes

The Group carries its hotel properties and investment properties at fair value based on independent professional valuations.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income method, income capitalisation method and discounted cash flow method) which involve certain estimates and significant unobservable inputs which are disclosed in Notes 12 and 14. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The income method capitalises an income stream into a present value using single-year capitalisation rates. Capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.The valuation reports are prepared in accordance with recognised appraisal and valuation standards, and have included a material valuation uncertainty clause, where applicable, due to the disruption to the market at that date caused by the COVID-19 outbreak. The inclusion of this clause indicates that there is substantially more uncertainty than normal and therefore a higher likelihood that the assumptions upon which the external valuers have based their valuations prove to be inaccurate. The carrying amounts of the Group's investment properties were current as at 31 December 2020 only and may change significantly after the balance sheet date as the future impact of the COVID-19 outbreak remains unknown.

Information relating to the valuation techniques and inputs used in determining the fair value of hotel properties and investment properties are disclosed in Notes 12 and 14 respectively to the financial statements.

Deferred tax liabilities arising from changes in the carrying amount of investment in Grand Hotel Group

The Group's interest in Grand Hotel Group ("GHG") is held by TSH Australia Holdings Pte Ltd ("TAHAUD"), a wholly-owned subsidiary of the Company, through Tuan Sing (Australia) Trust ("TSAT") and Tuan Sing Real Estate Trust ("TSRET"). GHG comprises of the Grand Hotel Trust ("GHT") and its controlled entities and Grand Hotel Company Pty Ltd ("GHC") and its controlled entities. The units in GHT are 'stapled' to the shares of GHC. GHT is not liable for tax under the Australian tax legislation provided the taxable income (including any assessable component of capital gains from sale of investment assets) is fully distributed to unit holders in each year.

TAHAUD is subject to income taxes in the Australian jurisdiction. The Group has estimated deferred tax liability arising from changes in the carrying amount of its investments in GHG amounting to A$33,121,000 (2019 : A$43,594,000) or equivalent to $33,446,000 (2019 : $40,882,000) (Note 23). In estimating this amount, the Group considers the taxable gains to be the excess of Group's share of the fair value of net assets of GHG over the tax cost base of the securities in GHG held by the Group.

Future actual tax liability when incurred and payable will differ from this estimate to the extent that the future realisation of values from the investment in GHG differs from the amount of fair value of the assets currently estimated. It would similarly be affected by any change in tax losses and tax base which have yet to be agreed with the Australian tax authorities.

Loss allowance for receivables and refundable trade deposit

Loss allowance for aged trade receivables and refundable trade deposit are based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer, ongoing dealings with them and forward-looking macro-economic information. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional loss allowance may be required.

The carrying amount of trade and other receivables are disclosed in Note 6 to the financial statements.

4 Segment information

Products and services from which reportable segments derive their revenue

For management purpose, the Group is organised into strategic business units based on their products and services. The Group's principal business operating units, during and at the end of the reporting period, are Property, Hotels Investment, Industrial Services and Other Investments. Accordingly, the Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	Principal activities
Property	Property development and investment and provision of construction management services in Singapore, Australia, China and Indonesia.
Hotels Investment	Investment in hotels in Melbourne and Perth, Australia, managed by hotel operators.
Industrial Services	Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia.
Other Investments	Investment in GulTech, a printed circuit boards manufacturer with plants in China.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment after allocation of central administrative costs and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

Information regarding each of the Group's reportable segments is presented below.

Segment revenues and results

	Property	Hotels Investment[3]	Industrial Services	Other Investments[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2020							
Revenue							
External revenue	126,818	32,454	37,365	–	180	–	196,817
Inter-segment revenue	3,131	374	–	–	21,120	(24,625)	–
	129,949	32,828	37,365	–	21,300	(24,625)	196,817
Results							
Profit before tax and fair value adjustments	20,548	(17,012)	1,584	24,732	(2,295)	(12,858)	14,699
Fair value adjustments	47,385	(2,308)	–	111	–	–	45,188
Profit before tax	67,933	(19,320)	1,584	24,843	(2,295)	(12,858)	59,887
Income tax expenses	(1,943)	496	(196)	–	287	–	(1,356)
Profit for the year	65,990	(18,824)	1,388	24,843	(2,008)	(12,858)	58,531
Profit attributable to:							
Owners of the Company	66,743	(18,824)	1,113	24,843	(2,008)	(12,858)	59,009
Non-controlling interests	(753)	–	275	–	–	–	(478)
Profit for the year	65,990	(18,824)	1,388	24,843	(2,008)	(12,858)	58,531

4 Segment information (cont'd)

Segment revenues and results (cont'd)

	Property[4]	Hotels Investment[3]	Industrial Services[4]	Other Investments[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2019							
Revenue							
External revenue	107,879	101,238	101,390	–	182	–	310,689
Inter-segment revenue	1,144	522	–	–	20,736	(22,402)	–
	109,023	101,760	101,390	–	20,918	(22,402)	310,689
Results							
Profit before tax and fair value adjustments	(2,344)	3,867	3,051	21,832	4,509	(22,084)	8,831
Fair value adjustments	33,307	–	–	(100)	–	–	33,207
Profit before tax	30,963	3,867	3,051	21,732	4,509	(22,084)	42,038
Income tax expenses	(4,270)	(433)	(502)	–	(4,154)	–	(9,359)
Profit for the year	26,693	3,434	2,549	21,732	355	(22,084)	32,679
Profit attributable to:							
Owners of the Company	27,724	3,434	2,052	21,732	355	(22,084)	33,213
Non-controlling interests	(1,031)	–	497	–	–	–	(534)
Profit for the year	26,693	3,434	2,549	21,732	355	(22,084)	32,679

Notes:

1. No revenue is reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.
2. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at Group-level upon consolidation.
3. Results of GHG's commercial, retail and car park components, which are currently leased out to various tenants, are included in the Property Segment.
4. Comparative was adjusted for reclassification of a subsidiary from Property to Industrial segment to reflect actual segment it belongs.

4 Segment information (cont'd)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
31 December 2020						
Assets						
Segment assets	2,412,874	418,660	74,164	–	54,362	2,960,060
Deferred tax assets	–	1,641	80	–	–	1,721
Financial asset at fair value through other comprehensive income	29,343	–	–	–	–	29,343
Investments in equity accounted investees	15,115	–	–	137,432	–	152,547
Total assets	2,457,332	420,301	74,244	137,432	54,362	3,143,671
Liabilities						
Segment liabilities	(420,329)	(16,173)	(8,091)	(5,119)	(4,873)	(454,585)
Loans and borrowings	(1,185,442)	(215,716)	–	–	(63,795)	(1,464,953)
Income tax payable and deferred tax liabilities	(8,096)	(3,652)	(712)	–	(38,175)	(50,635)
Total liabilities	(1,613,867)	(235,541)	(8,803)	(5,119)	(106,843)	(1,970,173)
Net assets/ (liabilities)	843,465	184,760	65,441	132,313	(52,481)	1,173,498
Other information						
Capital expenditure	304	3,418	137	–	1,696	5,555
Depreciation of property, plant and equipment	405	7,781	232	–	781	9,199
Depreciation of right-of-use assets	8	45	28	–	–	81
Write back of allowance for diminution in value for development properties	199	–	–	–	–	199
Revaluation deficit on properties (in other comprehensive income)	–	27,263	–	–	–	27,263
Revaluation deficit on properties (in profit and loss)	–	2,308	–	–	–	2,308
Fair value gain on investment properties	47,385	–	–	–	–	47,385
Fair value gain on financial instruments	–	–	–	111	–	111

4 Segment information (cont'd)

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

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
31 December 2019						
Assets						
Segment assets	2,290,605	420,215	74,507	–	41,189	2,826,516
Deferred tax assets	–	2,047	–	–	–	2,047
Financial asset at fair value through other comprehensive income	30,916	–	–	–	–	30,916
Investments in equity accounted investees	14,355	–	–	123,508	–	137,863
Total assets	2,335,876	422,262	74,507	123,508	41,189	2,997,342
Liabilities						
Segment liabilities	(77,384)	(17,928)	(3,509)	(5,023)	(8,140)	(111,984)
Loans and borrowings	(1,357,723)	(198,722)	(5,125)	–	(149,762)	(1,711,332)
Income tax payable and deferred tax liabilities	(7,550)	(189)	(633)	–	(46,581)	(54,953)
Total liabilities	(1,442,657)	(216,839)	(9,267)	(5,023)	(204,483)	(1,878,269)
Net assets/ (liabilities)	893,219	205,423	65,240	118,485	(163,294)	1,119,073
Other information						
Capital expenditure	686	3,643	110	–	2,664	7,103
Depreciation of property, plant and equipment	164	7,268	248	–	344	8,024
Depreciation of right-of-use assets	9	–	17	–	–	26
Write back of allowance for diminution in value for development properties	328	–	–	–	–	328
Write-back of recognised corporate guarantee no longer required	–	–	–	346	–	346
Revaluation gain on properties (in other comprehensive income)	–	4,292	–	–	–	4,292
Fair value gain on investment properties	33,307	–	–	–	–	33,307
Fair value loss on financial instruments	–	–	–	(100)	–	(100)

Note:
1. No capital expenditure and depreciation are reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.

Geographical information
Geographically, management reviews the performance of the businesses in Singapore, Australia, China, Malaysia, Indonesia and other ASEAN countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets other than the investment in equity accounted investees, deferred tax assets, financial asset at FVTOCI and trade and other receivables are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2020 $'000	2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore	**135,878**	160,974	**1,160,183**	1,531,278
Australia	**48,477**	118,724	**667,879**	635,259
China	**3,930**	19,510	**27,617**	20,194
Malaysia	**7,932**	8,314	**4,336**	4,387
Indonesia	**600**	3,167	**197**	17
	196,817	310,689	**1,860,212**	2,191,135

4 Segment information (cont'd)

Other segment information

Included in the Group revenue of $196.8 million (2019 : $310.7 million) were sales of approximately $19.7 million (2019 : $77.1 million) to two customers from the Industrial Services segment that contributed 10% or more to the Group's revenue.

5 Cash and bank balances

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Cash at banks and on hand	**127,607**	49,344	**20,498**	16,718
Fixed deposits	**117,587**	111,582	**29,690**	20,840
Amounts held under the Housing Developers (Project Account) Rules	**29,198**	11,348	**–**	–
	274,392	172,274	**50,188**	37,558
Cash and bank balances included in assets classified as held for sale (Note 11)	**4,801**	–	**–**	–
	279,193	172,274	**50,188**	37,558

Cash and bank balances comprise cash and fixed deposits held by the Group which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Deposits earned interest ranging from 0.03% to 1.9% per annum (2019 : 0.6% to 2.6% per annum) and for tenures ranging from 7 days to 1 year (2019 : 7 days to 2 years).

Withdrawals of amounts held under the project accounts are restricted to payments for expenditure incurred on development properties and are subject to the provisions in the Housing Developers (Project Account) Rules in Singapore.

The carrying amounts of the cash and bank balances approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and bank balances are disclosed under Note 40 to the financial statements.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statement of financial position)	**274,392**	172,274
Cash and bank balances included in assets classified as held for sale (Note 11)	**4,801**	–
	279,193	172,274
Encumbered fixed deposits and bank balances	**(80,795)**	(83,288)
	198,398	88,986

As at 31 December 2020, the Group had cash and cash equivalents placed with banks in China amounting to $83,816,000 (2019 : $78,815,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China. Of this amount, $66,720,000 (2019 : $63,123,000) were fixed deposits ranging from 7 days to 6 months (2019 : 2 months to 2 years) and were classified as current on the basis that these deposits are used to secure a facility in Singapore which could be cancelled at short notice by the borrower and the sum of these deposits can be released without significant penalty and changes in value.

As at 31 December 2020, cash and bank balances amounting to $95,386,000 (2019 : $84,321,000) were pledged to banks to secure credit facilities.

6 Trade and other receivables

		Group		Company	
	Note	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Trade					
Trade debtors		**16,456**	17,455	**–**	–
Less: Loss allowance		**(945)**	(748)	**–**	–
		15,511	16,707	**–**	–
Amounts due from related parties (a)	21	**15,629**	21,720	**–**	–
Less: non-current portion	21	**(2,915)**	(9,346)	**–**	–
Total trade receivables - current		**28,225**	29,081	**–**	–
Non-trade					
Deposits		**2,588**	952	**75**	73
Prepayments (b)		**5,235**	5,445	**298**	289
Grant receivable (c)		**446**	–	**138**	–
Interest receivables		**355**	722	**3**	14
Sundry debtors		**1,171**	3,379	**7**	37
Tax recoverable		**3,543**	16	**–**	–
		13,338	10,514	**521**	413
Less: Loss allowance		**(169)**	(126)	**(72)**	(72)
		13,169	10,388	**449**	341
Amount due from related parties	21	**14,413**	36,042	**57**	67
Amount due from joint venture	16	**20**	–	**–**	–
Less: Loss allowance	16	**(11)**	–	**–**	–
		27,591	46,430	**506**	408
Less: non-current portion	21	**–**	(5,087)	**–**	–
Total non-trade receivables - current		**27,591**	41,343	**506**	408
Total trade and other receivables - current		**55,816**	70,424	**506**	408
Total trade and other receivables - non-current		**2,915**	14,433	**–**	–

(a) Included in the carrying amount of amounts due from related parties – trade of the Group as at 31 December 2020 were unbilled revenue of $260,000 (2019 : $240,000) relating to rent-free period given to related party lessees.

