

Company Registration No. 198601009N

Allgreen Properties Limited and
its subsidiary companies

Annual Report
For the financial year ended 31 December 2022

Allgreen Properties Limited and its subsidiary companies**Directors' Statement**

Directors

Kuok Oon Kwong
 Lee Yew Kwung
 Teo Keng Chiong
 Yong Hsin Yue
 Thai Kum Foon
 Tho Leong Chye
 Suraya Bte Abdullah @ Kuok Suon Kwong
 Low Soon Teck (Alternate to Yong Hsin Yue)

Company Secretary

Ooi Pooi Teng

Registered Office

1 Kim Seng Promenade
 #07-01 Great World City
 Singapore 237994

Principal Bankers

DBS Bank Limited
 Overseas-Chinese Banking Corporation Limited
 United Overseas Bank Limited
 Malayan Banking Berhad
 Standard Chartered Bank
 The Hongkong and Shanghai Banking Corporation Limited

Auditor

Ernst & Young LLP

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Allgreen Properties Limited and its subsidiary companies

Directors' Statement

The directors are pleased to present their statement to the member together with the audited consolidated financial statements of Allgreen Properties Limited (the "Company") and its subsidiary companies (collectively, the "Group"), and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Kuok Oon Kwong
Lee Yew Kwung
Teo Keng Chiong
Yong Hsin Yue
Thai Kum Foon
Tho Leong Chye
Suraya Bte Abdullah @ Kuok Suon Kwong
Low Soon Teck (Alternate to Yong Hsin Yue)

In accordance with Article 94 of the Company's Constitution, Yong Hsin Yue and Thai Kum Foon retire from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

According to the Register of Directors' Shareholdings' required to be kept by the Company under Section 164 of the Companies Act 1967, none of the directors who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of the related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Allgreen Properties Limited and its subsidiary companies

Directors' Statement

Options

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiary companies.

No shares were issued by virtue of the exercise of options.

There were no unissued shares of the Company or of its subsidiary companies under option at the end of the financial year.

Auditors

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

On behalf of the board of directors:

DocuSigned by:

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Kuok Oon Kwong
Chairman

DocuSigned by:

E2F3612D231549F...

Lee Yew Kwung
Chief Executive Officer

Singapore
12 May 2023

Allgreen Properties Limited and its subsidiary companies

**Independent Auditor's Report
For the financial year ended 31 December 2022**

Independent Auditor's Report to the Member of Allgreen Properties Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Allgreen Properties Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Allgreen Properties Limited and its subsidiary companies**Independent Auditor's Report****For the financial year ended 31 December 2022****Independent Auditor's Report to the Member of Allgreen Properties Limited (cont'd)**

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 FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Allgreen Properties Limited and its subsidiary companies

Independent Auditor's Report

For the financial year ended 31 December 2022

Independent Auditor's Report to the Member of Allgreen Properties Limited (cont'd)

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

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

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

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.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

12 May 2023

Allgreen Properties Limited and its subsidiary companies**Balance Sheets****As at 31 December 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	484,182	482,517	640	1,267
Investment property under construction	5a	582,167	499,231	—	—
Investment properties	5b	2,459,000	2,388,500	—	—
Right-of-use assets		182	172	—	666
Other assets	25	9,741	12,024	—	—
Subsidiary companies	6	—	—	1,974,154	1,959,727
Associated companies	7	537,055	642,230	—	—
Equity instrument at FVOCI	15	16,654	6,140	—	—
Derivative assets	22	67,106	13,772	—	—
		4,156,087	4,044,586	1,974,794	1,961,660
Current assets					
Development properties	8	120,120	599,755	35,023	168,253
Contract costs	8	247,250	383,381	—	2,399
Contract assets	9	230,451	403,989	38,260	33,805
Trade receivables	10	315,224	39,456	634	1,280
Other receivables	11	31,997	41,020	5,127	269
Deposits	12	337	328	—	7
Prepayments		2,134	1,254	852	72
Associated companies classified as held-for-sale	13	—	1,601	—	—
Cash and cash equivalents	14	121,815	192,282	6,905	18,858
		1,069,328	1,663,066	86,801	224,943
Total assets		5,225,415	5,707,652	2,061,595	2,186,603
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	1,177,185	1,177,185	1,177,185	1,177,185
Reserves	17	163,930	239,820	—	—
Retained earnings		1,623,402	1,464,559	637,611	619,703
		2,964,517	2,881,564	1,814,796	1,796,888
Non-controlling interests	18	471,740	445,413	—	—
Total equity		3,436,257	3,326,977	1,814,796	1,796,888

Allgreen Properties Limited and its subsidiary companies**Balance Sheets
As at 31 December 2022**

		Group		Company	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Borrowings	19	1,275,228	1,811,345	–	138,430
Lease liabilities		52	132	–	–
Rental deposits	20	20,649	15,039	–	–
Deferred tax liabilities	21	89,430	71,538	–	–
		1,385,359	1,898,054	–	138,430
Current liabilities					
Trade payables	23	34,099	70,657	2,111	7,162
Rental deposits	20	7,943	8,062	–	–
Other payables	24	71,367	39,262	6,717	5,238
Contract liabilities	9	82,078	89,170	–	–
Advances from subsidiary companies	26	–	–	237,770	237,916
Borrowings	19	196,000	263,973	–	–
Lease liabilities		133	48	–	686
Provision for taxation		12,179	11,449	201	283
		403,799	482,621	246,799	251,285
Total liabilities		1,789,158	2,380,675	246,799	389,715
Total equity and liabilities		5,225,415	5,707,652	2,061,595	2,186,603
Net current assets/(liabilities)		665,529	1,180,445	(159,998)	(26,342)
Net assets		3,436,257	3,326,977	1,814,796	1,796,888

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

Allgreen Properties Limited and its subsidiary companies**Consolidated Income Statement
For the financial year ended 31 December 2022**

		Group	
	Note	2022 \$'000	2021 \$'000
Revenue	27	955,650	881,500
Cost of sales		(752,933)	(730,761)
Gross profit		202,717	150,739
Other income - net	28	15,247	21,818
Distribution and selling expenses		(23,303)	(11,990)
Administrative expenses		(30,067)	(21,799)
Other expenses		(28,165)	(30,800)
Finance costs		(28,361)	(30,256)
Share of results of associated companies		922	(8,430)
Profit before fair value changes on investment properties, investment property under construction and derivative assets		108,990	69,282
Fair value gain on investment properties and investment property under construction		43,987	57,127
Net gain in fair value of derivative assets		47,989	21,241
Profit before taxation	29	200,966	147,650
Taxation	30	(23,402)	(5,193)
Profit for the year		177,564	142,457
Profit attributable to:			
Owners of the Company		158,843	142,823
Non-controlling interests		18,721	(366)
		177,564	142,457

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

Allgreen Properties Limited and its subsidiary companies**Consolidated Statement of Comprehensive Income
For the financial year ended 31 December 2022**

		Group	
	Note	2022 \$'000	2021 \$'000
Profit for the year		177,564	142,457
Other comprehensive (loss)/income			
<i><u>Items that will not be reclassified to profit or loss:</u></i>			
Revaluation surplus on hotel property	4	13,905	8,676
Deferred tax on revaluation surplus on hotel property	21	967	10,054
Net gain/(loss) on equity instrument designated at fair value through other comprehensive income	15	2,273	(640)
Deferred tax on net gain on equity instrument designated at fair value through other comprehensive income	21	(244)	—
<i><u>Items that may be reclassified subsequently to profit or loss:</u></i>			
Foreign currency translation		(90,153)	34,973
Hedge reserve		5,346	1,810
Other comprehensive (loss)/income for the year, net of taxation		(67,906)	54,873
Total comprehensive income for the year		109,658	197,330
Total comprehensive income attributable to:			
Owners of the Company		82,953	186,916
Non-controlling interests		26,705	10,414
		109,658	197,330

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

Allgreen Properties Limited and its subsidiary companies

**Statements of Changes in Equity
For the financial year ended 31 December 2022**

Group	Attributable to owners of the Company									
	Share capital	Total reserves	Asset revaluation reserve	Fair value reserve of financial asset at FVOCI	Hedging reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	(Note 16) \$'000	\$'000	(Note 17) \$'000	(Note 17) \$'000	(Note 17) \$'000	(Note 17) \$'000	\$'000	\$'000	\$'000	\$'000
As at 1 January 2022	1,177,185	239,820	196,548	(640)	1,810	42,102	1,464,559	2,881,564	445,413	3,326,977
Profit for the year	–	–	–	–	–	–	158,843	158,843	18,721	177,564
Other comprehensive (loss)/income										
Revaluation surplus on hotel property	–	7,703	7,703	–	–	–	–	7,703	6,202	13,905
Deferred tax on revaluation surplus on hotel property	–	536	536	–	–	–	–	536	431	967
Net gain on equity instrument designated at fair value through other comprehensive income	–	2,273	–	2,273	–	–	–	2,273	–	2,273
Deferred tax on net gain on equity instrument designated at fair value through other comprehensive income	–	(244)	–	(244)	–	–	–	(244)	–	(244)
Net gain in fair value of derivative assets	–	3,905	–	–	3,905	–	–	3,905	1,441	5,346
Foreign currency translation	–	(90,063)	–	–	–	(90,063)	–	(90,063)	(90)	(90,153)
Other comprehensive (loss)/income for the year	–	(75,890)	8,239	2,029	3,905	(90,063)	–	(75,890)	7,984	(67,906)
Total comprehensive (loss)/income for the year, net of tax	–	(75,890)	8,239	2,029	3,905	(90,063)	158,843	82,953	26,705	109,658

Allgreen Properties Limited and its subsidiary companies**Statements of Changes in Equity
For the financial year ended 31 December 2022**

Group	Attributable to owners of the Company									
	Share capital (Note 16) \$'000	Total reserves \$'000	Asset revaluation reserve (Note 17) \$'000	Fair value reserve of financial asset at FVOCI (Note 17) \$'000	Hedging reserve (Note 17) \$'000	Foreign currency translation reserve (Note 17) \$'000	Retained earnings \$'000	Equity attributable to owners of the Company total \$'000	Non-controlling interests \$'000	Total equity \$'000
<u>Contribution by and distributions to owners</u>										
Liquidation of a subsidiary company	—	—	—	—	—	—	—	—	(260)	(260)
Dividend	—	—	—	—	—	—	—	—	(3,568)	(3,568)
Total transactions with owners in its capacity as owners	—	—	—	—	—	—	—	—	(3,828)	(3,828)
Loan from non-controlling interest of subsidiary companies	—	—	—	—	—	—	—	—	3,450	3,450
As at 31 December 2022	1,177,185	163,930	204,787	1,389	5,715	(47,961)	1,623,402	2,964,517	471,740	3,436,257

Allgreen Properties Limited and its subsidiary companies**Statements of Changes in Equity****For the financial year ended 31 December 2022**

Group	Attributable to owners of the Company									
	Share capital (Note 16) \$'000	Total reserves \$'000	Asset revaluation reserve (Note 17) \$'000	Fair value reserve of financial asset at FVOCI (Note 17) \$'000	Hedging reserve (Note 17) \$'000	Foreign currency translation reserve (Note 17) \$'000	Retained earnings \$'000	Equity attributable to owners of the Company total \$'000	Non-controlling interests \$'000	Total equity \$'000
As at 1 January 2021	1,177,185	195,727	186,171	–	–	9,556	1,321,736	2,694,648	437,046	3,131,694
Profit for the year	–	–	–	–	–	–	142,823	142,823	(366)	142,457
<u>Other comprehensive income/(loss)</u>										
Revaluation surplus on hotel property	–	4,807	4,807	–	–	–	–	4,807	3,869	8,676
Deferred tax expense on revaluation surplus	–	5,570	5,570	–	–	–	–	5,570	4,484	10,054
Net loss on equity instrument designated at fair value through other comprehensive income	–	(640)	–	(640)	–	–	–	(640)	–	(640)
Net gain in fair value of derivative assets	–	1,810	–	–	1,810	–	–	1,810	–	1,810
Foreign currency translation	–	32,546	–	–	–	32,546	–	32,546	2,427	34,973
Other comprehensive income/(loss) for the year	–	44,093	10,377	(640)	1,810	32,546	–	44,093	10,780	54,873
Total comprehensive income/(loss) for the year, net of tax	–	44,093	10,377	(640)	1,810	32,546	142,823	186,916	10,414	197,330

Allgreen Properties Limited and its subsidiary companies**Statements of Changes in Equity
For the financial year ended 31 December 2022**

Group	Attributable to owners of the Company									
	Share capital	Total reserves	Asset revaluation reserve	Fair value reserve of financial asset at FVOCI	Hedging reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company total	Non-controlling interests	Total equity
	(Note 16)		(Note 17)	(Note 17)	(Note 17)	(Note 17)				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Contribution by and distributions to owners</u>										
Liquidation of a subsidiary company	—	—	—	—	—	—	—	—	(716)	(716)
Total transactions with owners in its capacity as owners	—	—	—	—	—	—	—	—	(716)	(716)
Repayment of loan to non-controlling interest of subsidiary	—	—	—	—	—	—	—	—	(1,331)	(1,331)
As at 31 December 2021	1,177,185	239,820	196,548	(640)	1,810	42,102	1,464,559	2,881,564	445,413	3,326,977

Allgreen Properties Limited and its subsidiary companies**Statements of Changes in Equity
For the financial year ended 31 December 2022**

Company	Share capital (Note 16) \$'000	Retained earnings \$'000	Total equity \$'000
As at 1 January 2022	1,177,185	619,703	1,796,888
Profit for the year	–	17,908	17,908
Total comprehensive income for the year, net of tax	–	17,908	17,908
As at 31 December 2022	1,177,185	637,611	1,814,796
As at 1 January 2021	1,177,185	574,577	1,751,762
Profit for the year	–	45,126	45,126
Total comprehensive income for the year, net of tax	–	45,126	45,126
As at 31 December 2021	1,177,185	619,703	1,796,888

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

Allgreen Properties Limited and its subsidiary companies**Consolidated Statement of Cash Flows
For the financial year ended 31 December 2022**

	Group	
	2022	2021
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	200,966	147,650
Adjustments for:		
Depreciation of property, plant and equipment	13,792	10,921
Depreciation of right-of-use assets	80	60
Fair value gain on investment properties	(25,687)	(57,127)
Fair value gain on investment property under construction	(18,300)	–
Loss on disposal of property, plant and equipment	26	7
Interest income	(744)	(217)
Interest expense	37,986	29,682
Share of results of associated companies	(922)	(9,000)
Gain on disposal of associated companies	(907)	–
Impairment loss on investment in associates	–	17,430
Allowance for impairment loss/(Write-back) of trade receivables, net	80	(105)
Amortisation of capitalised cost	541,220	589,700
Net change in fair value of financial assets	(47,987)	(21,241)
Loss on liquidation of subsidiary company	–	4,520
Net effect of currency alignment	(874)	9,684
Operating cash flows before working capital changes	698,729	721,964
Decrease/(Increase) in development properties	206,753	(414,861)
Decrease/(Increase) in capitalised costs	34,239	(45,442)
Increase in deposits for purchase of properties and other deposits	–	(1,198)
Increase in trade and other receivables	(268,008)	(44,784)
(Decrease)/Increase in trade and other payables	(10,459)	11,255
Increase in rental deposits	5,491	1,296
Cash generated from operations	666,745	228,230
Interest paid	(41,597)	(29,123)
Income tax paid	(4,497)	(5,146)
Net cash generated from operating activities	620,651	193,961
Cash flows from investing activities		
Additions to investment properties and investment property under construction	(92,256)	(384,067)
Increase in other assets	(7,708)	(8,838)
Additions to property, plant and equipment	(2,291)	(4,392)
Return of capital on unquoted investment	344	–
Proceeds from capital reduction in associated companies	2,802	6,203
Repayment from/(Advances to) associated companies	325	(125)
Non-controlling interests share of proceeds on liquidation of subsidiaries	(260)	(747)
Dividends from associated companies	16,458	14,900
Advances to non-controlling shareholders	–	(275)
Interest received	744	217
Purchase of equity instrument designated at fair value through other comprehensive income	(8,585)	(6,780)
Proceeds on liquidation of subsidiary company	–	40,242
Net cash used in investing activities	(90,427)	(343,662)

Allgreen Properties Limited and its subsidiary companies**Consolidated Statement of Cash Flows
For the financial year ended 31 December 2022**

	Group	
	2022	2021
	\$'000	\$'000
Cash flows from financing activities		
Quasi-equity loans from non-controlling interests	–	900
Advances from/(Repayment to) non-controlling interests	3,450	(2,231)
Payment of principal portion of lease liabilities	(85)	(63)
Drawdown of bank borrowings	149,152	605,236
Repayment of bank borrowings	(753,242)	(379,758)
Net cash (used in)/generated from financing activities	(600,725)	224,084
Net (decrease)/increase in cash and cash equivalents	(70,501)	74,383
Cash and cash equivalents at 1 January	192,282	119,256
Effect of exchange rate changes on cash and cash equivalents	34	(1,357)
Cash and cash equivalents at 31 December (Note 14)	121,815	192,282

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

1. Corporate information

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated and domiciled in the Republic of Singapore. The immediate and ultimate holding company is Brookvale Investments Pte Ltd.

The registered office and principal place of business of the Company is located at 1 Kim Seng Promenade, #07-01 Great World City, Singapore 237994. The Company also undertakes property development activities at Juniper Hill, 39 Ewe Boon Road, Singapore.

The principal activities of the Company are that of investment holding and to develop properties for sale. The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

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

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group and Company.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****2. Summary of significant accounting policies (cont'd)****2.3 Standards issued but not yet effective**

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

Description	Effective for annual periods beginning on or after
Amendments to <i>FRS 1 Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to <i>FRS 1 Presentation of Financial Statements and FRS Practice Statement 2</i> : Disclosure of Accounting Policies	1 January 2023
Amendments to <i>FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to <i>FRS 12 Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
<i>FRS 117 Insurance Contracts</i>	1 January 2023
Amendments to <i>FRS 116 Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to <i>FRS 1 Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to <i>FRS 110: Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures</i> : Sale or contribution of Assets between Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will not have any material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations**(a) Basis of consolidation**

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

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

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

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

(a) Basis of consolidation (cont'd)

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

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

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

(b) Business combinations and goodwill

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

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

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.4 Basis of consolidation and business combinations (cont'd)****(b) Business combinations and goodwill (cont'd)**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, where applicable, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated are tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2.5 Property, plant and equipment, and depreciation

All items of plant and equipment (except for hotel property) are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss as incurred. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Construction-in-progress comprises materials and contractors' costs based on architects' certification in relation to refurbishment of the hotel property. No depreciation is provided for construction-in-progress.

Operating supplies comprise linen, chinaware, glassware and silverware. Items in use are regarded as part of the necessary operating supplies of the hotel and are shown under property, plant and equipment. Items held in the stores are regarded as inventories. Issues from stores for replacement to maintain the level of operating supplies in the hotel are charged to profit or loss.