(b) Included in the prepayment of the Group as at 31 December 2020 was cost of $989,000 (2019 : nil) attributable to the construction of showflat for development properties.

(c) Included in the grant receivable of the Group and the Company as at 31 December 2020 were Job Support Scheme ("JSS") payouts receivable of $375,000 and $138,000 respectively as part of the Singapore Government's measures to support business during the period of economic uncertainty impacted by COVID-19.

Analysis of trade receivables
Trade receivables are non-interest bearing and are generally on 7 to 180 days (2019 : 7 to 180 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

6 Trade and other receivables (cont'd)

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates of 8% (2019 : 8%) per annum in accordance with the billing terms and the remaining are non-interest bearing. The trade amounts due from related parties are generally on 90 to 180 days (2019 : 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

For purpose of impairment assessment, the amounts due from related parties is considered to have low credit risk as the timing of payment is controlled by the ultimate holding company taking into account cash flow management within the ultimate holding company's group of companies and there has been no significant increase in the risk of default on the amounts due from related parties since initial recognition. Accordingly, for the purpose of impairment assessment for the amounts due from related parties, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the trade amounts due from related parties as well as the loss upon default. Management determines the trade amounts due from related parties are subject to immaterial credit loss.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2019	1,021
Amounts written off	(199)
Change in loss allowance due to new trade receivables originated	(53)
Exchange difference on consolidation	(21)
Balance as at 31 December 2019	748
Amounts written off	(451)
Change in loss allowance due to new trade receivables originated	602
Exchange difference on consolidation	46
Balance as at 31 December 2020	**945**

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

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2019	127
Exchange difference on consolidation	(1)
Balance as at 31 December 2019	126
Amounts written off	–
Change in loss allowance due to new trade receivables originated	52
Exchange difference on consolidation	2
Balance as at 31 December 2020	**180**
Company	
Balance as at 31 December 2019 and 31 December 2020	**(72)**

6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Not past due	**14,530**	10,978
< 3 months	**927**	8,988
3 months to 6 months	**121**	2,703
6 months to 12 months	**1,909**	11,228
> 12 months	**13,653**	4,530
	31,140	38,427

Details of collateral

As at 31 December 2020, trade and other receivables amounting to $12,221,000 (2019 : $11,989,000) included in the above balances were mortgaged to banks to secure certain credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

7 Contract assets

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Sales contracts	**46,966**	29,974

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the residential industry. None of the amounts due from customers at the end of the reporting period is past due. As there was no historical credit loss experience by the Group, the ECL is assessed by management to be insignificant.

8 Contract costs

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Costs to obtain contracts	**2,855**	1,295

Costs to obtain contracts relate to commission and legal fees paid to intermediaries as a result of obtaining residential property sales contracts.

These costs are amortised over the period of construction. Amortisation amounting to $3,472,000 (2019 : $2,607,000) was recognised as part of the cost of sales recognised in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Raw materials	**737**	681
Work-in-progress	**788**	933
Finished goods	**621**	756
At cost	**2,146**	2,370

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2020 and 31 December 2019.

<u>Details of collateral</u>
As at 31 December 2020, inventories amounting to $2,146,000 (2019 : $2,370,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

10 Development properties

	Group	
	31 December 2020 $'000	**31 December 2019 $'000 (Restated)**
Properties in the course of development	**283,042**	313,011
Land held for future development	**7,219**	6,844
	290,261	319,855
Completed properties held for sale	**13,554**	24,756
	303,815	344,611
The above comprises:		
Properties in the course of development in Singapore	**229,694**	262,103
Properties in the course of development in Indonesia	**53,348**	50,908
Land held for future development in China	**7,219**	6,844
Completed properties held for sale in Singapore	**13,173**	23,212
Completed properties held for sale in China	**381**	1,544
	303,815	344,611

There were two apartment units transferred to investment properties during the year due to change in use as these units were leased out to third parties. The carrying amount of these completed development properties of $1,544,000 were classified as property, plant and equipment in 2019 (Note 12) but should have remained and classified under development properties in 2019. Hence, the comparatives have been reclassified to what it should have been.

During the year, the Group has transferred properties amounting to $1,951,000 (2019 : $1,873,000) from development properties to investment properties (Note 14) due to change in use as these development properties were leased out to third parties.

Development properties comprise properties in the course of development; land held for future development or held for sale and completed properties held for sale. These properties have operating cycles longer than one year. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle.

For the year ended 31 December 2019, the completed properties held for sale in Singapore included a residential unit held on behalf of a related party (Party B) as the balance consideration for the acquisition of land in Batam which was completed on 7 June 2018 (Note 21). Such balance consideration was partially settled in cash through the sale of this unit during the year. Under the terms and conditions of the agreements, Party B will not hold the Group liable for any loss suffered should the Group fail to achieve the selling price stipulated in the agreement, provided that Party B has agreed to the relevant sale.

10 Development properties (cont'd)

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

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Land cost	**265,534**	294,036
Development cost incurred to-date	**17,827**	24,291
Others	**14,119**	8,372
	297,480	326,699
Less: Allowance for diminution in value	**(7,219)**	(6,844)
	290,261	319,855

Completed properties held for sale

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Completed properties, at cost	**14,053**	25,455
Less: Allowance for diminution in value	**(499)**	(699)
	13,554	24,756

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions. During the year, a net write-back in allowance for diminution in value for development properties of $199,000 (2019 : $328,000) is included in "other operating expenses / cost of sales" in profit or loss (Note 32).

	Note	Group	
		2020 $'000	2019 $'000
Movements in allowance for diminution in value			
At 1 January		**(7,543)**	(8,051)
Exchange difference on consolidation		**(374)**	180
Allowance made during the year	32	**(13)**	(58)
Write-back during the year	32	**212**	386
At 31 December		**(7,718)**	(7,543)

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

Included in the development properties is a carrying amount of $7,219,000 (2019 : $6,844,000) relating to a land parcel acquired in 2009 in Fuzhou, China with an expired certificate for the construction site planning. The Group has applied to the relevant authorities for its renewal since 2013. According to the court judgement issued on 21 July 2020, it was affirmed that the legal title of the land belongs to the Group. The local authority attempted to compulsorily acquire the land and lost the case in two court hearings in 2019 and 2020. There is no further work on the land as it is pending resolution of certain development matters with the relevant government authorities.

An allowance of $7,219,000 (2019 : $6,844,000) was made based on management's best estimate on net realisable value of the development site.

Details of collateral

As at 31 December 2020, development properties amounting to $229,694,000 (2019 : $262,103,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

10 Development properties (cont'd)

List of development properties

As at 31 December 2020, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq. m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Properties in the course of development							
Kandis Residence, Jalan Kandis, Singapore	Condominium of 130 units (114 units booked/sold)	Dillenia Land Pte. Ltd.	99 years from 2016	7,046	10,850	2021	100%
Mont Botanik Residence, Jalan Remaja Singapore	Condominium of 108 units (77 units booked/sold)	Episcia Land Pte. Ltd.	Freehold	4,047	8,546	2022	100%
Peak Residence, 333 Thomson Road Singapore	Condominium of 90 units	TSRC Novena Pte. Ltd.	Freehold	5,331	8,209	2023	70%
Balmoral @ Opus Bay, Batam Land (I) Indonesia	Apartments of 559 units	PT Goodworth Investments	30 years from 2004	5,564	31,830	2025	90%
Cluny @ Opus Bay, Batam Land (I) Indonesia	Villas of 277 units	PT Goodworth Investments	30 years from 2004	186,886	76,716	2023 (Phase 1)	90%
Batam Land (I), Indonesia[(a)]	Proposed integrated mix-development	PT Goodworth Investments	30 years from 2004	657,299	*	*	90%
Batam Land (II), Indonesia	Proposed residential development	PT Titian Damai Mandiri	30 years from 2019	401,229	*	*	100%
Land held for future development							
Land in Jin-an District, Fuzhou Fujian Province, China	Residential	Fujian Ji'Xing Real Estate Development Co., Ltd	70 years from 1994	163,740	**	**	100%
Completed properties held for sale							
Lakeside Ville Phase III, Qingpu District, Shanghai China	172 units of apartments, townhouses and 8 units of commercial units (1 apartment unit left unsold)	Habitat Properties (Shanghai) Ltd	70 years from 1997	35,643	62,330	2010	100%
Sennett Residence, Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and three shop units (330 units booked/sold)	Clerodendrum Land Pte. Ltd.	99 years from 2011	8,664	33,328	2016	100%

* Subject to relevant authorities' approval.
** Pending renewal of expired certificate for construction site planning.
(a) Excluding Balmoral @ Opus Bay and Cluny @ Opus Bay

11 Assets classified as held for sale

On 6 November 2020, Group's wholly-owned subsidiary, Robinson Point Limited ("RPL"), entered into a Sale and Purchase Agreement ("SPA") to dispose 100% of the issued shares in the capital of 39 Robinson Road Pte. Ltd. which owns Robinson Point, for a consideration of $500,000,000. The consideration is subject to adjustments based, *inter alia*, on the net asset value of 39 Robinson Road Pte. Ltd. as at the date of completion. The divestment is expected to complete in June 2021, subject to a number of conditions precedent. Deposits amounting to $50,000,000 were collected from the buyer and included in deposits received as at 31 December 2020 (Note 19). The operations are included in the Group's property segment for segment reporting purpose (Note 4).

The proceeds from the divestment are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these assets as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale as at 31 December 2020 are as follows:

	2020 **$'000**
Cash and bank balances	**4,801**
Trade and other receivables	**1,142**
Investment property[1]	**405,000**
	410,943
Trade and other payables	**4,779**
Income tax payable	**1,006**
Bank loans[2]	**292,698**
	298,483
Net assets of disposed group	**112,460**

(1) For investment property held for sale valued by an independent valuer, the valuer has considered the comparison, income capitalisation and discounted cash flow approaches in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are disclosed in Note 14.

As at 31 December 2020, the investment property is mortgaged to a bank to secure credit facilities.

(2) The bank loan is repayable semi-annually by an amount equivalent to 50% of the rental income in excess of property maintenance expenses and property tax for the period. The bank loan bears annual interest rate based on a margin of 1.15% (2019 : 1.15%) per annum plus SWAP rate (2019 : SWAP).

The bank loan is secured by a first legal mortgage on the investment property.

12 Property, plant and equipment

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost or valuation:						
At 1 January 2020		**389,278**	**8,140**	**28,146**	**504**	**426,068**
Exchange differences on consolidation		**29,653**	**239**	**2,757**	**3**	**32,652**
Additions		**–**	**79**	**5,476**	**–**	**5,555**
Disposals		**–**	**–**	**(254)**	**–**	**(254)**
Write-offs		**–**	**–**	**(9,895)**	**–**	**(9,895)**
Revaluation		**(33,797)**	**–**	**–**	**–**	**(33,797)**
Reclassified to investment properties	14	**–**	**–**	**(2,285)**	**–**	**(2,285)**
At 31 December 2020		**385,134**	**8,458**	**23,945**	**507**	**418,044**
At 1 January 2019		402,688	7,201	29,382	526	439,797
Exchange differences on consolidation		(14,776)	(84)	(1,721)	(2)	(16,583)
Additions		269	–	6,834	–	7,103
Disposals		–	(71)	(60)	(17)	(148)
Write-offs		–	–	(4,091)	–	(4,091)
Revaluation		1,026	–	–	–	1,026
Reclassification		71	–	(68)	(3)	–
Transfer from development properties following change in use	10,45	–	2,638	–	–	2,638
Reclassified to investment properties	14	–	–	(2,130)	–	(2,130)
At 31 December 2019		389,278	9,684	28,146	504	427,612
Adjustment for transfer from development properties following change of use	45	–	(1,544)	–	–	(1,544)
At 31 December 2019 (restated)		389,278	8,140	28,146	504	426,068
Comprising						
At 31 December 2020		**809**	**8,458**	**23,945**	**507**	**33,719**
At cost		**384,325**	**–**	**–**	**–**	**384,325**
At valuation		**385,134**	**8,458**	**23,945**	**507**	**418,044**
At 31 December 2019 (restated):		809	8,140	28,146	504	37,599
At cost		388,469	–	–	–	388,469
At valuation		389,278	8,140	28,146	504	426,068
Accumulated depreciation:						
At 1 January 2020		**–**	**499**	**9,655**	**370**	**10,524**
Exchange differences on consolidation		**225**	**27**	**1,812**	**13**	**2,077**
Depreciation	32	**4,001**	**129**	**5,049**	**20**	**9,199**
Disposals		**–**	**–**	**(217)**	**–**	**(217)**
Write-offs		**–**	**–**	**(9,881)**	**–**	**(9,881)**
Revaluation		**(4,226)**	**–**	**–**	**–**	**(4,226)**
At 31 December 2020		**–**	**655**	**6,418**	**403**	**7,476**
At 1 January 2019		–	453	10,281	356	11,090
Exchange differences on consolidation		(38)	(13)	(1,091)	(2)	(1,144)
Depreciation	32	3,304	81	4,608	31	8,024
Disposals		–	(22)	(52)	(15)	(89)
Write-offs		–	–	(4,091)	–	(4,091)
Revaluation		(3,266)	–	–	–	(3,266)
At 31 December 2019		–	499	9,655	370	10,524