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

Leasehold land	-	lease term of 95 years
Buildings	-	50 years
Plant, machinery, furniture, fittings, equipment and computers	-	3 to 10 years
Motor vehicles	-	5 to 10 years
Operating supplies	-	5 years

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.5 *Property, plant and equipment, and depreciation (cont'd)*

Hotel property, which includes interests in leasehold land and buildings and their integral fixed plant and machinery and fittings, is stated at valuation, less accumulated depreciation. It is stated at directors' valuation based upon the advice of professional valuers on the open market value at the end of the reporting period.

Any revaluation surplus to the hotel property is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the hotel property and the net amount is restated to the revalued amount of the hotel property. The revaluation surplus included in the asset revaluation reserve is transferred directly to retained earnings on retirement or disposal.

On disposal of the hotel property, the net surplus on revaluation is transferred directly to retained earnings.

For acquisitions and disposals during the year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated assets are retained in the books of accounts until they are no longer in use.

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

The residual values, useful lives and depreciation methods are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

2.6 *Investment properties*

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

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

2.6 *Investment properties (cont'd)*

(a) Completed investment properties

Investment properties are initially recorded at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

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

Additions, improvements and renewals resulting from subsequent expenditure are capitalised and expenditure for repairs and maintenance are charged to profit or loss when incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

(b) Investment property under construction

Investment property under construction is initially stated at cost, which includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

Investment property under construction is subsequently measured at fair value and on completion. Gains or losses arising from changes in the fair value of investment property is included in profit or loss.

When completed, investment property under construction is transferred to completed investment properties.

2.7 *Subsidiary companies*

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

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost, less impairment losses.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.8 *Associated companies*

An associated company is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associated companies using the equity method from the date on which it becomes an associated company.

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associated companies. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associated company is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value, and recognises the amount in profit or loss.

The financial statements of the associated companies are prepared at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.9 *Inventories*

Inventories are carried at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are primarily determined on a first-in-first-out basis and include freight and handling charges.

When necessary, allowance is provided for damaged, obsolete, slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

2.10 *Development properties*

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

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

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. Allowance for foreseeable losses is made when it is anticipated that the net realisable value has fallen below cost.

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

2.11 *Contract assets/liabilities*

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.12 *Financial instruments*

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

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

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

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

2.12 Financial instruments (cont'd)

Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at fair value through profit or loss

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

De-recognition

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

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

2.12 *Financial instruments (cont'd)*

Financial liabilities (cont'd)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances, and bank deposits which are subject to an insignificant risk of changes in value, and which form an integral part of the Group's cash management.

2.14 *Impairment of non-financial assets*

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value, less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

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

2.14 *Impairment of non-financial assets (cont'd)*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount.

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

2.15 *Impairment of financial assets*

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

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 *Provisions*

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.17 *Rental deposits*

Rental deposits relate to deposits received from tenants at the Group's investment properties. The accounting policy for rental deposits as a financial liability is set out in Note 2.12.

2.18 *Taxes*

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associated companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

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

2.18 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associated companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.18 Taxes (cont'd)

(c) Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

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

2.19 Revenue recognition

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

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

(a) Sale of development properties

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

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

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

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

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

2.19 Revenue recognition (cont'd)

(a) Sale of development properties (cont'd)

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

Cost to obtain contract

Commission paid to property agents on the sale of development properties will be capitalised as incremental costs to obtain a contract with customer if these costs are recoverable. These costs are amortised consistently with the pattern of revenue recognised for the related contract to profit or loss.

(b) Rental income

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

(c) Hotel operations

Revenue from hotel operations is recognised when services are rendered and accepted by customers.

(d) Others

Interest income is recognised on a time-apportioned basis using the effective interest method.

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

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

2.20 Leases

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

As a lessee

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

(a) ***Right-of-use assets***

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

Machinery	- 2 years
Other equipment	- 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment based on the accounting policy asset out in Note 2.14.

(b) ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.20 Leases (cont'd)*****As a lessee (cont'd)*****(b) Lease liabilities (cont'd)**

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

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

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19(b). Contingent rents are recognised as revenue in the period in which they are earned.

2.21 Employee benefits**(a) Defined contribution plan**

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

(b) Employee leave entitlement

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.22 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and heads of departments are considered key management personnel.

2.23 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.24 Foreign currencies

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

Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

Consolidated financial statements

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

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

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.25 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. The Group has issued corporate guarantees to financial institutions to secure the borrowings of its subsidiaries.

2.26 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

2.27 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals including close members of the individuals, or corporate entities.

2.28 Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

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

2.29 Associated companies classified as held-for-sale

The Group classifies associated companies classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Associated companies classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification 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. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Investment in associated companies held for sale has been measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

Additional disclosures are provided in Note 13.

3. Significant accounting estimates and judgments

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

3.1 *Judgment made in applying accounting policies*

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

Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined, based on the evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

3. Significant accounting estimates and judgments (cont'd)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) *Revenue recognition on sale of development properties under construction*

The Group recognises revenue for pre-completion sales of development properties by reference to the stage of completion using the percentage of completion method. The stage of completion is measured in accordance with the accounting policy set out in Note 2.19(a) to the financial statements. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and revenue respectively. In making these estimates, management has relied on past experience and knowledge of the project engineers and independent real estate architects.

The carrying amount of development properties as well as the revenue from sale of development properties are disclosed in Note 8 and Note 27 to the financial statements respectively.

Development properties held for sale

The Group assesses whether there are any indicators of impairment for development properties held for sale at each reporting date. Impairment for development properties held for sale is made when the net realisable value has fallen below cost. In arriving at estimates of net realisable values, management considered factors such as current market conditions, recent selling prices of the development properties and comparable development properties.

The carrying amount of development properties held for sale is disclosed in Note 8.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

3. Significant accounting estimates and judgments (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(ii) *Impairment of non-financial assets*

Investments in associated companies

The Group assesses at each reporting date whether there is any objective evidence that investments in associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the recoverable amount of the investee.

There was an increase in the level of estimation uncertainty in determining the recoverable value of the investments in associated companies as at 31 December 2022 arising from changes in market and economic conditions.

The carrying amount of the associated companies at the reporting date has been disclosed in the Group's balance sheet.

Impairment of subsidiary companies

Determining whether investments in subsidiary companies are impaired requires an estimation of the value-in-use of the investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from the subsidiary companies and appropriate discount rates in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates.

There was an increase in the level of estimation uncertainty in determining the recoverable value of the investments in subsidiary companies as at 31 December 2022 arising from changes in market and economic conditions.

The carrying amount of the subsidiary companies at the reporting date has been disclosed in the Company's balance sheet.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

3. Significant accounting estimates and judgments (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(iii) *Revaluation of hotel property and investment properties*

The Group carries its hotel property and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The fair values of the hotel property and investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques may consider both Income Method and Comparison Method.

The determination of the fair value of the hotel property and investment properties includes consideration of actual revenue, room rates and occupancy rates, property expenses as well as the projected sustainable income in the following years based on market rent and prevailing market conditions. These estimates are based on local market conditions existing at the end of each reporting period.

There was an increase in the level of estimation uncertainty in determining the fair value of the hotel property and investment properties as at 31 December 2022 arising from changes in market and economic conditions.

The hotel property and investment properties at the reporting date have been disclosed in the Note 4 & 5(b) respectively.

(iv) *Revaluation of investment property under construction*

The Group carries its investment property under construction at fair value, with changes in fair value being recognised in profit or loss.

The fair value of investment property under construction is determined by independent real estate valuation experts using Residual Land Value Method.

The determination of the fair value of the investment property under construction includes consideration of relevant general and economic factors and in particular have investigated recent land sales transactions and leasing transactions of comparable properties that have occurred in the shopping centre and residential market as well as development costs as at 31 December 2022 and assuming the satisfactory completion of the development.

There continues to be a heightened level of estimation uncertainty in determining the fair value of the investment property as at 31 December 2022 arising from changes in market and economic conditions.

The investment property under construction at the reporting date has been disclosed in the Note 5(a).

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

3. Significant accounting estimates and judgments (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(v) **Income taxes**

Significant judgment is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's and the Company's provision for taxation at 31 December 2022 were approximately \$12,179,000 (2021: \$11,449,000) and \$201,000 (2021: \$283,000). The carrying amounts of the Group's deferred tax liabilities at 31 December 2022 was \$89,430,000 (2021: \$71,538,000).

(vi) **Useful lives of property, plant and equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of property, plant and equipment to be within 3 to 50 (2021: 3 to 50) years.

The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 December 2022 are stated in Note 4 to the financial statements. Changes in the expected level of usage could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

(vii) **Fair value of equity instrument at FVOCI**

Equity instrument at FVOCI is measured at fair value, which is determined annually. The fair value is determined using the revalued net asset valuation method. The key assumptions used to determine the fair value of the investment is provided in Note 35.

The carrying amount of the Group's equity instrument at FVOCI as at 31 December 2022 was \$16,654,000 (2021: \$6,140,000).

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****4. Property, plant and equipment**

Group	Hotel property \$'000	Plant, machinery, furniture, fittings, equipment and computers \$'000	Motor vehicles \$'000	Operating supplies \$'000	Construction- in- progress \$'000	Total \$'000
Cost or valuation						
At 1 January 2021	475,000	28,096	30	1,080	742	504,948
Additions	1,250	2,852	–	–	290	4,392
Reclassification	–	–	–	–	(597)	(597)
Disposals	(38)	(460)	–	–	–	(498)
Revaluation surplus	(1,212)	–	–	–	–	(1,212)
At 31 December 2021 and 1 January 2022	475,000	30,488	30	1,080	435	507,033
Additions	201	1,981	–	–	109	2,291
Reclassification	(12,108)	11,884	–	–	(435)	(659)
Disposals	–	(4,229)	–	(125)	–	(4,354)
Revaluation surplus	18,907	–	–	–	–	18,907
At 31 December 2022	482,000	40,124	30	955	109	523,218

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****4. Property, plant and equipment (cont'd)**

Group (cont'd)	Hotel property \$'000	Plant, machinery, furniture, fittings, equipment and computers \$'000	Motor vehicles \$'000	Operating supplies \$'000	Construction- in- progress \$'000	Total \$'000
Accumulated depreciation						
At 1 January 2021	–	23,034	30	910	–	23,974
Depreciation for the year	9,926	978	–	17	–	10,921
Disposals	(38)	(453)	–	–	–	(491)
Revaluation surplus	(9,888)	–	–	–	–	(9,888)
At 31 December 2021 and 1 January 2022	–	23,559	30	927	–	24,516
Depreciation for the year	10,182	2,205	–	17	–	12,404
Reclassification	(15,184)	16,572	–	–	–	1,388
Disposals	–	(4,158)	–	(116)	–	(4,274)
Revaluation surplus	5,002	–	–	–	–	5,002
At 31 December 2022	–	38,178	30	828	–	39,036
Net book value						
At 31 December 2022	482,000	1,946	–	127	109	484,182
At 31 December 2021	475,000	6,929	–	153	435	482,517

Hotel property, carried at valuation, consists of leasehold land, building, plant and machinery and fittings with net carrying values of \$364,000,000 (2021: \$357,000,000), \$113,185,600 (2021: \$115,746,200) and \$4,814,400 (2021: \$2,253,800) respectively as at 31 December 2022.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****4. Property, plant and equipment (cont'd)*****Revaluation of hotel property***

	Group	
	2022	2021
	\$'000	\$'000
Hotel property		
Transfer to asset revaluation reserve	13,905	8,676

The Group engaged an independent firm of professional valuers to determine the fair value of the hotel property as at 31 December 2022 and 31 December 2021. The property was valued on the basis of open market value. As at 31 December 2022, the market value of the hotel property was assessed to approximate \$482,000,000 (2021: \$475,000,000).

If the hotel property was measured using the cost model, the net carrying amount would be as follows:

	Group	
	2022	2021
	\$'000	\$'000
Cost	261,794	259,946
Accumulated depreciation	(119,845)	(130,725)
Net carrying value	141,949	129,221

Company	Construction-in-progress, furniture, fittings, equipment and computers
	\$'000
Cost	
At 1 January 2021	1,908
Additions	529
Disposals	(9)
At 31 December 2021 and 1 January 2022	2,428
Additions	17
Disposals	(158)
At 31 December 2022	2,287

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****4. Property, plant and equipment (cont'd)**

Company (cont'd)	Construction-in-progress, furniture, fittings, equipment and computers \$'000
Accumulated depreciation	
At 1 January 2021	330
Depreciation for the year	840
Disposals	(9)
At 31 December 2021 and 1 January 2022	1,161
Depreciation for the year	644
Disposals	(158)
At 31 December 2022	1,647
Net book value	
At 31 December 2022	640
At 31 December 2021	1,267

5a. Investment property under construction

	Group	
	2022	2021
	\$'000	\$'000
At 1 January	499,231	98
Additions (subsequent expenditure)	64,636	499,133
Fair value gain recognised in profit or loss	18,300	—
At 31 December	582,167	499,231

The investment property under construction includes land and building under construction. The land is valued using Residual Land Value Method assessed on 31 December 2022 by a firm of independent professional valuers who have the appropriate recognised professional qualifications and recent experience in the location and category of the investment property being valued. As at 31 December 2022, the market value of the investment property was assessed to approximate \$582,167,000. The fair value of the investment property under construction was assessed to approximate cost in the previous financial year.

The land parcel (Lot 03235K MK 29) is located at Pasir Ris Drive 3/ Pasir Ris Drive 8/ Pasir Ris Central in Singapore and the site is slated for a mixed commercial and residential development.

During the year, the borrowing costs relating to bank loans were capitalised as part of investment property under construction. The rates used to determine the amount of borrowings costs eligible for capitalisation ranged from 1.31% to 4.69% per annum (2021: 1.23% to 1.32% per annum).

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****5a. Investment property under construction (cont'd)**

Borrowing costs capitalised during the financial year were paid/payable to:

	Group	
	2022	2021
	\$'000	\$'000
Bank	7,686	3,327

5b. Investment properties

	Group	
	2022	2021
	\$'000	\$'000
Freehold properties	2,105,000	2,075,000
Leasehold property	354,000	313,500
	2,459,000	2,388,500

The movements in investment properties are as follows:

	Group	
	2022	2021
	\$'000	\$'000
Balance sheet:		
At 1 January	2,388,500	2,318,000
Additions (subsequent expenditure)	44,813	13,373
Fair value gain recognised in profit or loss	25,687	57,127
At 31 December	2,459,000	2,388,500
Income statement:		
Rental income	121,558	106,319
Direct operating expenses arising from investment properties that generated rental income	(32,643)	(25,131)

The investment properties which include interests in land and buildings and their integral plant and machinery and fittings, are valued using the Income Method and Comparison Method assessed on 31 December 2022 and 31 December 2021 by a firm of independent professional valuers, who have the appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. The determination of the fair values of the investment properties includes consideration of actual revenue and occupancy rates, property expenses as well as the projected sustainable income in the following years based on market rent and prevailing market conditions. These estimates are based on local market conditions existing at the end of each reporting date. As at 31 December 2022, the market values of the investment properties of the Group were assessed to be \$2,459,000,000 (2021: \$2,388,500,000).

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****5b. Investment properties (cont'd)**

The investment properties held by the Group as at 31 December are as follows:

Properties	Existing use	Tenure	Unexpired lease term
1 Kim Seng Promenade, Singapore 237994	Office/ Retail	Freehold	Freehold
2 Kim Seng Walk, Singapore 239404	Serviced apartments	Freehold	Freehold
91 Tanglin Road, Singapore 247918	Office/ Retail	Freehold	Freehold
163 Tanglin Road, Singapore 247933	Retail	99 years leasehold commencing from 31 May 1991	68 years

Investment properties amounting to \$2,040,000,000 (2021: \$2,010,000,000) have been mortgaged to secure borrowings (Note 19).

6. Subsidiary companies

	Company	
	2022	2021
	\$'000	\$'000
Unquoted equity investments, at cost	755,424	757,224
Impairment losses	(224,400)	(224,400)
	531,024	532,824
Loans to subsidiary companies:		
Quasi-equity*	1,135,724	1,173,979
Interest-bearing**	307,406	252,924
	1,443,130	1,426,903
Total	1,974,154	1,959,727

An analysis of allowance for impairment on investment in subsidiary companies is as follows:

	Company	
	2022	2021
	\$'000	\$'000
At 1 January	224,400	239,300
Write-back of allowance for impairment	—	(14,900)
At 31 December	224,400	224,400

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****6. Subsidiary companies (cont'd)**

In 2021, management performed an impairment test on the investments in Allgreen Properties (Tianjin) Pte. Ltd, and \$14,900,000 of impairment loss was written back.

* These loans are unsecured and form part of the Company's net investment in subsidiary companies. Settlements are neither planned nor likely to occur in the foreseeable future.

** These loans are unsecured and their carrying values approximate their fair values as they bear interest at variable rates which approximate rates for similar types of borrowing arrangements. The effective interest rate is 2.26% (2021: 0.71%) per annum.

a. Composition of the Group

Details of the subsidiary companies are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2022 %	2021 %	
Allgreen Properties (Chengdu) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Qinhuangdao) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Shanghai) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Shenyang) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Tianjin) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Vietnam) Pte. Ltd.	Singapore	100	100	Investment holding
Arcadia Development Pte. Ltd. *	Singapore	—	90	Property developer and owner
Belfin Investments Pte. Ltd.	Singapore	100	100	Investment holding
Bukit Batok Development Pte. Ltd. #	Singapore	90	90	Property developer and owner

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****6. Subsidiary companies (cont'd)****a. Composition of the Group (cont'd)**

Details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2022 %	2021 %	
Cuscaden Properties Pte. Ltd.	Singapore	55.4	55.4	Owner and operator of a hotel cum shopping complex
GWC Commercial Pte. Ltd.	Singapore	100	100	Owner and operator of a mixed development comprising offices and retail shops
GWC Serviced Apartments Pte. Ltd.	Singapore	100	100	Owner and operator of serviced apartments
Jeston Investments Pte. Ltd.	Singapore	100	100	Investment holding
Leo Property Management Private Limited	Singapore	100	100	Project and property management, and estate agent
Midpoint Properties Limited	Singapore	100	100	Dormant
Allgreen Treasury Pte. Ltd.	Singapore	100	100	Treasury services
Pine I Residential Pte. Ltd. (f.k.a. Perfect Bright Pte. Ltd.)	Singapore	100	100	Investment holding
Phoenix Commercial Pte. Ltd.	Singapore	70	70	Property developer and owner
Phoenix Residential Pte. Ltd.	Singapore	70	70	Property developer and owner
Allgreen Alternative Ventures Pte. Ltd.	Singapore	100	100	Investment holding
Project Kingfisher Pte. Ltd.	Singapore	60	60	Dormant
Pine I Commercial Pte. Ltd.	Singapore	100	100	Dormant
Pine II Residential Pte. Ltd.	Singapore	100	100	Dormant
Pine II Commercial Pte. Ltd.	Singapore	100	100	Dormant

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****6. Subsidiary companies (cont'd)****a. Composition of the Group (cont'd)**

Details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2022 %	2021 %	
Dragon Residential Pte. Ltd.	Singapore	60	60	Dormant
Dragon Commercial Pte. Ltd.	Singapore	60	60	Dormant
Pandanus JV Pte Ltd ⁽³⁾	Singapore	100	–	Dormant
Pandanus Holding Pte Ltd ⁽⁴⁾	Singapore	100	–	Dormant
Pandanus Residential Pte Ltd ⁽⁵⁾	Singapore	100	–	Dormant
Rufiji Pte. Ltd.	Singapore	100	100	Property developer and owner
Sky Top Investments Pte. Ltd.	Singapore	100	100	Property developer and owner
Tanglin Place Development Pte. Ltd. ⁽¹⁾	Singapore	55.4	55.4	Owner and operator of a mixed development comprising offices and retail shops
Valleypoint Investments Pte. Ltd.	Singapore	100	100	Property developer and owner
Allgreen Property Management Services Co., Ltd. ⁽²⁾	Vietnam	100	100	Real estate management and consultancy services
Allgreen-Vuong Thanh Properties Company Limited. ⁽²⁾ #	Vietnam	98	98	Property developer and owner

In member's voluntary liquidation

* Dissolved

(1) Subsidiary company of Cuscaden Properties Pte. Ltd.