12 Property, plant and equipment (cont'd)

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)						
Accumulated impairment:						
At 1 January 2020		**–**	**2,832**	**–**	**–**	**2,832**
Exchange differences on consolidation		**–**	**146**	**–**	**–**	**146**
At 31 December 2020		**–**	**2,978**	**–**	**–**	**2,978**
At 1 January 2019		–	2,902	–	–	2,902
Exchange differences on consolidation		–	(70)	–	–	(70)
At 31 December 2019		–	2,832	–	–	2,832
Carrying amount:						
At 31 December 2020		**385,134**	**4,825**	**17,527**	**104**	**407,590**
At 31 December 2019 (restated)		389,278	4,809	18,491	134	412,712

	Plant and equipment $'000
Company	
Cost:	
At 1 January 2020	**2,780**
Additions	**1,493**
Disposals	**(4)**
Write-offs	**(14)**
At 31 December 2020	**4,255**
At 1 January 2019	117
Additions	2,663
At 31 December 2019	2,780
Accumulated depreciation:	
At 1 January 2020	**394**
Depreciation	**781**
Disposals	**(4)**
Write-offs	**(7)**
At 31 December 2020	**1,164**
At 1 January 2019	50
Depreciation	344
At 31 December 2019	394
Carrying amount:	
At 31 December 2020	**3,091**
At 31 December 2019	2,386

Included in building and freehold land is freehold land with a carrying amount of $207,535,000 (2019 : $209,773,000) which is not subject to depreciation.

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting period to determine whether there is any indication that those assets have suffered impairment loss. No impairment loss was made in 2020 and 2019 as a result of such assessment.

12 Property, plant and equipment (cont'd)

Details of collateral

As at 31 December 2020, property, plant and equipment amounting to $401,964,000 (2019 : $407,942,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

Fair value measurement of hotel properties

The Group's hotel properties (including freehold land and buildings) are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulative depreciation and subsequent accumulative impairment loss. The fair value measurement is based on the valuation carried out by independent valuers, who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations. The valuation conforms to International Valuation Standards.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2020 and 2019, the fair value measurement of the Group's hotel properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Based on the valuation, revaluation loss amounting to $27,263,000 (2019 : revaluation gain amounting to $4,292,000) was recognised in other comprehensive income (Note 35). The revaluation loss is charged against related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same property. Revaluation loss of $2,308,000 which exceeded the balance accumulated in the revaluation reserve of the same property was recognised in profit or loss during the year (Note 31).

As at 31 December 2020, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $328,841,000 (2019 : $308,416,000) for the Group.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020			
Grand Hyatt Melbourne	Capitalisation Approach	Capitalisation rate[1]	4.75%
121-131 Collins Street Melbourne, Victoria[a]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	5.5% - 6.5% 4.5% - 5.5%
Hyatt Regency Perth	Capitalisation Approach	Capitalisation rate[1]	5.0%
87-123 Adelaide Terrace East Perth Western Australia[a]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	5.5% - 7.5% 4.25% - 6.25%
2019			
Grand Hyatt Melbourne 121-131 Collins Street	Direct Comparison Capitalisation Approach	Value per room Capitalisation rate[1]	$260,400 - $465,300 5.25%
Melbourne, Victoria[b]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	7.25% - 8.25% 4.75% - 5.75%
Hyatt Regency Perth 87-123 Adelaide Terrace	Direct Comparison Capitalisation Approach	Value per room Capitalisation rate[1]	$150,500 - $433,300 5.00%
East Perth Western Australia[b]	Discounted Cash Flow Method	Discount rate[1] Terminal yield rate[1]	7.25% - 8.25% 4.75% - 5.75%

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.
(a) The property valuation was performed by CBRE Valuation Pty Limited.
(b) The property valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd.

12 Property, plant and equipment (cont'd)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2020 and 2019 included in property, plant and equipment are set out below. The non-hotel properties within the complexes are accounted for under investment properties (Note 14).

Name of Property	Description	Tenure	Land area (sq. m)	Group's effective equity interest	31 December 2020 A$'000[1]	31 December 2019 A$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Australia								
Grand Hyatt Melbourne Australia	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The Property is of 34 levels featuring one of Melbourne's largest 5-star hotels, complete with retail/commercial space. The carrying value of the retail/commercial space has been disclosed as investment property (Note 14).	Freehold	5,776	100%	347,000	379,500	350,401	355,895
Hyatt Regency Perth Australia	By Swan River and within walking distance from the central business district. The Property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The carrying value of the office, retail and parking complex has been disclosed as investment property (Note 14).	Freehold	22,754	100%	45,000	49,000	45,441	45,952
					392,000	428,500	395,842	401,847

[1] Figures in A$ are for information.

13 Leases (Group as a lessee)

The Group leases several assets including office premises, accommodation for staff, office equipment and motor vehicles. The leases have varying terms and renewal rights. The average lease term is between 3 to 84 years (2019 : 0.5 to 84 years) and rentals are generally fixed for the same periods.

The Group does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

Right-of-use assets

	Note	Leasehold land $'000	Leasehold building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost:						
At 1 January 2020		**219**	**22**	**86**	**25**	**352**
Additions		**–**	**63**	**40**	**–**	**103**
Disposals		**–**	**(22)**	**(6)**	**–**	**(28)**
Exchange differences on consolidation		**–**	**–**	**5**	**2**	**7**
At 31 December 2020		**219**	**63**	**125**	**27**	**434**
At 1 January 2019		219	23	19	–	261
Additions		–	4	67	25	96
Disposals		–	(4)	–	–	(4)
Exchange differences on consolidation		–	(1)	–	–	(1)
At 31 December 2019		219	22	86	25	352

13 Leases (Group as a lessee) (cont'd)

Right-of-use assets (cont'd)

	Note	Leasehold land $'000	Leasehold building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)						
Accumulated depreciation:						
At 1 January 2020		**83**	**11**	**8**	**–**	**102**
Depreciation	32	**3**	**19**	**33**	**26**	**81**
Disposals		**–**	**(14)**	**(4)**	**–**	**(18)**
Exchange differences on consolidation		**–**	**–**	**2**	**1**	**3**
At 31 December 2020		**86**	**16**	**39**	**27**	**168**
At 1 January 2019		80	–	–	–	80
Depreciation		3	15	8	–	26
Disposals		–	(4)	–	–	(4)
At 31 December 2019		83	11	8	–	102
Carrying amount:						
At 31 December 2020		**133**	**47**	**86**	**–**	**266**
At 31 December 2019		136	11	78	25	250

The Company leases office premises and office equipment. The average lease term is between 14 months to 5.7 years (2019 : average lease term was 14 months) and rentals are fixed for the same periods. The Company does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

	Leasehold building $'000	Plant and equipment $'000	Total $'000
Company			
Cost:			
At 1 January 2020	**1,060**	**–**	**1,060**
Additions	**11,425**	**39**	**11,464**
As at 31 December 2020	**12,485**	**39**	**12,524**
Accumulated depreciation:			
At 1 January 2020	**–**	**–**	**–**
Depreciation	**2,961**	**6**	**2,967**
At 31 December 2020	**2,961**	**6**	**2,967**
Carrying amount:			
At 31 December 2020	**9,524**	**33**	**9,557**
At 31 December 2019	1,060	–	1,060

13 Leases (Group as a lessee) (cont'd)

Lease liabilities

	Group	
	2020	2019
	$'000	$'000
Amounts due for settlement within 12 months (shown under current liabilities)	**54**	63
Amounts due for settlement after 12 months	**84**	52
	138	115
Maturity analysis:		
Not later than 1 year	**54**	63
Later than 1 year and not later than 5 years	**84**	52
	138	115

	Company	
	2020	2019
	$'000	$'000
Amounts due for settlement within 12 months (shown under current liabilities)	**1,940**	907
Amounts due for settlement after 12 months	**7,533**	153
	9,473	1,060
Maturity analysis:		
Not later than 1 year	**1,940**	907
Later than 1 year and not later than 5 years	**7,533**	153
	9,473	1,060

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

At 31 December 2020, the Group and the Company are committed to $22,000 and $8,000 respectively for short-term leases. As at 31 December 2019, the Group was committed to $284,000 for short term leases. The Company did not have any short term leases commitment as at 31 December 2019.

None of the leases in which the Group or the Company is the lessee contain variable lease payment terms. The total cash outflow for leases of the Group and the Company amounted to $82,000 and $3,091,000 respectively (2019 : $25,000 and nil) during the year.

14 Investment properties

	Note	Completed investment properties $'000
Group		
At 1 January 2020		**1,778,168**
Exchange differences on consolidation		**19,282**
Additions		**8,280**
Net gain from fair value adjustments	31	**47,385**
Property transferred from development properties following change in use	10	**1,951**
Property reclassified from property, plant and equipment	12	**2,285**
Classified as held for sale	11	**(405,000)**
At 31 December 2020		**1,452,351**
At 1 January 2019		1,742,662
Exchange differences on consolidation		(8,724)
Additions		6,920
Net gain from fair value adjustments	31	33,307
Property transferred from development properties following change in use	10	1,873
Property reclassified from property, plant and equipment	12	2,130
At 31 December 2019		1,778,168

14 Investment properties (cont'd)

	Note	Completed investment properties $'000
Company		
At 31 December 2020		**498**
At 31 December 2019		498

	Group 2020 $'000	Group 2019 $'000
Represented by:		
Completed investment properties in Singapore	**1,160,910**	1,532,690
Completed investment properties in Australia	**270,021**	231,468
Completed investment properties in China	**21,420**	14,010
	1,452,351	1,778,168

Fair value adjustments
The Group's investment properties are stated at fair value as at 31 December 2020 and 2019, based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, a net fair value gain amounting to $47,385,000 (2019 : $33,307,000) was recognised in profit or loss (Note 31).

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2020 and 2019, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020			
Singapore			
Robinson Point[a] (classified as assets held for sale) 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[1]	$17,000 - $37,900
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	78% 2.6%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	6% 2.85%
The Oxley[a] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[1]	$19,500 - $35,600
	Income Method	Net income margin*[1] Capitalisation rate[2]	80% - 85% 3%
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$6,600 - $9,100
Far East Finance Building[c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$28,000 - $35,000

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020 (cont'd)			
Singapore (cont'd)			
Link@896[c] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Office: $16,000 - $18,800 Retail: $19,600 - $52,700
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	67% - 74% 3.5%
18 Robinson[c] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate [2] Terminal yield rate[2]	6.25% - 6.75% 3.1% - 3.6%
	Direct Comparison Method	Price per square metre of lettable area[1]	$23,200 - $40,300
Shop unit #01-30 & #01-32 within Sennett Residence[d] 39 Pheng Geck Avenue Singapore	Comparison Method	Price per square metre of strata floor area[1]	$19,600 - $23,400
Australia			
Commercial Centre & Carpark (being part of the Hyatt Regency complex)[e]	Capitalisation Method	Capitalisation rate[2]	8%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	7.5% 8%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5% Carpark: 5%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.5% Carpark: 7%
		Terminal yield rate[2]	Retail: 5.25% Carpark: 5.25%
25 George Parade Melbourne[f]	Capitalisation Method	Capitalisation rate[2]	3%
	Comparison Method	Land value rate[1] Building value rate[1]	$27,700 - $30,300 $32,800 - $33,900
China			
No. 2950 ChunShen Road Shanghai, China[g]	Comparison Method	Price per square metre of gross floor area[1]	$6,100 - $7,700
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	7.0% 5.0%
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu District, Shanghai, China[g]	Comparison Method	Price per square metre of gross floor area[1]	Aboveground: $6,600 - $7,700 Basement: $1,100 - $1,400
	Discounted Cash Flow Method	Discount rate[2]	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate[2]	Aboveground: 4.5% Basement: 4.5%

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020 (cont'd)			
China (cont'd)			
Underground Carpark at Lane 558, Baochun Road, Minhang District, Shanghai, China [g]	Comparison Method	Sale price per car park lot	S$57,100 - S$61,200
Unit #201 No. 363 Lakeside Ville Phase III, Qingpu District, Shanghai, China[h]	Comparison Method	Price per square metre of gross floor area[1]	$10,000 - $12,200
Unit #1102 No. 391 Lakeside Ville Phase III, Qingpu District, Shanghai, China[h]	Comparison Method	Price per square metre of gross floor area[1]	$9,500 - $12,200
2019			
Singapore			
Robinson Point[a] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[1]	$26,200 - $30,900
	Income Method	Net income margin*[1] Capitalisation rate[2]	75% to 85% 3.0% to 3.5%
The Oxley[a] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[1]	$22,500 - $35,600
	Income Method	Net income margin*[1] Capitalisation rate[2]	70% to 80% 3.0% to 3.5%
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin, Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$6,300 - $7,500 $6,400 - $7,500 (ground floor)
Far East Finance Building[c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$9,700 - $35,600
Link@896[c] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Retail: $27,000 - $37,700 Office: $13,000 - $20,400
18 Robinson[c] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	77% 3.1%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	6.5% 3.35%
	Direct Comparison Method	Price per square metre of lettable area[1]	$23,600 - $30,900
Australia			
Commercial Centre & Carpark (being part of the Hyatt Regency complex)[e]	Capitalisation Method	Capitalisation rate[2]	7.75%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	8.00% - 8.50% 7.75% - 8.25%

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2019 (cont'd)			
Australia (cont'd)			
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5.00% Carpark: 5.25%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.00% - 6.50% Carpark: 6.50% - 7.00%
		Terminal yield rate[2]	Retail: 5.25% - 5.75% Carpark: 5.25% - 5.75%
China			
No. 2950 ChunShen Road Shanghai, China[g]	Direct Comparison Method	Price per square metre of gross floor area[1]	$3,000 - $3,800
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 80%
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu District, Shanghai, China[g]	Direct Comparison Method	Price per square metre of gross floor area[1]	$5,800 - $6,500 $880 - $1,270 (basement)
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 75% - 80%
Underground Carpark at Lane 558, Baochun Road, Minhang District, Shanghai, China[g]	Direct Comparison Method	Sale price per car park lot	$47,300 - $49,510

Notes:

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

\# Total development cost includes construction cost, professional fees, interest cost, land holding cost and other development related cost.

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

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

(a) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years.

(b) The property valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd. The 2019 valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd.

(c) The property valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd for both years.

(d) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. Following the change in use of the leasehold properties which were previously held for sale in Singapore, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.

(e) The property valuation was performed by CBRE Valuations Pty Limited. The 2019 valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd.

(f) The property valuation was performed by CBRE Valuations Pty Limited. The site was acquired in December 2020.

(g) The property valuation was performed by Beijing Colliers International Real Estate Valuation Co., Ltd. The 2019 valuation was performed by Shanghai Orient Real Estate Appraisal Co. Ltd.

(h) The property valuation was performed by Beijing Colliers International Real Estate Valuation Co., Ltd. Following the change in use of the leasehold properties which were previously held for sale in China, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $50,186,000 (2019 : $41,033,000) (Note 28). Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,383,000 (2019 : $13,357,000). Information on operating lease commitments is disclosed in Note 38 to the financial statements.

Details of collateral

As at 31 December 2020, investment properties amounting to $1,429,341,000 (2019 : $1,764,158,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

14 Investment properties (cont'd)

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2020 and 2019 are as follows:

Name of property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	31 December 2020 $'000	31 December 2019 $'000
Singapore						
Robinson Point[(a)] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	–	374,400
18 Robinson 18 Robinson Road Singapore	A 28-storey commercial building comprising office tower, retail podium, sky terrace and an automated guided vehicular car parking system	999-years from 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 485M, 488P)	17,786	100%	**681,500**	681,500
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	2,557	100%	**65,000**	64,700
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,100	100%	**14,820**	14,090
Far East Finance Building #11-01/02 14 Robinson Road Singapore	1 strata unit (floor) within a 13-storey commercial building and a basement	999 years from 1884	284	100%	**10,000**	10,000
Link@896 896 Dunearn Road Singapore	A 5-storey commercial building comprising retail and office units	Estate in Fee Simple (Lot 1182K), Estate in Fee Simple and 999 years from 7 May 1879 (Lot 1185L), Estate in Perpetuity (Lot 99907P), 999 years from 7 May 1879 (Lot 99891X)	17,973	100%	**388,000**	388,000
Sennett Residence 39 Pheng Geck Avenue Singapore	2 Shop Units (#01-30 & #01-32)	99 years from 2011	61	100%	**1,590**	–
					1,160,910	1,532,690
Asset classified as held for sale:						
Robinson Point[(a)] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	**405,000**	–
					1,565,910	1,532,690

[(a)] The carrying amount of Robinson Point has been classified as asset held for sale as at 31 December 2020 (Note 11).

14 Investment properties (cont'd)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	31 December 2020 A$'000[1]	31 December 2019 A$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Australia								
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	4 Collins St. retail shops consisting of 2 floors each, a bar & function room. A further 7 retail areas in and around Russell St. with 4-levels of basement car park	Freehold	3,024	100%	**161,000**	155,400	**162,578**	145,734
Commercial Centre & Carpark (being part of the Perth Hyatt Regency complex)	A 3-level commercial building and plaza level shops and suites with 2-levels of basement car park	Freehold	19,064	100%	**101,800**	91,420	**102,798**	85,734
25 George Parade Melbourne	A single storey commercial building	Freehold	135	100%	**4,600**	–	**4,645**	–
					267,400	246,820	**270,021**	231,468

Name of property	Description	Tenure	Estimated lettable/ gross floor area (sq. m)	Group's effective equity interest	31 December 2020 RMB'000[1]	31 December 2019 RMB'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
China								
No. 2950 Chun Shen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**33,100**	31,960	**6,752**	6,181
Lakeside Ville Phase III, Qingpu district Shanghai, China	6 shop units and basement commercial spaces	70 years from 1997	3,896	100%	**26,800**	26,730	**5,467**	5,170
Lane 558, Baochun Road, Minhang district, Shanghai, China	Underground carpark	61 years from 2005	2,403	100%	**13,900**	13,750	**2,836**	2,659
No. 363 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 201	70 years from 1997	200	100%	**11,000**	–	**2,244**	–
No. 391 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 1102	70 years from 1997	434	100%	**20,200**	–	**4,121**	–
					105,000	72,440	**21,420**	14,010

[1] Figures in A$ and RMB are for information only.

15 Investments in subsidiaries

	Company	
	31 December 2020 $'000	31 December 2019 $'000 (Restated)
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**585,139**	585,027
Loan to a subsidiary	**80,000**	80,000
Deemed investment arising from financial guarantees	**95,892**	94,463
	877,007	875,466
Less: Allowance for impairment	**(121,084)**	(116,182)
	755,923	759,284
Fair value of investment in a subsidiary for which there are published price quotations	**13,932**	14,214

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

Financial guarantees
The Company provided guarantees to banks for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with SFRS(I) 9 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $14,876,000 (2019 : $22,730,000) is disclosed under the Company's non-trade payables in Note 19 to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be additional investment in subsidiaries.

Movements in allowance for impairment

	Company	
	2020 $'000	2019 $'000
Allowance for impairment		
At 1 January	**(116,182)**	(119,284)
Allowance for impairment	**(5,007)**	(873)
Reversal of impairment	**105**	3,975
	(4,902)	3,102
At 31 December	**(121,084)**	(116,182)

During the year, impairment loss amounting to $5,007,000 (2019 : $873,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts after taking into account the current financial position of the subsidiaries. In addition, there was a reversal of impairment amounting to $105,000 (2019 : $3,975,000) in relation to certain subsidiaries due to increase in their recoverable amounts.

Loan to a subsidiary
Loan to a subsidiary refers to unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. These advances bear interest rate at 4.1% per annum (2019 : 6.1% per annum).

15 Investments in subsidiaries (cont'd)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2020 and 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries 2020	2019
Property development, property investment and provision of construction management services	Singapore, China, Australia and Indonesia	**38**	36
Investment in hotels in Australia	Australia	**4**	4
Investment holding: Owning investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a Retailer of golf-related products	Singapore, China and Malaysia	**3**	3
Administration of loyalty programme	Singapore	**1**	–
Manufacture and sale of polypropylene woven bags	Malaysia	**1**[(a)]	–
		47	43

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2020 and 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries 2020	2019
Trading and marketing of selected industrial commodities	Singapore, Malaysia, Hong Kong	**10**	10
Property development	Singapore, Indonesia	**8**	5
Manufacture and sale of polypropylene woven bags	Malaysia	**–**[(a)]	1
		18	16

(a) On 10 September 2020, the Group completed the acquisition of the remaining 2.1% equity interest in Hypak Sdn. Bhd ("Hypak"). Following the acquisition, Hypak is now a wholly-owned subsidiary of the Group. The effects of acquiring the non-controlling interests have been recognised directly in the statement of changes in equity.

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group is disclosed below:

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests		Net profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	2019	2020 $'000	2019 $'000	2020 $'000	2019 $'000
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**276**	496	**11,239**	11,043
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(652)**	(929)	**(1,335)**	(684)
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments	Singapore & Indonesia	**10%**	10%	**(133)**	(98)	**3,134**	3,278
Individually immaterial subsidiaries with non-controlling interests	Various			**31**	(3)	**393**	473
				(478)	(534)	**13,431**	14,110

15 Investments in subsidiaries (cont'd)

Non-wholly owned subsidiaries (cont'd)

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

	2020 $'000	2019 $'000
Current assets	**60,945**	54,711
Non-current assets	**3,614**	9,467
Current liabilities	**(7,267)**	(8,378)
Non-current liabilities	**(558)**	(54)
Equity attributable to owners	**56,734**	55,746
Revenue for the year	**29,432**	93,076
Expenses for the year	**(28,037)**	(90,573)
Net profit for the year	**1,395**	2,503
Other comprehensive income for the year	**(407)**	(200)
Total comprehensive income for the year	**988**	2,303
Net cash inflow / (outflow) from operating activities	**11,948**	(9,523)
Net cash inflow from investing activities	**21,476**	19
Net cash (outflow) / inflow from financing activities	**(5,047)**	5,157
Net cash inflow / (outflow) for the year	**28,377**	(4,347)

16 Investments in equity accounted investees

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Unquoted equity shares, at cost	**87,132**	87,127
Exchange differences on consolidation	**(120)**	2,034
Share of post-acquisition results and reserves, net of dividends and distributions received	**65,535**	48,702
	152,547	137,863

Equity accounted investees

Associates

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Pan-West (Private) Limited ("Pan-West") and Sanya Summer Real Estate Co. Ltd ("SSRE"). Details of the Group's significant associates are disclosed in Note 42 to the financial statements.

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

	Note	Group	
		2020 $'000	2019 $'000
Share of net assets			
At 1 January		**137,863**	117,914
Exchange differences on consolidation		**(1,720)**	(1,512)
Share of total comprehensive income (refer to below)		**25,756**	21,461
Dividends		**(9,352)**	–
At 31 December		**152,547**	137,863
Share of total comprehensive income			
Share of results before fair value adjustments		**25,645**	21,561
Share of fair value gain / (loss) on financial instruments	31	**111**	(100)
Share of total comprehensive income for the year		**25,756**	21,461

Details of asset revaluation reserve and cash flow hedging account are disclosed in Note 26 to the financial statements. Share of capital commitments is disclosed in Note 38 to the financial statements.

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Associates (cont'd)
GulTech
The summarised financial information of GulTech on a 100% basis is set out below:

	31 December 2020 US$'000[1]	31 December 2019 US$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Current assets	**218,401**	219,867	**291,172**	298,096
Non-current assets	**148,630**	134,493	**198,153**	182,345
Current liabilities	**(133,501)**	(147,404)	**(177,984)**	(199,850)
Non-current liabilities	**(1,774)**	(2,154)	**(2,366)**	(2,921)
Equity attributable to owners	**231,756**	204,802	**308,975**	277,670
Revenue for the year	**361,501**	316,261	**498,980**	431,506
Net profit for the year	**41,993**	35,524	**57,963**	48,469

[1] Figures in US$ are for information.

SSRE
The summarised financial information of Sanya Summer Real Estate on a 100% basis is set out below:

	31 December 2020 RMB'000[1]	31 December 2019 RMB'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Current assets	**949,307**	769,452	**193,659**	148,812
Non-current assets	**361**	521	**74**	101
Current liabilities	**(142,963)**	(100,759)	**(29,165)**	(19,487)
Non-current liabilities	**(245,176)**	(105,988)	**(50,016)**	(20,498)
Equity attributable to owners	**561,529**	563,226	**114,552**	108,928
Net loss for the year	**(1,697)**	(6,284)	**(339)**	(1,242)

[1] Figures in RMB are for information.