(2) Subsidiary companies of Allgreen Properties (Vietnam) Pte. Ltd.

(3) Subsidiary companies of Pine I Residential Pte Ltd

(4) Subsidiary companies of Pandanus JV Pte. Ltd.

(5) Subsidiary companies of Pandanus Holding Pte. Ltd.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****6. Subsidiary companies (cont'd)****b. Interest in subsidiaries with material non-controlling interest ("NCI")**

The Group has the following subsidiaries that have NCI that are material to the Group.

Name	Principal place of business	Proportion of ownership interest held by non-controlling interest %	Profit/(Loss) allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000	Dividends paid to NCI \$'000
31 December 2022					
Cuscaden Properties Pte. Ltd. and its subsidiary company	Singapore	44.6	3,224	369,393	3,568
31 December 2021					
Cuscaden Properties Pte. Ltd. and its subsidiary company	Singapore	44.6	(191)	363,105	–

c. Summarised financial information about subsidiary with material NCI

	Cuscaden Properties Pte. Ltd. and its subsidiary company	
	2022	2021
	\$'000	\$'000
Summarised balance sheet		
Current assets	40,093	34,385
Non-current assets	905,624	861,118
Total assets	945,717	895,503
Current liabilities	(32,205)	(12,540)
Non-current liabilities	(85,275)	(68,827)
Total liabilities	(117,480)	(81,367)
Net assets	828,237	814,136
Summarised statement of comprehensive income		
Revenue	55,200	31,902
Profit/(Loss) after tax	7,229	(428)
Other comprehensive income	14,872	18,730
Total comprehensive income	22,101	18,302
Other summarised information		
Net cash generated from operating activities	35,210	5,158
Net cash used in investing activities	(33,760)	(2,180)
Net cash generated from financing activities	11,944	3,965

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****6. Subsidiary companies (cont'd)****d. Liquidation of subsidiary companies**

The Company liquidated its subsidiary company, Arcadia Development Pte Ltd on 29 April 2022 at its carrying value of \$1,800,000.

In the last financial year, the Group liquidated Allgreen-Vuong Thanh Company Limited on 27 April 2021 at its carrying value. The value of assets and liabilities of Allgreen-Vuong Thanh Company Limited recorded in the consolidated financial statements as at 27 April 2021, and the cash flow effect of the liquidation were:

	Group 2021 \$'000
Cash and cash equivalents	40,242
Carrying value of net assets	40,242
Less: NCI	(747)
Net cash inflow on liquidation of subsidiary company	39,495

7. Associated companies

	Group 2022 \$'000	2021 \$'000
Unquoted equity investments, at cost	417,747	417,747
Loans to associated companies	95,936	96,261
Share of foreign currency translation reserve	(47,672)	41,651
Share of other post-acquisition reserves	71,044	86,571
	537,055	642,230

The loans to associated companies comprise foreign currency loans amounting to US\$66,122,000 (2021: US\$66,122,000) and RMB55,000,000 (2021: RMB55,000,000), which form part of the Group's net investment in the associated companies. The loans are unsecured, and settlement is neither planned nor likely to occur in the foreseeable future.

Aggregate information of the Group's investments in associated companies is as follows:

	Group 2022 \$'000	2021 \$'000
Profit after tax	930	948
Other comprehensive (loss)/income	(89,323)	26,932
Total comprehensive (loss)/income	(88,393)	27,880

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****7. Associated companies (cont'd)**

Details of the associated companies are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2022 %	2021 %	
Central Laundry Pte. Ltd. (1) @	Singapore	13.8	13.8	Provision of laundry services
Hengyun Real Estate (Tangshan) Co., Ltd (2)	China	25	25	Property developer of residential apartments
Kerry Development (Chengdu) Ltd. (3)	China	—	25	Property developer of residential apartments
Kerry (Shenyang) Real Estate Development Co., Ltd. (4) @	China	15	15	Property developer and owner and operator of a mixed development comprising offices, residences, retail shops and ancillary facilities
Lucky Billion Development (Qinhuangdao) Co., Ltd. (5) @	China	10	10	Property developer of residential apartments
Ruihe Real Estate (Tangshan) Co., Ltd (2)	China	25	25	Owner and operator of hotel
Shanghai Pudong Kerry City Properties Co., Ltd. (6) @	China	16	16	Property developer and owner and operator of a mixed development comprising offices, serviced apartments, retail shops and hotel

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****7. Associated companies (cont'd)**

Details of the associated companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2022 %	2021 %	
Shangri-La Hotel (Shenyang) Co., Ltd. ⁽⁴⁾ @	China	15	15	Owner and operator of hotel
Tianjin Kerry Real Estate Development Co., Ltd ⁽⁷⁾	China	31	31	Property developer and owner and operator of a mixed development comprising residences, retail and hotel
Wealthy Plaza Development (Chengdu) Ltd. ⁽³⁾	China	—	25	Property developer of residential apartments

@ Deemed to be an associated company as the Group has significant influence over the financial and operating policies of this entity due to its board representation

(1) Associated company of Cuscaden Properties Pte. Ltd.

(2) Associated companies of Jeston Investments Pte. Ltd.

(3) Associated companies of Allgreen Properties (Chengdu) Pte. Ltd., which are classified as held-for sale at 31 December 2021 (Note 13) and disposed in September 2022.

(4) Associated companies of Allgreen Properties (Shenyang) Pte. Ltd.

(5) Associated company of Allgreen Properties (Qinhuangdao) Pte. Ltd.

(6) Associated company of Allgreen Properties (Shanghai) Pte. Ltd.

(7) Associated company of Allgreen Properties (Tianjin) Pte. Ltd.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****7. Associated companies (cont'd)**

The summarised financial information in respect of the Group's material investments in associated companies, Shanghai Pudong Kerry City Properties Co., Ltd and Kerry Shenyang Real Estate Co., Ltd based on their financial statements and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follow:

Summarised balance sheet

	Shanghai Pudong Kerry City Properties Co., Ltd	
	2022	2021
	\$'000	\$'000
Current assets	40,163	67,403
Non-current assets	1,340,436	1,473,844
Total assets	1,380,599	1,541,247
Current liabilities	81,243	93,037
Non-current liabilities	179,306	196,945
Total liabilities	260,549	289,982
Net assets	1,120,050	1,251,265
Proportion of the Group's ownership	16%	16%
Group's share of net assets	179,208	200,202
Carrying amount of the investment	179,208	200,202

Summarised statement of comprehensive income

	Shanghai Pudong Kerry City Properties Co., Ltd	
	2022	2021
	\$'000	\$'000
Revenue	139,851	172,231
Profit after tax, representing total comprehensive income	59,573	99,705

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****7. Associated companies (cont'd)****Summarised balance sheet**

	Kerry Shenyang Real Estate	
	2022	2021
	\$'000	\$'000
Current assets	433,635	765,983
Non-current assets	699,545	821,130
Total assets	1,133,180	1,587,113
Current liabilities	163,078	427,464
Non-current liabilities	15,069	16,551
Total liabilities	178,147	444,015
Net assets	955,033	1,143,098
Proportion of the Group's ownership	15%	15%
Group's share of net assets	143,255	171,465
Carrying amount of the investment	143,255	171,465

Summarised statement of comprehensive income

	Kerry Shenyang Real Estate	
	2022	2021
	\$'000	\$'000
Revenue	357,418	66,296
Profit/(loss) after tax, representing total comprehensive income/(loss)	80,330	(29,424)

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****8. (a) Development properties**

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Completed properties held for sale	97,753	223,407	35,023	–
Properties under development	22,367	376,348	–	168,253
	120,120	599,755	35,023	168,253

Income statement:

	Group	
	2022	2021
	\$'000	\$'000
Development properties recognised as an expense in cost of sales (Note 29)	199,830	139,976

(a) Borrowing costs capitalised during the financial year were paid/payable to:

	Group	
	2022	2021
	\$'000	\$'000
Bank	–	1,588

Borrowing cost ceases to be capitalised when the development properties are ready for intended pre-sale.

(b) Development properties of \$24,720,000 (2021: \$598,902,000) and \$Nil (2021: \$168,253,000) are pledged for bank facilities granted to the Group and Company respectively (Note 19).