Pan-West
The Group had recognised its share of losses of $4,998,000 (2019 : $4,998,000) (Note 19) being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Other than the aforementioned corporate guarantees, the Group had no other commitments in relation to Pan-West.

The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment. Accordingly, the Group's nominal additional share of accumulated losses of Pan-West amounting to $8,701,000 (2019 : $8,398,000) as at the end of the year was not recognised.

Joint venture
Greenwillow-AREI Partners Pte Ltd ("GAP")
GAP was an indirect wholly-owned subsidiary incorporated in 2019. During the year, GAP increased its paid-up share capital from $100 to $10,000 by the allotment of 4,900 shares to a wholly-owned subsidiary of the Group and 5,000 shares to a joint venture partner. Following the additional shares allotment, the Group has 50% interest in the ownership and voting rights in GAP that is held through a wholly-owned subsidiary. GAP is a strategic venture in the business of managing a portfolio of properties focused on retail businesses in Indonesia. The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

The Group has ceased recognising GAP's losses after the Group's share of losses during the year of $16,000 exceeded the Group's cost of investment of $5,000. Accordingly, allowance for impairment loss of $11,000 has been made for amount due from GAP.

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Joint venture (cont'd)
Greenwillow-AREI Partners Pte Ltd ("GAP") (cont'd)
The Group's share of net assets and total comprehensive income of its joint venture is set out below:

	Note	31 December 2020 $'000
Net liabilities		**(22)**
Share of net assets		
At 1 January		**–**
Cost of initial recognition		**5**
Share of total comprehensive loss		**(5)**
At 31 December		**–**
Amount due from Joint Venture		
Amount due from joint venture (non-trade)	6	**20**
Allowance for impairment loss	6	**(11)**
Presented in trade and other receivables		**9**

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

17 Financial asset at fair value through other comprehensive income

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Investment in equity instrument designated at FVTOCI:		
Unquoted equity shares	**29,343**	30,916

The investment in unquoted equity investment represents a 2.26% investment in an investment holding company which owns a subsidiary in the property development business. The investee is a related party which is controlled by the majority shareholder of the Group. The fair value of the investment as at 31 December 2020 was determined by reference to the fair value of the underlying assets and the valuation was carried out by an independent valuer. Based on the valuation, a fair value loss amounting to $1,573,000 was recognised in other comprehensive income (Note 35). As at 31 December 2019, the Group's share of the fair value of the underlying assets was higher than the consideration paid at acquisition which was completed in October 2019. A discount on acquisition amounting to $5,520,000 was recognised directly in the equity in the previous year.

The investment is held for long-term strategic purpose and is not held for trading. Accordingly, management has elected to designate the investment as at FVTOCI as the management believes that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising the performance potential in the long run.

As at 31 December 2020 and 2019, the fair value measurement of the Group's financial asset at fair value through other comprehensive income is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 31 December 2019 are as follows:

Financial assets	Fair value as at 2020 Net assets ($'000)	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Financial asset at FVTOCI - Investments in unlisted shares	**29,343**	Income approach	Revenue growth rate[1]	6% - 8%

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

17 Financial asset at fair value through other comprehensive income (cont'd)

Financial assets	Fair value as at 2019 Net assets ($'000)	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Financial asset at FVTOCI - Investments in unlisted shares	30,916	Income approach	Revenue growth rate[1]	8%

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

18 Loans and borrowings

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Short-term borrowings				
Bank loans	**210,130**	126,175	**–**	–
Notes issued under unsecured MTN Programme	**–**	149,763	**–**	149,763
Bills payable	**–**	5,124		–
	210,130	281,062	**–**	149,763
Long-term borrowings				
Bank loans	**992,092**	1,231,927	**–**	–
Notes issued under secured MTN Programme	**198,936**	198,343	**–**	–
Notes issued under unsecured MTN Programme	**63,795**	–	**63,795**	–
	1,254,823	1,430,270	**63,795**	–
Total borrowings	**1,464,953**	1,711,332	**63,795**	149,763
Represented by:				
Interest-bearing liabilities	**1,470,996**	1,719,063	**65,000**	150,000
Capitalised interest costs	**(6,043)**	(7,731)	**(1,205)**	(237)
	1,464,953	1,711,332	**63,795**	149,763
Security profile				
Secured borrowings				
Current	**210,030**	131,299	**–**	–
Non-current	**1,186,128**	1,430,270	**–**	–
	1,396,158	1,561,569	**–**	–
Unsecured borrowings				
Current	**100**	149,763	**–**	149,763
Non-current	**68,695**	–	**63,795**	–
	68,795	149,763	**63,795**	149,763
Total borrowings	**1,464,953**	1,711,332	**63,795**	149,763

Multicurrency Medium Term Note Programme
The Company has in place a S$900 million Multicurrency Medium Term Note Programme ("MTN Programme") under which it can issue notes in series or tranches and may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Series II of S$150 million were issued on 5 June 2017. These are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrear and had matured and been redeemed on 5 June 2020. Series III of S$65 million were issued on 19 May 2020. These are of two years duration, unsecured, bear a fixed interest rate of 7.75% per annum payable semi-annually in arrear and will mature on 19 May 2022. At the end of the reporting period, the fair value of the notes approximate the respective carrying amounts.

The Company's wholly owned subsidiary, Superluck Properties Pte Ltd ("Superluck"), has on 13 October 2019, established a S$500 million secured multicurrency medium term note programme, unconditionally and irrevocably guaranteed by the Company. Superluck has issued Series I of S$200 million on 18 October 2019. These are of three years duration, secured, bear a fixed rate of 2.80% per annum payable semi-annually in arrear and will mature on 18 October 2022. At the end of the reporting period, the fair value of the secured notes approximate the respective carrying amounts.

18 Loans and borrowings (cont'd)

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and bank balances (Note 5), trade and other receivables (Note 6), inventories (Note 9), development properties (Note 10), property, plant and equipment (Note 12), investment properties (Note 14) and covered by corporate guarantees (Note 39).

Interest rate profile

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Security profile				
Loans and borrowings				
Fixed rate	**367,141**	348,106	**63,795**	149,763
Variable rate	**1,097,812**	1,363,226	**–**	–
	1,464,953	1,711,332	**63,795**	149,763

The Group's exposure to fair value interest rate risk as at 31 December 2020 is disclosed in Note 40(b) to the financial statements.

Fair value

The fair value of the current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period because these are short term in nature. The fair value of the non-current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in Notes 40(a) and 40(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 2 January 2022 to 18 November 2025 (2019 : 11 January 2021 to 25 March 2024). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 40(d) to the financial statements.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

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

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

	1 January 2019 $'000	Financing cash flow[(i)] $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes[(ii)] $'000	31 December 2019 $'000
Group						
Bank loans	1,630,441	98,062	–	(12,717)	(4,454)	1,711,332
Lease liabilities	42	(25)	96	–	2	115

[(i)] The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.
[(ii)] Other changes include interest accruals and payments.

19 Trade and other payables

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000	Company 31 December 2020 $'000	Company 31 December 2019 $'000
Trade					
Trade payables		**20,917**	15,466	**–**	–
Amounts due to related parties	21	**–**	668	**–**	–
Total trade payables - current		**20,917**	16,134	**–**	–
Non-trade					
Other creditors		**31,602**	30,901	**791**	828
Other provisions		**3,686**	4,559	**–**	–
Advanced billings		**7,172**	10,362	**–**	–
Deposits received	11	**50,000**	–	**–**	–
Accrued operating expenses		**33,318**	36,170	**4,569**	4,200
Accrued interest expenses		**4,717**	6,676	**593**	666
Financial guarantees to subsidiaries	15	**–**	–	**14,876**	22,730
Deferred grant income		**321**	–	**218**	–
Amounts due to related parties	21	**2,193**	4,592	**–**	3,250
		133,009	93,260	**21,047**	31,674
Less non- current portion		**(322)**	(349)	**–**	–
Total non-trade payables - current		**132,687**	92,911	**21,047**	31,674
Total trade and other payables - current		**153,604**	109,045	**21,047**	31,674
Total trade and other payables - non-current		**322**	349	**–**	–

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 7 to 90 days (2019 : 7 to 90 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities (Note 40(d)).

Included in other creditors of the Group is a financial guarantee of $4,998,000 (2019 : $4,998,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary.

The deferred grant income relates to the wage support for local employees under the JSS from the Singapore Government. Grant income amounting to $1,719,000 has been recognised in the profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the JSS grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing April 2020.

The carrying amount of trade and other payables approximate their fair values at the end of the reporting periods. Further details regarding the contractual and effective interest rates, maturity dates and foreign currency denomination are disclosed in Note 40 to the financial statements.

20 Amounts due from / (to) subsidiaries

	Company 31 December 2020 $'000	Company 31 December 2019 $'000
Amounts due from subsidiaries - non-trade	**305,609**	402,402
Less: Allowance for impairment	**(24,276)**	(24,253)
	281,333	378,149
Amounts due to subsidiaries - non-trade	**(417,614)**	(401,438)
Movement in allowance for impairment		
At 1 January	**(24,253)**	(24,264)
Allowance made	**(23)**	(713)
Allowance written back	**–**	724
At 31 December	**(24,276)**	(24,253)

20 Amounts due from / (to) subsidiaries (cont'd)

Amounts due from / (to) subsidiaries are unsecured and are repayable on demand. Interest is charged at 2.1% (2019 : 3.1%) per annum on interest-bearing advances.

For purpose of impairment assessment, amounts due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Group and there has been no significant increase in the risk of default on the amounts due from subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management has assessed the expected credit losses to be insignificant other than the amounts provided for.

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

During the year, allowance for impairment of $23,000 (2019 : $713,000) was made for amounts due from 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 underlying interest as at the reporting date. In 2019, allowance written back of $724,000 was made for subsidiaries due to an increase in net asset value of the underlying interest as at the reporting date.

21 Amounts due from / (to) related parties

	Note	Group		Company	
		31 December 2020 $'000	**31 December 2019 $'000**	**31 December 2020 $'000**	**31 December 2019 $'000**
Amounts due from:					
Other related parties					
Other related parties, trade	(a)	**12,714**	12,374	**–**	–
Other related parties, trade (Non-current)	(a)	**2,915**	9,346	**–**	–
Other related parties, non-trade:					
- Loan to a related party (Non-current)	(c)	**–**	5,087	**–**	–
- Loan to a related party	(c)	**5,463**	–	**–**	–
- Loan to a related party	(a)	**–**	21,500	**–**	–
- Refundable trade deposit with a related party	(b)	**7,999**	8,135	**–**	–
- Others		**951**	1,320	**57**	67
Total		**30,042**	57,762	**57**	67
Presented as:					
Amounts due from related parties, trade	6	**15,629**	21,720	**–**	–
Amounts due from related parties, non-trade	6	**14,413**	36,042	**57**	67
		30,042	57,762	**57**	67
Amounts due to:					
Other related parties					
Other related parties, trade		**–**	(668)	**–**	–
Other related parties, non-trade	(d)	**(2,193)**	(4,592)	**–**	(3,250)
Total		**(2,193)**	(5,260)	**–**	(3,250)
Presented as:					
Amounts due to related parties, trade	19	**–**	(668)	**–**	–
Amounts due to related parties, non-trade	19	**(2,193)**	(4,592)	**–**	(3,250)
		(2,193)	(5,260)	**–**	(3,250)

21 Amounts due from / (to) related parties

Amounts due from / (to) other related parties

a) Included in the trade and other receivables of SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group, as at 31 December 2020 were:

(i) An amount of $8.7 million due from a related party, of which $8.0 million is secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $18.4 million (2019 : $20 million). In 2020, the repayment agreement was revised with the related party to make quarterly repayments amounting $5.8 million over two years from 31 December 2020. Accordingly, an amount of $2.9 million due from this related party expected to be repaid after one year from 31 December 2020 has been classified as non-current as at that date. The remaining unsecured trade receivable amounting to $0.7 million (2019 : $0.3 million) is expected to be repaid within one year from the end of the reporting period and has been classified as current. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

(ii) An amount of $6.4 million due from another related party which had signed a revised repayment agreement during the year to make quarterly repayments and fully settle the outstanding balance within one year from 31 December 2020. Accordingly, this amount of $6.4 million has been classified as current. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

As at 31 December 2019, SP Corp provided a loan amounting $21,500,000 to a related party with repayment being one year from 24 September 2019. Interest was charged at fixed rate of 7.5% per annum. The loan and all accrued interest were repaid in full during the year.

b) Refundable trade deposit relates to a deposit of US$6,000,000 or equivalent to $7,999,000 (2019 : $8,135,000) placed by SP Corp, with a related party which owns a coal mine (Party A) to secure coal allocations. The deposit is secured by a corporate guarantee issued by the immediate holding company of Party A which is also a related party and also owns a coal mine.