(b) Contract costs

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Capitalised incremental costs of obtaining contract – commission costs paid to property agents				
At beginning of the year	22,541	5,696	153	601
Additions	15,814	50,053	1,947	2,618
Amortisation	(22,058)	(33,208)	(2,100)	(3,066)
At end of the year	16,297	22,541	–	153

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****8. (b) Contract costs (cont'd)**

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Capitalised fulfilment costs				
– related to sale of development properties				
At beginning of the year	360,840	164,193	2,246	11,352
Additions	389,275	753,139	93,544	50,434
Amortisation	(519,162)	(556,492)	(95,790)	(59,540)
At end of the year	230,953	360,840	–	2,246
Total contract costs	247,250	383,381	–	2,399

Details of the development properties held by the Group as at 31 December 2022 are as follows:

Project Name	Location	Description
<u>Completed properties held for sale</u>		
Royalgreen	2-6 Anamalai Avenue, Singapore	285-unit, freehold condominium development
Juniper Hill	39 Ewe Boon Road, Singapore	115-unit, freehold condominium development
Fourth Avenue Residences	Lot 07301P MK04 at Fourth Avenue, Singapore	476-unit, 99 year leasehold development (commencing 7 March 2018)
One strata unit at GS Building	Lorong Ampas, Singapore	Freehold strata factory unit
<u>Property under development</u>		
Pasir Ris 8	Lot 03235K MK 29, at Pasir Ris Drive 3/ Pasir Ris Drive 8/ Pasir Ris Central, Singapore	487-unit, 99 year leasehold development (commencing 5 July 2021)

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****9. Contract assets/(liabilities)**

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Contract assets	230,451	403,989	38,260	33,805
Contract liabilities	(82,078)	(89,170)	–	–

Contract assets primarily relate to the Group and Company's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group and Company invoices the customer.

Contract liabilities are the obligation to transfer goods or services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers. Contract liabilities are recognised as revenue when the Group performs under the contract.

10. Trade receivables

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	315,304	39,461	634	1,280
Less: Allowance for impairment	(80)	(5)	–	–
Total trade receivables	315,224	39,456	634	1,280
Add:				
Other receivables (Note 11)	31,997	41,020	5,127	269
Cash and cash equivalents (Note 14)	121,815	192,282	6,905	18,858
Deposits (Note 12)	337	328	–	7
Less:				
Value-added tax/GST receivables (Note 11)	(6,757)	(15,934)	–	–
Total financial assets carried at amortised cost	462,616	257,152	12,666	20,414

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****10. Trade receivables (cont'd)**

Trade receivables, excluding accrued receivables, generally have average credit terms of 7 to 30 (2021: 7 to 30) days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Accrued receivables represent accrued sales for development properties that have not been served notice to take possession yet.

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$2,928,000 (2021: \$2,058,000) that are past due at the end of the reporting period but not impaired. These receivables, which relate primarily to sale of development properties and leasing at investment properties, are secured either via legal recourses that the Group has against the purchasers of development properties in the event of default or rental deposits obtained from the tenants. An analysis of their aging at the end of the reporting period is as follows:

	2022 \$'000	2021 \$'000
Less than 30 days	1,842	1,592
31 to 60 days	741	220
61 to 90 days	213	158
More than 90 days	132	88
	2,928	2,058

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movements in the allowance account used to record the impairment are as follows:

	Group	
	2022 \$'000	2021 \$'000
Trade receivables - nominal amounts	80	5
Allowance for impairment	(80)	(5)
	—	—
Movements in allowance account:		
At 1 January	5	168
Charge for the year (Note 29)	80	5
Write-back to income statement (Note 29)	—	(110)
Utilised during the year	(5)	(58)
	80	5
At 31 December	80	5

During the reporting period, the Group has made an allowance of \$80,000 (2021: \$5,000) for impairment, written back an allowance of \$Nil (2021: \$110,000) and utilised \$5,000 (2021: \$58,000) subsequent to a debt recovery assessment.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****11. Other receivables**

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Advances to non-controlling interests of subsidiary companies ⁽ⁱ⁾	1,995	2,328	—	—
Non-trade amounts due from associated companies of subsidiary companies ⁽ⁱⁱ⁾	14,765	17,157	—	—
Non-trade amounts due from subsidiary companies ⁽ⁱⁱⁱ⁾	—	—	579	146
Recoverable expenses	6,733	1,919	72	23
Value-added tax/GST receivables	6,757	15,934	—	—
Dividend receivables	—	—	4,432	—
Others	1,747	3,682	44	100
Total other receivables	31,997	41,020	5,127	269

(i) These advances arise from surplus funds of subsidiary companies. They are advanced in proportion to their respective shareholding structure and are unsecured, interest-free and repayable on demand.

(ii) These amounts are unsecured, non-interest bearing and are repayable on demand. Included in the balance are amounts of \$13,737,000 (2021: \$13,812,000) that are denominated in USD.

(iii) Amounts due from subsidiary companies are interest-free and generally have average credit terms of 14 (2021: 14) days.

Other receivables denominated in foreign currencies at year end are as follows:

	Group	
	2022	2021
	\$'000	\$'000
United States Dollar	13,737	13,812
Renminbi	1,028	3,345

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****12. Deposits**

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current:				
Other deposits	337	328	–	7
	337	328	–	7

13. Associated companies classified as held-for-sale

On 29 April 2021, Allgreen Properties (Chengdu) Pte Ltd, a wholly-owned subsidiary of the Group entered into a share transfer agreement to sell its entire interest in associated companies, Kerry Development (Chengdu) Ltd. and Wealthy Plaza Development (Chengdu) Ltd. The share transfer is expected to be completed within a year from the reporting date. Consequently at 31 December 2021, the Group's investments in associated companies was classified as non-current assets held for sale.

Immediately before the classification of the associated companies classified as held for sale, the recoverable amount was estimated and a write-down of \$17,430,000 was recognised during the financial year to reduce the assets to their fair value less costs to sell.

On 21 September 2022, the Group completed the disposal of the associated companies with a gain on disposal of associated companies which amounted to \$907,000.

14. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fixed deposits	26,614	2,732	–	–
Cash and bank balances:				
Project accounts	43,013	65,268	26	9,212
Current accounts	52,188	124,282	6,879	9,646
	121,815	192,282	6,905	18,858

In 2022 and 2021, the project accounts are maintained with financial institutions for housing development projects undertaken by the Group and Company in accordance with the rules and regulations of the Housing Developers (Control & Licensing) Act. The operation of the project accounts is restricted to the specific projects and governed by rules and regulations stipulated by the Ministry of National Development. As at 31 December 2022, the project accounts of the Group and Company are \$43,013,000 (2021: \$65,268,000) and \$26,000 (2021: \$9,212,000).

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****14. Cash and cash equivalents (cont'd)**

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group	
	2022	2021
	\$'000	\$'000
United States Dollar	357	349
Renminbi	16,196	—
Vietnamese Dong	736	784

15. Equity instrument at FVOCI

	Group	
	2022	2021
	\$'000	\$'000
Unquoted equity investment:	16,654	6,140

The Group holds non-controlling interest in the unquoted equity investment. This investment was irrevocably designated at fair value through OCI as the Group considers this investment to be strategic in nature.

Reconciliation of fair value measurement of unquoted equity investment classified as equity instruments designated at fair value through OCI:

	Group	
	2022	2021
	\$'000	\$'000
At 1 January	6,140	—
Purchases	8,585	6,780
Remeasurement recognised in OCI	2,273	(640)
Return of capital on unquoted investment	(344)	—
At 31 December	16,654	6,140

16. Share capital

	Group and Company	
	2022	2021
	\$'000	\$'000
Issued and fully paid:		
1,590,381,075 (2021: 1,590,381,075) ordinary shares	1,177,185	1,177,185

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at shareholder meetings. All shares rank equally with regard to the Company's residual assets. The ordinary shares have no par value.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

17. Reserves

(a) ***Asset revaluation reserve***

Asset revaluation reserve represents increases in the fair value of hotel property, net of tax.

(b) ***Foreign currency translation reserve***

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

(c) ***Fair value reserve of financial asset at FVOCI***

This represents the cumulative fair value changes, net of tax, of financial assets designated at fair value through other comprehensive income until they are derecognised.

(d) ***Hedge reserve***

This represents the cumulative hedging reserves, net of tax, of derivatives assets designated at fair value through other comprehensive income until they are derecognised.

18. Loans from non-controlling interest

Included in non-controlling interests are quasi-equity (net investments) loans of \$79,746,000 (2021: \$76,296,000), which were granted to Group entities in proportion to the non-controlling interests' respective shareholdings in the subsidiary companies.

The quasi-equity loans are unsecured and repayments are neither planned nor likely to occur in the foreseeable future.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****19. Borrowings**

	Interest rates	Maturity	Group		Company	
			2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current:						
Secured loans	1.02% - 4.49% (2021: 0.89% - 1.37%)	2023 (2021: 2022)	196,000	263,973	—	—
Non-current:						
Secured loans	1.13% - 4.93% (2021: 0.91% - 1.37%)	2025 (2021: 2023 – 2025)	1,025,228	1,561,345	—	138,430
Long term note	3.15% (2021: 3.15%)	2025 (2021: 2025)	250,000	250,000	—	—
			1,275,228	1,811,345	—	138,430
Total borrowings			1,471,228	2,075,318	—	138,430

The secured loans are secured by:

- assignment of subsidiaries' rights, title and interest in the insurance policies and tenancy agreements relating to the investment properties and all monies standing to the credit of the rental account;
- legal mortgages, assignment of the subsidiaries' rights, title and interests in the building agreements, construction contracts, insurance policies, sale and purchase agreements, and any other contracts in connection with the development properties; and
- corporate guarantee provided by the Company.

On 16 January 2020, the Group issued \$250,000,000 in aggregate principal amount of notes, under its \$2 billion multicurrency debt issuance programme, which was established on 5 November 2019. The notes will mature in January 2025 and bear an interest of 3.15% per annum (2021: 3.15% per annum) payable in arrears.