The deposit is repayable within one year and subject to annual renewal by mutual agreement between the two parties. It bears an effective interest rate of 4.53% (2019 : 6.24%) per annum.

c) Loan of $5.0 million to a related party is provided by a wholly-owned subsidiary of the Group. The loan is repayable within two years from the date of disbursement on 8 October 2019 and carries fixed rate of 7.5% per annum. The loan and accrued interest shall be repaid in full on repayment date in cash, or in other repayment method as otherwise agreed between the parties. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

d) Included in the non-trade amounts due to related parties as at 31 December 2019 was an amount payable of $3,250,000 to a related party in respect of the acquisition of land in Batam. The consideration payable was partially settled in cash through the sale of unit held on behalf during the year (Note 10). The remaining balance consideration of $500,000, being the shortfall in the selling prices achieved for the units held on behalf, was recognised as other income to the profit or loss during the year.

The trade and non-trade amounts due from / (to) other related parties were unsecured, interest-free, and repayable on demand unless otherwise stated.

22 Contract liabilities

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Contract liabilities	–	1,536

Contract liability mainly represents amounts of consideration billed to purchasers of the Group's development properties in advance of the stage of completion of construction.

23 Deferred tax assets and liabilities

Deferred tax at the end of the reporting period consists of the following:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**164**	140
Deferred development costs	**2,121**	1,546
Revaluation of properties	**4,331**	2,827
Foreign income not remitted and which will be subject to tax if remitted in the future	**44,689**	49,630
Unutilised tax losses	**(5,967)**	(4,793)
Others	**(200)**	(592)
	45,138	48,758
Represented by:		
Deferred tax assets	**(1,721)**	(2,047)
Deferred tax liabilities	**46,859**	50,805
	45,138	48,758

Deferred tax assets and liabilities are netted off when there is a legally enforceable right to offset and when the deferred income taxes relate to the same tax authorities.

Deferred tax assets and liabilities recognised by the Group and the movements thereon during the current and prior reporting periods are as following:

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of properties $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2020		**140**	**1,546**	**2,827**	**49,630**	**(4,793)**	**(592)**	**48,758**
Exchange differences on consolidation		**–**	**–**	**183**	**3,577**	**(160)**	**(70)**	**3,530**
Charged / (Credited) to profit or loss	33	**24**	**575**	**1,321**	**(31)**	**(1,014)**	**462**	**1,337**
Credited to other comprehensive income	35	**–**	**–**	**–**	**(8,487)**	**–**	**–**	**(8,487)**
At 31 December 2020		**164**	**2,121**	**4,331**	**44,689**	**(5,967)**	**(200)**	**45,138**
At 1 January 2019		106	283	1,353	47,107	(3,297)	(614)	44,938
Exchange differences on consolidation		–	–	(68)	(1,660)	8	50	(1,670)
Charged / (Credited) to profit or loss	33	34	1,263	1,542	3,177	(1,504)	(28)	4,484
Charged to other comprehensive income	35	–	–	–	1,006	–	–	1,006
At 31 December 2019		140	1,546	2,827	49,630	(4,793)	(592)	48,758

Deferred tax liabilities relating to equity interest in GHG
Deferred tax liabilities included an amount of $33,446,000 (31 December 2019 : $40,882,000) on account of a provision made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

Deferred tax liabilities not recognised
At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $306,000 (31 December 2019 : $303,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

23 Deferred tax assets and liabilities (cont'd)

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $37,700,000 (31 December 2019 : $34,996,000) and capital allowances of $37,871,000 (31 December 2019 : $5,011,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset has been recognised due to the unpredictability of the relevant future profit streams.

24 Share capital

	Group and Company			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Number of shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,186,249**	1,186,406	**175,234**	173,945
Issued under Scrip Dividend Scheme	**4,713**	3,748	**1,000**	1,289
Shares bought back and held as treasury shares	**(3,472)**	(3,905)	**–**	–
At 31 December	**1,187,490**	1,186,249	**176,234**	175,234

The Company has a single class of ordinary shares. All issued shares carry one vote per share and are entitled to receive dividend as and when declared by the Company. The ordinary shares are fully paid and have no par value.

Issue of shares

During the year, the Company allotted and issued 4,713,000 (2019 : 3,748,000) ordinary shares at an issue price of 21.2 cents (2019 : 34.4 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.6 cent per share for the financial year ended 31 December 2019 (0.6 cent per share for the financial year ended 31 December 2018).

25 Treasury shares

	Group and Company			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Number of shares ('000)		$'000	$'000
At the beginning of the year	**8,288**	4,383	**2,955**	1,523
Repurchased during the year	**3,472**	3,905	**936**	1,432
At the end of the year	**11,760**	8,288	**3,891**	2,955

During the year, the Company acquired 3,472,000 (2019 : 3,905,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $936,000 (2019 : $1,432,000) and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

26 Reserves

	Group		Company	
	31 December 2020 $'000	31December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000 (Restated)
Asset revaluation reserve	**123,001**	142,155	**–**	–
Foreign currency translation account	**(38,139)**	(62,652)	**–**	–
Other capital reserves:				
- Capital reserves	**195,987**	186,295	**101,264**	101,264
- Cash flow hedging account	**(2,090)**	(1,371)	**–**	–
	193,897	184,924	**101,264**	101,264
Investment revaluation reserve	**(1,573)**	–	**–**	–
Revenue reserve	**710,538**	668,257	**315,560**	321,865
	987,724	932,684	**416,824**	423,129

26 Reserves (cont'd)

Asset revaluation reserve
Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of property, plant and equipment which are held for the purpose of production or supply of goods and services.

Foreign currency translation account
Foreign currency translation account comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company, i.e. SGD; as well as from the translation of monetary items which form part of the Group's net investment in foreign operations at the end of the reporting period.

Other capital reserves
Capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech and distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

Investment revaluation reserve
Investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI.

Revenue reserve
Revenue reserve is used to record the balance of amounts available for distributions as defined by regulatory requirements. This is distributable to shareholders as dividend.

27 Dividend

	Group and Company	
	31 December 2020 $'000	**31 December 2019 $'000**
Tax-exempt one-tier first and final dividend and special dividend paid in respect of the previous year		
Cash	**6,104**	9,383
Share	**1,000**	1,289
	7,104	10,672

The Directors proposed a tax exempt one-tier first and final dividend of 0.6 cent per share (2019 : 0.6 cent per share) total amounting to $7,125,000 (2019 : $7,117,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, to be paid in respect of the financial year ended 31 December 2020.

28 Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 4).

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

		Group	
	Note	**31 December 2020 $'000**	**31 December 2019 $'000**
Segment Revenue			
Revenue from contracts with customers:			
Sale of products		**37,364**	101,378
Sale of development properties		**74,567**	65,362
Hotel operations and related income		**32,454**	101,238
Services rendered		**771**	191
Others		**1,475**	1,487
		146,631	269,656
Rental income from investment properties	14	**50,186**	41,033
		196,817	310,689

28 Revenue (cont'd)

		Group	
	Note	31 December 2020 $'000	31 December 2019 $'000
At a point of time:			
Sale of products		**37,364**	101,378
Sale of completed development properties		**10,850**	11,892
Hotel operations – food and beverages		**10,193**	31,008
Over time:			
Sale of development properties under construction		**63,717**	53,470
Hotel operations – room sales and other income		**22,261**	70,230
Services rendered		**771**	191
Others		**1,475**	1,487
		146,631	269,656

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is an amount of $63,717,000 (2019 : $53,470,000) whereby the revenue is recognised based on the percentage of completion method.

As at 31 December 2020, the transaction price allocated to performance obligations that are partially satisfied amounted to $55,842,000 (2019 : $27,404,000). Management expects this amount to be recognised as revenue during the next financial period.

In 2020, the Group received property tax rebate and cash grant from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. Consequently, the Group recognised government grant income of $3,583,000 in the profit or loss as other income. The Group is required to fully pass on the property tax rebate received from the Singapore Government to the tenants in the form of waiver of contractual rent and a government grant expense of $2,396,000 has been recorded as operating expenses in profit or loss for the year (Note 32).

The Group is required to waive up to two months of contractual rent for eligible tenants of its investment properties under the Rental Relief Framework as mandated by the Singapore Government. Consequently, the Group recognised variable lease payment amounting to $3,494,000 as a reduction to income in profit or loss during the year and offset the obligation for rental reliefs against the lease receivable. This amount is offset by the property tax rebate and cash grant from the Singapore Government amounting to $2,396,000 which is included in the government grant income (Note 32).

29 Interest income

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Interest income on bank deposits	**1,948**	2,237
Interest income from debtors	**69**	188
Interest income from related parties	**2,816**	3,411
	4,833	5,836

30 Finance costs

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Interest expense on loans and borrowings	**42,884**	55,454
Amortisation of capitalised finance costs	**4,913**	2,869
Interest expense on lease liabilities	**6**	2
	47,803	58,325

31 Fair value adjustments

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Fair value gain / (loss) from:			
Subsidiaries		**45,077**	33,307
Share of an equity accounted investee	16	**111**	(100)
		45,188	33,207
Represented by:			
Fair value adjustments in respect of:			
- investment properties		**47,385**	33,307
- property, plant and equipment		**(2,308)**	–
- financial instruments	16	**111**	(100)
		45,188	33,207

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
31 December 2020				
Fair value gain on investment properties				
Subsidiaries	14	**47,385**	**(4,332)**	**43,053**
Revaluation deficit on property, plant and equipment				
Subsidiaries	12	**(2,308)**	**692**	**(1,616)**
Fair value gain on financial instruments				
Share of an equity accounted investee	16	**111**	**–**	**111**
		45,188	**(3,640)**	**41,548**
31 December 2019				
Fair value gain on investment properties				
Subsidiaries	14	33,307	(4,297)	29,010
Fair value loss on financial instruments				
Share of an equity accounted investee	16	(100)	–	(100)
		33,207	(4,297)	28,910

During the year, revaluation deficit of $2,308,000 on property, plant and equipment was recognised in the profit or loss, representing the revaluation loss that has exceeded the balance accumulated in the asset revaluation reserve of the same property.

32 Profit before tax

Other than as disclosed elsewhere in these financial statements, profit before tax for the year has been arrived at after charging/(crediting) the following:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**9,199**	8,024
Depreciation of right-of-use assets [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**81**	26
Net (gain)/loss on disposal of property, plant and equipment [included in other operating (income) / expenses]	**(5)**	14
Write-back of allowance for diminution in value for development properties, net [included in other operating (income) / expenses / cost of sales]	**(199)**	(328)
Allowance / (Write-back) of allowance for doubtful trade and other receivables, net [included in other operating (income) / expenses]	**746**	(53)
Bad debts written off [included in other operating expenses]	**25**	429
Foreign exchange (loss) / gain, net [included in other operating expenses]	**(421)**	334
Expenses relating to short term leases [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**284**	293
Net loss on disposal of an investment property [included in other operating expenses]	**–**	48
Write-back of recognised corporate guarantee no longer required [included in other operating income]	**–**	(346)
Cost of inventories recognised as an expense	**35,834**	98,389
Restructuring costs [included in other operating expenses]	**1,144**	–
Rent concessions [included in other operating income]	**(74)**	–
Government grant income [included in other operating income]	**(17,356)**	–
Government grant expense [included in other operating expense]	**2,396**	–
Reversal of accruals for development costs previously capitalised[1] [included in other operating expense]	**(8,744)**	–
Auditors' remuneration[2]		
Audit fees:		
- Auditors of the Company	**434**	380
- Other auditors	**276**	233
Non-audit fees:		
- Auditors of the Company	**400**	177
- Other auditors	**4**	4

32 Profit before tax (cont'd)

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Directors' remuneration		
Of the Company:		
- Salaries and wages	**1,977**	1,988
Of the subsidiaries:		
- Salaries and wages	**531**	1,042
- Defined contribution plans	**25**	26
	2,533	3,056
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	**16,602**	13,897
- Defined contribution plans	**1,440**	1,115
- Others	**390**	74
	18,432	15,086

(1) Following the settlement of the final account of 18 Robinson's construction works, there was a reversal of accruals amounting to $8,744,000 during the year for development costs previously capitalised as part of the investment property under redevelopment. The reversal arose from the finalisation of content of work including variation orders and certain contracted works no longer required with the main contractor. 18 Robinson obtained its temporary occupation permit in January 2019.