As at 31 December 2022 and at 31 December 2021, the Group has complied with the financial covenants imposed by lenders.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****19. Borrowings (cont'd)**

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

2022	1 January \$'000	Cash flows \$'000	Non-cash changes \$'000	31 December \$'000
Borrowings	2,075,318	(604,090)	–	1,471,228
Loans from non-controlling interest	76,296	3,450	–	79,746
Lease liabilities	180	(85)	90	185
2021				
Borrowings	1,849,840	225,478	–	2,075,318
Loans from non-controlling interest	77,627	(1,331)	–	76,296
Lease liabilities	61	(63)	182	180

20. Rental deposits

Included in rental deposits are amounts totalling \$Nil (2021: \$248,000) received from a shareholder of the holding company and its fellow subsidiary companies.

21. Deferred tax liabilities

	Group	
	2022 \$'000	2021 \$'000
At 1 January	71,538	82,460
Transfer to income statement:		
- current year (Note 30)	18,615	(868)
Net gain on equity instrument at fair value through OCI	244	–
Gain on revaluation of hotel property	(967)	(10,054)
At 31 December	89,430	71,538

The balance represents tax on the following temporary differences:

	Group	
	2022 \$'000	2021 \$'000
Excess of net book value over tax written down value of qualifying property, plant and equipment	22,564	10,710
Revaluation surplus of hotel property	57,810	58,777
Net gain on equity instrument at fair value through OCI	244	–
Others	8,812	2,051
	89,430	71,538

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****22. Derivative assets**

The Group entered into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of \$1,027,850,000 (2021: \$1,040,000,000) to provide fixed rate funding for terms between 2 to 3 years till 30 May 2025 to 5 July 2025 (2021: 3.4 to 4 years till 30 May 2025 to 5 July 2025).

The carrying value of the Group's derivative financial assets represents the total financial assets of the Group which are held at fair value through profit or loss and other comprehensive income:

		Group	
	Maturity	2022 \$'000	2021 \$'000
Non-current:			
Derivatives assets - FVPL	2025	55,270	11,962
Derivatives assets - FVOCI	2025	11,836	1,810
		<u>67,106</u>	<u>13,772</u>

23. Trade payables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Third parties	34,099	70,657	1,906	7,119
Amount due to subsidiary companies	–	–	205	43
Total trade payables	<u>34,099</u>	<u>70,657</u>	<u>2,111</u>	<u>7,162</u>
Add:				
Other payables (Note 24)	71,367	39,262	6,717	5,238
Advances from subsidiary companies (Note 26)	–	–	237,770	237,916
Rental deposits (Note 20)	28,592	23,101	–	–
Borrowings (Note 19)	1,471,228	2,075,318	–	138,430
Less:				
GST payable	(2,008)	(1,425)	(9)	–
Income received in advance	(3,008)	(2,203)	–	–
Total financial liabilities carried at amortised cost	<u>1,600,270</u>	<u>2,204,710</u>	<u>246,589</u>	<u>388,746</u>

Trade payables generally have average credit term of 30 (2021: 30) days.

Amounts due to subsidiary companies, associated company and related companies are interest-free and generally have average credit terms of 14 (2021: 14) days.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****24. Other payables**

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Deposits received	76	76	5	–
Retention payables	15,905	15,864	961	1,830
Accruals	42,046	15,270	5,144	–
Other payables	13,340	8,052	149	369
Amount due to subsidiary companies	–	–	458	3,039
	71,367	39,262	6,717	5,238

Amounts due to subsidiary companies are interest-free and generally have average credit terms of 14 (2021: 14) days.

25. Other assets

Other assets relate to work-in-progress as part of the ongoing asset enhancement initiative of the Group's investment properties.

26. Advances from subsidiary companies

These advances are interest free, unsecured and repayable on demand.

27. Revenue

Revenue includes those from sale of development properties, hotel operations, project and property management fees, marketing fees, estate agency fees, rental and related income from investment properties, but excludes applicable goods and services tax. Revenue from sale of development properties, hotel operations, project and property management fees and rental related income are recognised over time. Revenue from marketing fees and estate agencies fees are recognised at a point in time.

Revenue by significant categories is detailed as follows:

	Group	
	2022	2021
	\$'000	\$'000
Sale of development properties	788,677	752,330
Rental and related income from investment properties	129,133	113,127
Revenue from hotel operations	37,774	15,945
Others	66	98
	955,650	881,500

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****28. Other income - net**

	Group	
	2022	2021
	\$'000	\$'000
Recovery income	12,606	14,988
Interest income	744	217
Advertising and promotion collections	1,312	919
Foreign exchange (loss)/gain	(1,741)	551
Rental income	34	34
Government grant	1,335	3,590
Gain on disposal of associated companies	907	—
Others	50	1,519
	15,247	21,818

29. Profit before taxation

	Group	
	2022	2021
	\$'000	\$'000
Profit before taxation is arrived at after including the following:		
Cost of development properties included in cost of sales (Note 8)	(199,830)	(139,976)
Depreciation of property, plant and equipment (Note 4)	(12,404)	(10,921)
Loss on disposal of property, plant and equipment	(26)	(7)
Loss on liquidation of a subsidiary company	—	(4,520)
Directors' remuneration and fees		
- Salaries, bonuses and fees	(1,730)	(1,867)
- CPF contributions	(22)	(21)
Staff costs (excluding directors' remuneration and fees)		
- Salaries, bonus and other related costs	(29,126)	(19,075)
- CPF contributions	(2,480)	(2,114)
Net amount (provision)/written back for impairment loss of trade receivables (Note 10)	(80)	105
Interest expense from bank loans	(37,986)	(29,682)

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****30. Taxation**

	Group	
	2022	2021
	\$'000	\$'000
Current taxation	2,686	8,811
Under/(Over) provision in respect of prior years	456	(2,155)
Withholding tax	1,645	(595)
	4,543	6,061
Deferred taxation (Note 21)		
- Charge for the year	18,435	7,932
- Under/(Over) provision in respect of prior years	180	(8,800)
	18,615	(868)
Total	23,402	5,193

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

	Group	
	2022	2021
	\$'000	\$'000
Profit before taxation	200,966	147,650
Share of results of associated companies, net of taxation	(922)	8,430
	200,044	156,080
Tax at statutory rate of 17% (2021: 17%)	34,008	26,534
Adjustments:		
Non-deductible expenses	6,231	13,307
Non-taxable income	(23,537)	(20,035)
Exempt income	(70)	(105)
Utilisation of deferred tax assets on temporary differences not recognised in prior years	(943)	–
Deferred tax assets not recognised	5,425	968
Over provision of taxation in respect of prior years	635	(10,955)
Withholding tax	1,645	(595)
Tax rebate	(5)	(4)
Others	13	(3,922)
	23,402	5,193

At the end of the reporting period, the Group has unutilised tax losses approximately \$26,365,000 (2021: \$5,402,000) that are available for offset against future taxable profits of the Group for which no deferred tax asset is recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the Inland Revenue Authority of Singapore and compliance with certain provisions of the Income Tax Act of Singapore. The tax losses have no expiry date.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****31. Commitments**

- (a) Commitments contracted but not provided for in the financial statements are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Capital expenditure in respect of:				
Development properties	164,907	235,540	—	3,809
Investment properties	45,447	34,534	—	—
Investment property under construction	143,149	192,117	—	—

- (b) Lease commitment as lessor:

The Group has entered into commercial property leases on its investment properties and its completed properties. These non-cancellable leases have remaining lease terms of between 1 to 82 (2021: 1 to 94) months. The Group has earned contingent rents of \$4,830,000 (2021: \$4,060,000) during the financial year.

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

	Group	
	2022	2021
	\$'000	\$'000
Not later than one year	97,468	90,681
Later than one year but not later than five years	137,184	120,601
Later than five years	5,547	9,020
	240,199	220,302

- (c) Indemnities:

	Group	
	2022	2021
	\$'000	\$'000
Indemnities given to financial institutions for performance guarantees granted	73,493	73,664

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the balance sheets, except as follows:

	Company	
	2022	2021
	\$'000	\$'000
Indemnities and corporate guarantees provided to financial institutions on subsidiary companies' utilised credit facilities	54,515	54,687

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****32. Financial support**

As at 31 December 2022 and 2021, the Company has provided financial support to certain subsidiary companies which are either in a net current liabilities position or net liabilities position, in order to enable them to continue on a going concern basis. The aggregate net current liabilities and net liabilities position of these subsidiary companies as at 31 December 2022 amounted to \$45,440,000 (2021: \$42,843,000) and \$290,000 (2021: \$137,000), respectively.

33. Significant related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Group and the Company with related parties at negotiated rates:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<u>With subsidiary companies</u>				
Accounting, secretarial and other support service fees received	—	—	5,256	2,873
Property management fees received	—	—	4,032	3,795
Interest income	—	—	5,482	1,818
Office rental and related charges	—	—	710	709
Marketing and administration fees paid	—	—	414	414
Project management fee paid	—	—	43	274
<u>With corporate shareholder and subsidiary companies of its immediate holding company</u>				
Lease rental received	7,265	7,207	—	—
Treasury and other support service fees paid	4,479	2,962	4,412	2,962
<u>With associated company</u>				
Laundry services paid	510	354	—	—
Lease rental received	64	80	—	—
<u>With related companies</u>				
Hotel management fees and royalties paid	1,558	730	—	—
Marketing and administration fees paid	3	119	—	—
<u>With key management personnel</u>				
Salaries, directors' fees and other short-term employee benefits	4,873	4,598	2,592	2,428
CPF contributions	142	140	63	53
Comprise amount paid to:				
Directors of the Company	1,752	1,889	1,752	1,889
Other key management personnel	3,263	2,850	903	592

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

34. Financial risk management objectives and policies

The Group is exposed to credit risk, foreign currency risk, interest rate risk, and liquidity risk arising in the normal course of business. Management continually monitors the Group's risk management process to ensure that appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

(a) **Credit risk**

Credit risk is the risk of a financial loss that may arise on outstanding financial instruments should a counter-party default on its obligation.