(2) The Audit and Risk Committee has reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the auditors

33 Income tax expenses

	Note	Group	
		31 December 2020 $'000	31 December 2019 $'000
Current income tax:			
- Singapore		**1,357**	1,467
- Foreign		**(1,024)**	2,420
- (Over)/Under provision in prior years		**(421)**	918
		(88)	4,805
Withholding tax expense		**107**	70
Deferred tax	23	**1,337**	4,484
		1,356	9,359

Singapore income tax is calculated at 17% (2019 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

33 Income tax expenses (cont'd)

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

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Profit before income tax	**59,887**	42,038
Income tax calculated at 17% (2019 : 17%)	**10,181**	7,146
Adjustments:		
Share of results of an equity-accounted investee	**(4,357)**	(3,665)
Expenses not deductible for tax purposes	**4,600**	4,243
Tax losses not recognised as deferred tax assets	**2,368**	681
Tax losses not available for set-off against future income	**2,057**	3,351
Different tax rates of subsidiaries operating in other jurisdictions	**(654)**	2,945
Income that is not subject to tax	**(11,934)**	(6,110)
Utilisation of tax losses and capital allowance previously not recognised	**(530)**	(143)
(Over)/Under provision in prior years	**(421)**	918
Withholding tax expense	**107**	70
Others	**(61)**	(77)
	1,356	9,359

34 Earnings per share

Analysis of the Group's profit from operations and fair value adjustments are as follows:

	Note	Group		
		Before fair value adjustments $'000	Fair value adjustments $'000	After fair value adjustments $'000
31 December 2020				
Profit before tax		**14,699**	**45,188**	**59,887**
Income tax benefit / (expenses)	31, 33	**2,284**	**(3,640)**	**(1,356)**
Profit for the year		**16,983**	**41,548**	**58,531**
Less:				
Non-controlling interests		**(478)**	**–**	**(478)**
Profit attributable to owners of the Company		**17,461**	**41,548**	**59,009**
31 December 2019				
Profit before tax		8,831	33,207	42,038
Income tax expenses	31, 33	(5,062)	(4,297)	(9,359)
Profit for the year		3,769	28,910	32,679
Less:				
Non-controlling interests		(534)	–	(534)
Profit attributable to owners of the Company		4,303	28,910	33,213

34 Earnings per share (cont'd)

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Profit attributable to owners of the Company		
Before fair value adjustments	**17,461**	4,303
Fair value adjustments	**41,548**	28,910
After fair value adjustments	**59,009**	33,213
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**5.0**	2.8
Excluding fair value adjustments	**1.5**	0.4
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,186,580**	1,186,095

There is no dilutive ordinary share in 2020 and 2019.

35 Other comprehensive income

	Note	Group		
		Before tax $'000	Deferred tax $'000	After tax $'000
2020				
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**(27,263)**	**8,179**	**(19,084)**
Fair value loss on investments in equity instruments designated as FVTOCI	17	**(1,573)**	**–**	**(1,573)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**26,938**	**–**	**26,938**
Share of exchange differences on translation of equity accounted investees		**(2,516)**	**–**	**(2,516)**
Cash flow hedges		**(1,027)**	**308**	**(719)**
		(5,441)	**8,487**	**3,046**
2019				
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	4,292	(1,288)	3,004
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(12,953)	–	(12,953)
Share of exchange differences on translation of equity accounted investees		(1,131)	–	(1,131)
Cash flow hedges		(939)	282	(657)
		(10,731)	(1,006)	(11,737)

35 Other comprehensive income (cont'd)

During the year, the Group entered into certain interest rate swap contracts to hedge its interest rate risk exposures. Derivatives that are designated and effective as hedging instruments are carried at fair value.

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Derivatives that are designated and effective as hedging instruments carried at fair value	**2,038**	939

The Group used interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with notional principal amount of A$177 million have fixed interest payments at a weighted average fixed rate of 1.19% per annum for periods up until January 2022 and have a floating interest rate of 3-month Bank Bill Swap Bid Rate.

All of the Group's interest rate swaps are designated and effective as cash flow hedges and the fair value change of these interest rate swaps, amounting to $1,027,000 (2019 : $939,000) has been recognised in other comprehensive income during the year.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	31 December 2020 per annum	31 December 2019 per annum	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Group						
3 month	**1.19%**	1.19%	**178,735**	165,991	**2,038**	939

36 Significant related party transactions

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the major shareholder, associates and the Directors of the Company and their associates:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Transactions with major shareholder		
Sale of products and services rendered	**3,656**	16,190
Rental income	**2,028**	1,905
Interest income	**2,816**	3,411
Purchase of products and services	**(25,792)**	(78,496)
Purchase of property, plant and equipment	**(203)**	–
Transactions with associates		
Management fee income	**180**	180
Transactions with Directors of the Company and their associates		
MTN interest expense	**(93)**	(158)
Transactions with key management personnel of the Group		
MTN interest expense	**(24)**	–

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related party transactions with major shareholder refer to transactions with the companies in which the shareholders of Nuri and their family members have a controlling interest in. The related party transactions are entered into in the normal course of business based on terms agreed between the parties.

One of the Group's subsidiary, SP Resources International Pte Ltd, is reliant on two related parties for the supply of 100% (2019 : 100%) of its coal. In addition, the Group supplies 100% (2019 : 100%) of its rubber products to two customers (2019 : one customer) who are related parties.

36 Significant related party transactions (cont'd)

At the end of the reporting year, the Group had commitments to lease certain commercial properties to Nuri and a related party of the Group. These non-cancellable operating leases have remaining lease terms of 2 months to 79 months (2019 : 2 months to 91 months). Future minimum lease receivables under these leases not recognised as receivables at the end of each reporting period were as follows:

Commitment with related parties

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Commitment with major shareholder		
Operating leases:		
- Within one year	**672**	630
- Year 2	**419**	386
- Year 3	**432**	398
- Year 4	**445**	409
- Year 5	**458**	422
- After five years	**752**	1,147
	3,178	3,392

Remuneration of Directors and key management personnel

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Short-term benefits and fees	**3,507**	4,081
Post-employment benefits (defined contribution plan)	**77**	80
	3,584	4,161

37 Acquisition of subsidiary

On 8 April 2019, the Group completed the acquisition of the entire issued share capital of PT Titian Damai Mandiri ("TDM") for a cash consideration of S$5.0 million. PT Titian Damai Mandiri is the legal and beneficial owner of a 40 hectares of land in Batam (Note 10).

	Group
	31 December 2019 $'000
Consideration transferred	
Cash	4,998
Assets acquired and liabilities assumed:	
Current assets	
Development properties	5,074
Cash and cash equivalents	321
Net assets acquired and liabilities assumed	5,395
Discount on acquisition	
Consideration transferred	4,998
Less: Fair value of identifiable net assets acquired	(5,395)
Discount on acquisition	(397)
Net cash outflow arising on acquisition	
Consideration transferred	4,998
Less: Cash and cash equivalent acquired	(321)
Net cash outflow on acquisition	4,677

38 Commitments

Capital commitments

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**50,715**	23,676
Capital expenditure contracted for but not provided in the financial statements	**61**	6,721
Share of commitments of equity-accounted investees		
- Capital expenditure contracted for but not provided in the financial statements	**8,781**	6,970

Operating lease commitments - where the Group is a lessor

The Group enters into commercial property leases on its investment property portfolio, consisting of commercial and industrial buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. As at the end of the reporting period, these non-cancellable leases had remaining lease terms of between 1 month and 5.25 years (2019 : 1 month and 7 years).

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with a constant increase in value over the years. The Group did not identify any indications that this situation will change.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of each reporting period but not recognised as receivables were as follows:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Year 1	**36,191**	38,174
Year 2	**31,309**	28,642
Year 3	**22,801**	21,409
Year 4	**13,650**	9,195
Year 5	**9,300**	5,469
Year 6 and onwards	**247**	1,947
Total	**113,498**	104,836

39 Contingent liabilities

	Company	
	31 December 2020 $'000	31 December 2019 $'000
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**1,248,113**	1,140,426

The Group recognised a financial guarantee of $4,998,000 (2019 : $4,998,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary (Note 16).

40 Financial risk management

Financial risk management policies and objectives

The Group has documented financial risk management policies approved by the Board of Directors. The policies consist of guidelines and rules to identify and manage periodically significant risks that might affect the achievement of business objectives, outputs, projects or operating processes at the Group, subsidiary or business unit level. Guidelines and rules are reviewed annually by the Group to ensure that they remain relevant. The Group's overall risk management program seeks to minimise potentially adverse effects on financial performance of the Group.

The Group's risk management process is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile. The key risks relating to financial management include foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing cash in excess of short-term operational requirement.

40 Financial risk management (cont'd)

Factors behind financial risks
The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise potentially adverse effects arising from the unpredictability of the financial markets on the Group's financial performance.

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in Notes 40(a) and 40(b) to the financial statements.

Natural hedging is preferred by matching assets and liabilities of the same currency. Derivative financial instruments are only used where it is necessary to reduce the Group's exposure to fluctuations in foreign exchange and interest rates or to comply with covenants imposed by banks. While these financial instruments are subject to risk of change in market rates subsequent to their acquisition, such changes are generally offset by opposite effects on the items being hedged. The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no major change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analyses indicated in Notes 40(a) and 40(b) to the financial statements.

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

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Financial assets				
Financial assets at FVTOCI	**29,343**	30,916	**–**	–
Financial assets at amortised cost	**371,311**	281,644	**331,729**	415,826
	400,654	312,560	**331,729**	415,826
Financial liabilities				
Financial liabilities at amortised cost	**1,561,386**	1,810,364	**487,362**	560,145
Financial guarantee contracts	**–**	–	**14,876**	22,730
Lease liabilities	**138**	115	**9,473**	1,060
	1,561,524	1,810,479	**511,711**	583,935
Derivative financial instruments	**2,038**	939	**–**	–
	1,563,562	1,811,418	**511,711**	583,935

(a) Currency risk

The Group's subsidiaries operate mainly in Singapore, Australia, China, Malaysia and Indonesia. As for its associates, GulTech operates mainly in China and Singapore, Pan-West operates mainly in Singapore, SSRE operates in China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore dollar ("SGD"), Australian dollar ("AUD"), United States dollar ("USD"), Malaysian Ringgit ("MYR") and Indonesian Rupiah ("IDR"). Currency risk arises when transactions are denominated in foreign currencies.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations mainly in Australia and China. As far as possible, the Group relies on natural hedges of matching foreign assets and liabilities of the same currency.

The Group does not enter into currency options and does not use forward foreign exchange contracts for speculative trading purposes.

40 Financial risk management (cont'd)

(a) Currency risk (cont'd)

Currency risk exposure

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies were as follows:

	SGD $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2020				
Financial assets				
Cash and bank balances	**163**	**41**	**38,026**	**140**
Trade and other receivables	**27**	**–**	**3**	**29**
	190	**41**	**38,029**	**169**
Financial liabilities				
Trade and other payables	**(336)**	**(255)**	**–**	**(104)**
Net financial (liabilities)/assets	**(146)**	**(214)**	**38,029**	**65**
Net currency exposure	**(146)**	**(214)**	**38,029**	**65**
At 31 December 2019				
Financial assets				
Cash and bank balances	63	47	35,059	114
Trade and other receivables	50	–	14	333
	113	47	35,073	447
Financial liabilities				
Trade and other payables	(310)	(19)	–	(61)
Net financial (liabilities)/assets	(197)	28	35,073	386
Net currency exposure	(197)	28	35,073	386

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency were as follows:

	31 December 2020		31 December 2019	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Cash and bank balances	**38,026**	–	**35,059**	–
Amounts due from subsidiaries	**–**	11	**–**	43
	38,026	11	**35,059**	43
Financial liabilities				
Amounts due to subsidiaries	**(37,298)**	–	**(34,639)**	–
Net financial assets	**728**	11	**420**	43
Net currency exposure	**728**	11	**420**	43

Sensitivity analysis for currency risk

The following table details the sensitivity to a 10% increase/decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss and/or equity.

40 Financial risk management (cont'd)

(a) Currency risk (cont'd)

Sensitivity analysis for currency risk (cont'd)
If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit or loss may increase (decrease) by:

	SGD		USD	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Group				
Profit or Loss	**15**	20	**21**	(3)
Company				
Profit or Loss	**–**	–	**–**	–

	AUD		Others	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Group				
Profit or Loss	**(3,803)**	(3,507)	**(7)**	(39)
Company				
Profit or Loss	**(73)**	(42)	**(1)**	(4)

The strengthening of the relevant foreign currency against the functional currency of each Group entity at the end of the reporting year would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(b) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument may fluctuate because of changes in interest rates in the market.

The Group's exposure to interest rate risk arises mainly from bank borrowings. The Group aims to optimise net interest cost and to reduce volatility in the finance cost. The Group borrows mainly variable rate debts with varying tenures. A summary of the Group's interest-bearing financial instruments is disclosed in Note 40(d) to these financial statements.

Other than those disclosed in Note 35, the Group does not use derivative financial instruments to hedge fluctuations in interest rates for its borrowings.

Sensitivity analysis for interest rate risk
The sensitivity analysis below is based on the exposure to interest rates for non-derivative instruments at the end of the reporting year and assumes that the change took place at the beginning of the financial year and was held constant throughout the reporting year. The magnitude represents the Group's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $10,477,000 (2019 : decrease or increase by $13,262,000).