Trade receivables comprise mainly from the Group's customers who bought residential units at development properties, tenants of commercial properties and guests of hotel property.

The following situations may give rise to credit risk:

The tenants of investment properties and purchasers of development properties may default on their obligations to pay the amounts owing to the Group. For investment properties, the Group's policy is to obtain sufficient rental deposits or bankers' guarantees, where appropriate, to mitigate credit risk.

For development properties, the Group has policies in place to ensure that sales are made to purchasers after obtaining sufficient security such as deposits. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property. Unless the selling price falls by more than the portion of purchaser's deposits retained, which is remote, the Group would not be in a loss position in selling those properties.

Cash and fixed deposits are placed with financial institutions which are regulated and reputable.

Credit risk concentration profile

At the end of the reporting period, the Group does not have any significant concentration risk.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 10 and 11.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022**

34. Financial risk management objectives and policies (cont'd)**(b) Foreign currency risk**

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group is exposed to foreign currency risk on currencies other than Singapore Dollar, mainly US Dollars ("USD") and Chinese Renminbi ("RMB").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD and RMB exchange rate against the respective functional currencies of the Group entities, with all other variables held constant:

	Group	
	2022	2021
	Profit before taxation	
	\$'000	\$'000
<u>Increase/(decrease)</u>		
USD/SGD		
- strengthened by 5% (2021: 5%)	5,137	5,165
- weakened by 5% (2021: 5%)	(5,137)	(5,165)
RMB/SGD		
- strengthened by 5% (2021: 5%)	1,391	140
- weakened by 5% (2021: 5%)	(1,391)	(140)

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****34. Financial risk management objectives and policies (cont'd)****(c) Interest rate risk**

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its interest-bearing deposits and borrowings from financial institutions.

The Group's policy is to minimise its interest rate risk exposures while obtaining sufficient funds for business expansion and working capital needs. To achieve this, the Group regularly assesses and monitors its cash with reference to its business plans and day-to-day operations. The Group also has interest rate swaps whose details are disclosed in Note 22.

The Group manages its interest cost by using a mix of fixed and variable rate borrowings, and medium-term notes, and close monitoring of the interest rate market.

Sensitivity analysis for interest rate risk

Movement in interest rates will have an impact on the Group's financial assets and liabilities. A change of 50 basis points ("bp") in interest rates at the reporting date would change profit before taxation by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	2022	2021	2022	2021
	Profit before taxation	Profit before taxation	Profit before taxation	Profit before taxation
	\$'000	\$'000	\$'000	\$'000
<u>Increase/(decrease)</u>				
Interest rate				
- decrease by 50 bp	4,592	8,189	—	(568)
- increase by 50 bp	(4,592)	(8,189)	—	568

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity needs by closely monitoring scheduled debt servicing payments for financial institutions and its cash outflows due to day-to-day operations, as well as ensuring the availability of funding through an adequate amount of credit facilities, both committed and uncommitted.

The Group also monitors its gearing closely.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements****For the financial year ended 31 December 2022****34. Financial risk management objectives and policies (cont'd)****(d) Liquidity risk (cont'd)**

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

Group	2022			2021		
	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000
Financial assets:						
Trade and other receivables	340,464	—	340,464	64,542	—	64,542
Deposits	337	—	337	328	—	328
Cash and cash equivalents	121,815	—	121,815	192,282	—	192,282
Equity instrument at FVOCI	16,654	—	16,654	6,140	—	6,140
Derivatives assets	—	67,106	67,106	—	13,772	13,772
Total undiscounted financial assets	479,270	67,106	546,376	263,292	13,772	277,064
Financial liabilities:						
Trade and other payables and rental deposits	108,393	20,649	129,042	114,353	15,039	129,392
Borrowings	230,715	1,073,425	1,304,140	726,419	1,152,325	1,878,744
Lease liabilities	133	52	185	48	132	180
Total undiscounted financial liabilities	339,241	1,094,126	1,433,367	840,820	1,167,496	2,008,316
Total net undiscounted financial assets/ (liabilities)	140,029	(1,027,020)	(886,991)	(577,528)	(1,153,724)	(1,731,252)

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****34. Financial risk management objectives and policies (cont'd)****(d) Liquidity risk (cont'd)**

Company	2022			2021		
	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000
Financial assets:						
Trade and other receivables	5,761	—	5,761	1,549	—	1,549
Deposits	—	—	—	7	—	7
Cash and cash equivalents	6,905	—	6,905	18,858	—	18,858
Loans to subsidiary companies (interest-bearing)	2,386	253,204	255,590	1,796	260,235	262,031
Total undiscounted financial assets	15,052	253,204	268,256	22,210	260,235	282,445
Financial liabilities:						
Trade and other payables	8,819	—	8,819	12,400	—	12,400
Advances from subsidiary companies	237,770	—	237,770	237,916	—	237,916
Borrowing	—	—	—	1,592	138,828	140,420
Lease liabilities	—	—	—	686	—	686
Total undiscounted financial liabilities	246,589	—	246,589	252,594	138,828	391,422
Total net undiscounted financial (liabilities)/assets	(231,537)	253,204	21,667	(230,384)	121,407	(108,977)

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduced project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

35. Fair values of assets and liabilities

(a) *Fair value hierarchy*

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

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

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

Level 2 fair value measurements

Derivative financial instruments

The fair value of interest rate swap contracts is obtained from an independent financial institution. Valuation techniques using assumptions based on market conditions existing as at balance sheet date are used in the determination of the fair value of interest rate swaps.

Level 3 fair value measurements

The Group's hotel property and investment properties are categorised within Level 3 of the fair value hierarchy as the properties' fair values are determined based on comparable market transactions adjusted for significant unobservable inputs such as capitalisation rates, size, condition and remaining tenure relating to the specific property.

The fair value of the investment at fair value through other comprehensive income, which is an unquoted equity instrument in a property fund, is determined based on the Group's share of the net assets of the property fund with reference to the fair value of the underlying investment properties of the fund. The fair value of these underlying investment properties is determined based on significant unobservable inputs

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements For the financial year ended 31 December 2022

35. Fair values of assets and liabilities (cont'd)

(a) Fair value hierarchy (cont'd)

Level 3 fair value measurements (cont'd)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 31 December 2022	Valuation techniques	Unobservable inputs	Range
Group				
Hotel property	\$482,000,000 (2021: \$475,000,000)	Comparison method	Open market value on per room key basis	\$853,000 (2021: \$841,000)
		Income method	Capitalisation rate	4.50% (2021: 4.50%)
Investment properties	\$2,459,000,000 (2021: \$2,388,500,000)	Comparison method	Open market value on net lettable area basis (commercial and retail)	\$1,755 - \$2,424 (2021: \$1,739 - \$2,708) psf
			Open market value on per room key basis (serviced apartment)	\$1,513,000 (2021: \$1,480,000)
		Income method	Capitalisation rate	3.13% - 4.75% (2021: 3.13% - 4.75%)
Investment property under construction	\$582,167,000 (2021: \$499,231,000)	Residual Land Value Method	Open market value on net lettable area basis (commercial and retail)	\$3,200 psf (2021: \$1,840)

A significant increase/(decrease) in the unobservable inputs on capitalisation rate used in management's assumptions would result in a significantly lower/(higher) fair value measurement.

A significant increase/(decrease) in the unobservable inputs on open market values on net lettable area basis and per room key basis used in management's assumptions would result in a significantly higher/(lower) fair value measurement.

Allgreen Properties Limited and its subsidiary companies**Notes to the financial statements
For the financial year ended 31 December 2022****35. Fair values of assets and liabilities (cont'd)****(a) Fair value hierarchy (cont'd)***Level 3 fair value measurements (cont'd)*

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Group (cont'd)		
<i>Investment properties held by property fund</i>		
Market based approach (recent actual transaction prices)	Price per square metre of gross leasable area of A\$ 672 to A\$ 2,325 (2021: A\$1,368 to A\$1,723)	The estimated fair value would increase/(decrease) if the price per square metre of gross leasable area were higher/(lower).

For all significant financial reporting valuations for directly owned property assets using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts may, to the extent practicable, use a minimum of two valuation approaches to allow for cross-checks.

(b) Fair values of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying values of the following financial assets and liabilities are reasonable approximations of fair values either due to their short-term nature or that they are re-priced at market rates at or near the end of the reporting period or the difference between their carrying values and fair values is not significant: Cash and cash equivalents, trade and other receivables, deposits, advances from subsidiary companies and associated companies, rental deposits, bank borrowings and trade and other payables.

The interest-bearing portion of the loans to subsidiary companies is a reasonable approximation of its fair value, as it is a floating instrument repriced to market interest rates on annual basis.

Management has assessed and concluded that the carrying amount of the Group's long-term fixed rate notes does not differ materially from its fair value.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2022

36. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group manages its capital structure by taking into account its current and projected cash flow, expansion and capital expenditure commitments. Where necessary, adjustments to the amount of dividends paid to shareholder or the issuance of new shares may be considered. The Group does not adopt any formal dividend policy.

The Group monitors capital on the basis of the carrying amount of equity as presented in the statement of financial position.

No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 2021.

The Group has complied with externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

37. Events occurring after the reporting period

On 3 May 2023, the Company declared an interim tax-exempt (one-tier) dividend of S\$0.0648 per share amounting to a total of S\$103,056,693.66 for the year 2023.