The Company's profit or loss was not affected by changes in interest rates as the Company did not have any borrowings or inter-company loans that are at variable rates.

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

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from such defaults. Credit risk on cash and bank balances and derivative financial instrument is limited as these balances are placed with or transacted with institutions of repute. The Group manages these risks by monitoring credit worthiness and limiting the aggregate use to any individual counterparty. The Group does not expect to incur material credit losses on its financial instruments.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

40 Financial risk management (cont'd)

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

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

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

The assessment of the credit quality and exposure to credit risk of the Group's trade and other receivables have been disclosed in Note 6. The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
31 December 2020						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**32,085**	**(945)**	**31,140**
Other receivables	6	In default	Lifetime ECL – credit impaired	**5,531**	**(180)**	**5,351**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**46,966**	**–**	**46,966**
Refundable trade deposit with a related party	21	Performing	12-month ECL	**7,999**	**–**	**7,999**
Loans to a related party	21	Performing	12-month ECL	**5,463**	**–**	**5,463**
					(1,125)	
31 December 2019						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	39,175	(748)	38,427
Other receivables	6	In default	Lifetime ECL – credit impaired	6,373	(126)	6,247
Contract assets	7	(i)	Lifetime ECL (simplified approach)	29,974	–	29,974
Refundable trade deposit with related party	21	Performing	12-month ECL	8,135	–	8,135
Loans to related parties	21	Performing	12-month ECL	26,587	–	26,587
					(874)	

40 Financial risk management (cont'd)

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company						
31 December 2020						
Other receivables	6	In default	Lifetime ECL – credit impaired	**280**	**(72)**	**208**
Amount due from subsidiaries	20	Performing	12-month ECL	**305,609**	**(24,276)**	**281,333**
					(24,348)	
31 December 2019						
Other receivables	6	In default	Lifetime ECL – credit impaired	191	(72)	119
Amount due from subsidiaries	20	Performing	12-month ECL	402,402	(24,253)	378,149
					(24,325)	

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 6 includes further details on the loss allowance for these receivables.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

With respect to trade and other receivables at the end of the reporting year, trade amounts due from related parties includes an amount of $14,360,000 (2019 : $20,315,000) which comprised of 2 (2019 : 2) major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2020.

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

	Group	
	31 December 2020 $'000	31 December 2019 $'000
By geographical area		
Singapore	**12,709**	19,543
Australia	**4,282**	3,437
China (Including Hong Kong)	**3,601**	3,431
Malaysia	**1,834**	2,131
Indonesia	**8,696**	9,591
United States of America (USA)	**18**	279
Others	**–**	15
	31,140	38,427
By type of customers		
Related parties	**15,629**	21,720
Non-related parties	**15,511**	16,707
	31,140	38,427
By industry sector		
Property	**4,871**	5,089
Hotels investment	**3,265**	3,232
Industrial services	**23,004**	30,106
	31,140	38,427

40 Financial risk management (cont'd)

(d) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and borrowings with different tenures. Due to the dynamic nature of the businesses the Group is in, the Group aims at maintaining flexibility in funding and keeping adequate committed credit facilities available.

As at 31 December 2020, the Company's current liabilities exceed its current assets by $108,574,000 (31 December 2019 : $167,667,000). The directors are satisfied that the Company is able to refinance the loans that are due and it will not affect its ability to continue as a going concern within the next 12 months.

Analysis for liquidity and interest risk - non-derivative financial liabilities
The following tables detail the effective annual interest rates and the remaining contractual maturity for non-derivative financial liabilities at the end of the reporting year.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents possible future cash flow attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2020							
Non-interest bearing	**–**	**96,110**	**322**	**–**	**–**	**–**	**96,432**
Lease liabilities (Fixed rate)	**2.0 - 3.3**	**59**	**63**	**25**	**–**	**(9)**	**138**
Fixed interest rate instruments	**2.0 - 7.75**	**13,108**	**374,458**	**3,794**	**–**	**(24,219)**	**367,141**
Variable interest rate Instruments	**2.0**	**219,922**	**532,166**	**360,808**	**–**	**(15,083)**	**1,097,813**
		329,199	**907,009**	**364,627**	**–**	**(39,311)**	**1,561,524**
31 December 2019							
Non-interest bearing	–	98,683	349	–	–	–	99,032
Fixed interest rate instruments	2.8 - 6.0	159,525	5,652	204,449	–	(21,405)	348,221
Variable interest rate instruments	2.6 - 3.1	157,598	116,605	1,156,181	–	(67,158)	1,363,226
		415,806	122,606	1,360,630	–	(88,563)	1,810,479
Company							
31 December 2020							
Non-interest bearing	**–**	**423,300**	**–**	**–**	**–**	**–**	**423,300**
Other provision (Fixed rate)	**2.8**	**–**	**–**	**307**	**–**	**(40)**	**267**
Lease liabilities (Fixed rate)	**2.0 - 2.8**	**2,173**	**1,989**	**5,963**	**–**	**(652)**	**9,473**
Fixed interest rate instruments	**7.75**	**5,037**	**66,905**	**–**	**–**	**(8,147)**	**63,795**
Financial guarantee contracts	**–**	**14,876**	**–**	**–**	**–**	**–**	**14,876**
		445,386	**68,894**	**6,270**	**–**	**(8,839)**	**511,711**
31 December 2019							
Non-interest bearing	–	411,442	–	–	–	–	411,442
Fixed interest rate instruments	6.0	153,847	–	–	–	(4,084)	149,763
Financial guarantee contracts	–	22,730	–	–	–	–	22,730
		588,019	–	–	–	(4,084)	583,935

40 Financial risk management (cont'd)

(d) Liquidity risk (cont'd)

At the end of the reporting year, the maximum amount that the Company could be forced to settle under the financial guarantee contracts if the full guaranteed amounts is claimed by the counterparty to the guarantee is $1,248,113,000 (2019 : $1,140,426,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

As at the end of the reporting year, the Group's total obligation on guarantees in connection with Pan-West's bank facilities amounted to $4,998,000 (2019 : $4,998,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

Analysis for liquidity and interest risk - non-derivative financial assets

The following tables detail the effective annual interest rates and the expected maturity for non-derivative financial assets at the end of the reporting year. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different year. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2020							
Non-interest bearing	**–**	**174,059**	**–**	**4**	**9**	**–**	**174,072**
Variable interest rate instruments	**0.2 - 4.5**	**50,368**	**–**	**–**	**–**	**(220)**	**50,148**
Fixed interest rate instruments	**0.03 - 7.5**	**144,889**	**2,974**	**–**	**–**	**(772)**	**147,091**
		369,316	**2,974**	**4**	**9**	**(992)**	**371,311**
31 December 2019							
Non-interest bearing	–	95,886	4	21	9	–	95,920
Variable interest rate instruments	0.2 - 6.2	37,335	–	–	–	(299)	37,036
Fixed interest rate instruments	0.8 - 7.5	127,607	23,157	–	–	(2,076)	148,688
		260,828	23,161	21	9	(2,375)	281,644
Company							
31 December 2020							
Non-interest bearing	**–**	**331,729**	**–**	**–**	**–**	**–**	**331,729**
31 December 2019							
Non-interest bearing	–	415,826	–	–	–	–	415,826

(e) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, provisions and other liabilities approximated their respective fair values due to their relative short-term maturity. The fair value of financial assets at FVTOCI is disclosed in Note 17.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

40 Financial risk management (cont'd)

(e) Fair value of financial assets and financial liabilities (cont'd)

The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2. The valuation technique and key input is future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

At the end of each reporting year, the Group's FVTOCI was measured based on Level 3. The fair value of the investment as at 31 December 2020 was determined by reference to the fair value of underlying assets and the valuation was carried out by an independent valuer.

Reconciliation of Level 3 fair value measurement:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Balance as at beginning of the year	**30,916**	–
Addition	**–**	30,916
Fair value loss	**(1,573)**	–
Balance as at end of the year	**29,343**	30,916

(f) Capital risk

In managing capital, the Group's objectives are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to provide appropriate returns to shareholders and benefits for other stakeholders through pricing its products and services at levels commensurate with the level of risks it is exposed to.

The capital structure of the Group consists of loans and borrowings disclosed in Note 18, issued capital, reserves and retained earnings disclosed in Notes 24 and 26 to the financial statements.

In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group's overall strategy remains unchanged from the prior years.

The Group monitors capital risks through measuring the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in Note 18, less cash and bank balances as disclosed in Note 5 to the financial statements.

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Total borrowings	**1,464,953**	1,711,332
Total equity	**1,173,498**	1,119,073
Gross gearing (times)	**1.25**	1.53
Net borrowings	**1,190,561**	1,539,058
Total equity	**1,173,498**	1,119,073
Net gearing (times)	**1.01**	1.38

The gross gearing of 1.25 times excludes the borrowings of 39 Robinson Road Pte Ltd which is classified as liabilities associated with assets held for sale. Had we included the borrowings of 39 Robinson Road Pte Ltd, the gross gearing would have been 1.50 times as at 31 December 2020.

40 Financial risk management (cont'd)

(g) Equity price risk management

The Group is exposed to equity risks arising from equity investment classified as FVTOCI. Equity investment measured at FVTOCI is held for strategic rather than trading purposes. The Group does not actively trade such investment. Further details of this equity investment can be found in Note 17.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. In respect of equity investment at FVTOCI, if equity price had been 10% higher/lower while all other variables were held constant, the Group's asset revaluation reserve would increase/decrease by approximately $2.9 million.

41 Listing of significant subsidiaries

Information relating to the significant subsidiaries is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest and voting power held by the Group 31 December 2020 %	31 December 2019 %
Significant subsidiaries directly held by the Company					
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Dillenia Land Pte. Ltd.		Property development	Singapore	**100**	100
Episcia Land Pte. Ltd.		Property development	Singapore	**100**	100
Gerbera Land Pte. Ltd.		Property development	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
SP Corporation Limited		Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	**80.2**	80.2
SP Global Hong Kong Limited	(i)	Investment holding	Hong Kong	**80.2**	80.2
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(ii)	Property development	Indonesia	**90**	90
PT Titian Damai Mandiri	(ii)	Property development	Indonesia	**100**	100

All subsidiaries in Singapore are audited by Deloitte & Touche LLP, Singapore.

(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
(ii) Analytical review performed for purpose of consolidation.

42 Listing of significant associates

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions.

Information relating to the significant associates is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest and voting power held by the Group	
				31 December 2020	31 December 2019
				%	%
Gul Technologies Singapore Pte. Ltd.	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5
Sanya Summer Real Estate Co. Ltd	(ii),(iii)	Property Developer	China	**7.8**	7.8

(i) Audited by Deloitte & Touche LLP, Singapore
(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited
(iii) The Group has significant influence via representation on the board of directors, and participation in policy-making processes

43 Adoption of new and revised standards

On 1 January 2020, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

COVID-19-Related Rent Concessions Amendment to SFRS(I) 16

In May 2020, the ASC issued COVID-19-Related Rent Concessions (Amendment to SFRS(I) 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Company has applied the amendment to SFRS(I) 16 (as issued by the ASC in May 2020) in advance of its effective date.

Impact on accounting for changes in lease payments applying the exemption

The Company has applied the practical expedient retrospectively to all rent concessions that meet the conditions in SFRS(I) 16:46B, and has not restated prior period figures.

The Company has benefited from a one-month waiver of lease payments on a lease of office space. The waiver of lease payments of $21,000 has been accounted for as a rental relief from landlord under other income in profit or loss.

The Company has benefited from a 2-month waiver of lease payments on buildings. The waiver of lease payments of $53,000 has been accounted for as a rental relief from landlord under other income in profit or loss.

44 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements that are relevant to the Group and the Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2021
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*

Effective for annual periods beginning on or after 1 January 2022
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*

Effective for annual periods beginning on or after 1 January 2023
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Effective date is deferred indefinitely
- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

As discussed in Note 43, the Company has early adopted the Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions, which was effective for annual periods beginning on or after 1 June 2020.

45 Reclassification and comparative figures

(a) The carrying amount of a certain completed development property amounting to $1,544,000 classified as property, plant and equipment in 2019 should remain as development properties at 2019 as there was no change in use. Hence, the comparative has been reclassified.

	Group	
	31 December 2019	
	As previously reported $'000	As reclassified $'000
Property, plant and equipment	414,256	412,712
Transfer from development properties following change in use under property, plant and equipment (Note 12)	2,638	1,094
Development properties	343,067	344,611

(b) The Company had de-recognised the deemed investments amounting to $1,476,000 arising from financial guarantees granted to certain subsidiaries that were liquidated prior to 1 January 2019, resulting in the following restatement made to prior year's financial statements:

	Company	
	31 December 2019	
	As previously reported $'000	As restated $'000
Investments in subsidiaries	760,760	759,284
Reserves	424,605	423,129