TUAN SING HOLDINGS LIMITED

ANNUAL REPORT 2022

OUR VISION

Creating a clear distinction

OUR MISSION

Be a "Nucleus of Growth", developing and strengthening core businesses to create value for all stakeholders

Opus Bay, Indonesia

INSIDE OUR REPORT

CORPORATE PROFILE


Opus Bay Apartments, Indonesia

TUAN SING HOLDINGS LIMITED is a regional investment holding company with interests mainly in real estate investment, real estate development and hospitality.

Over the years, the Group has developed a portfolio of strategically located real estate assets in Singapore and across the region and has established a reputation for delivering high quality and iconic developments.

The Group acquired strategic stakes in mixed development opportunities in the region. These include a 7.8% stake in Sanya Summer Real Estate Co. Ltd in Sanya, China, and a 2.26% stake in Goodwill Property Investment Limited in Bali, Indonesia. The Group also holds a 44.5% interest in printed circuit board manufacturer, Gul Technologies Singapore Pte Ltd.

Since marking its Golden Jubilee in 2019, Tuan Sing has embarked on a business transformation to reposition itself from a niche developer to a major regional player in real estate investment, real estate development and hospitality in various key Asia-Pacific cities across Singapore, China, Indonesia and Australia. Leveraging on its strengths and track record in property development and investment across a diverse range of property segments, the Group intends to participate in large-scale integrated developments and townships as it enters the next phase of growth.

VALUES AND STRATEGY

OUR VALUE STATEMENT

Building value and targeting growth

EXCELLENCE

Nothing but the best of our abilities

INTEGRITY

Upholding honesty and morality

TEAMWORK

Effective communication and co-operation

ATTITUDE

Embracing humility, care and hard work

OUR BUSINESS STRATEGY

Building on fundamentals and driving sustainable growth

- Scale up and strengthen the "Tuan Sing" brand name
- Create innovative products and develop architecturally inspiring projects
- Focus on integrated mixed-use developments
- Diversify property portfolio to achieve a balanced revenue profile and recurring income stream
- Expand property business in the region in a capital efficient approach
- Acquire or divest investments/properties in a disciplined manner
- Obtain suitable financing options for projects and investments

OUR COMPETITIVE EDGE

Distinguishing ourselves with unique strengths

- Proven track record and reputation associated with award-winning projects
- Cordial relationships with architects, designers and international business partners
- Demonstrated abilities to deliver unique and high-quality projects
- Hotel properties offer strategic location and unique strength
- Wide property portfolio range
- Experienced and committed board of directors and management team

BUSINESS PHILOSOPHY

Our Business Model Seeks to Create Value for Stakeholders in a Sustainable Way

OUR RESOURCES

- Brand name
- Strong customer relationships
- Financial capital
- Funding sources
- Human capital
- Alliances and associations
- Technology and infrastructure

HOW WE CREATE VALUE	OUR STAKEHOLDERS
Deliver long-term and sustainable returns to shareholders through • Maintaining profitability with reduced volatility • Appropriate use of capital leverage to enhance returns • Good corporate governance and sound risk management	INVESTORS
Offer ample opportunities to develop employees' potential while taking care of their well-being and work-family balance through • Career growth and rotation where appropriate • Competitive compensation and rewarding opportunities • Safe working environment	EMPLOYEES
Create customer value and pleasant experience through • Quality products at competitive pricing • Sustainable products including development of green buildings • Reliable and enlightening customer service	CUSTOMERS
Treat partners as equal through • Upholding the principles of ethical and fair trading • Proactive engagement for mutual benefits • Strong and long-term relationships	BUSINESS PARTNERS
Care for and contribute to the economic, environmental and social development of the communities through • Striking a balance between economic objectives and environmental sustainability • Continual improvement on environmental, health and safety practices • Economic and social contributions, including jobs, local procurement, taxes and community engagement	COMMUNITY

5-YEAR FINANCIAL PERFORMANCE

	2022	2021	2020	2019	2018
FOR THE YEAR ($'000)					
Revenue[1]	**225,297**	248,714	196,817	310,689	336,108
Adjusted EBIT[2]	**52,745**	39,970	57,243	61,370	58,926
Profit before tax	**734**	84,115	59,887	42,038	135,608
Income tax credit/(expense)	**2,116**	(2,295)	(1,356)	(9,359)	(4,178)
Profit after tax	**2,850**	81,820	58,531	32,679	131,430
Profit attributable to:					
Shareholders of the Company	**4,591**	83,662	59,009	33,213	131,537
Non-controlling interests	**(1,741)**	(1,842)	(478)	(534)	(107)
	2,850	81,820	58,531	32,679	131,430
AT YEAR-END ($'000)					
Property, plant and equipment	**473,774**	496,056	407,590	412,712	425,944
Right-of-use assets	**187**	239	266	250	-
Investment properties	**1,395,151**	1,342,245	1,452,351	1,778,168	1,742,662
Development properties	**209,739**	241,611	303,815	344,611	353,091
Investments in equity accounted investees	**166,196**	143,840	152,547	137,863	117,914
Cash and cash equivalents	**251,988**	405,044	274,392	172,274	133,007
Other assets	**159,961**	135,293	552,710	151,464	139,329
Total assets	**2,656,996**	2,764,328	3,143,671	2,997,342	2,911,947
Shareholders' funds	**1,223,286**	1,250,200	1,160,067	1,104,963	1,088,357
Non-controlling interests	**1,541**	14,217	13,431	14,110	14,672
Total borrowings	**1,278,161**	1,352,728	1,464,953	1,711,332	1,630,441
Other liabilities	**154,008**	147,183	505,220	166,937	178,477
Total liabilities and equity	**2,656,996**	2,764,328	3,143,671	2,997,342	2,911,947
FINANCIAL RATIOS					
Return on assets[3]	**0.1%**	2.8%	1.9%	1.1%	4.7%
Return on shareholders' funds[4]	**0.4%**	6.9%	5.2%	3.0%	12.7%
Interest coverage ratio[5]	**1.0x**	2.9x	2.3x	1.7x	4.0x
Gross gearing[6]	**1.04x**	1.07x	1.25x	1.53x	1.48x
Net gearing[7]	**0.84x**	0.75x	1.01x	1.38x	1.36x
SHAREHOLDERS' RETURN					
Earnings per share (cents)	**0.4**	7.0	5.0	2.8	11.1
Net asset value per share (cents)	**100.4**	104.0	97.7	93.1	91.7
Dividend per share[8] (cent)	**0.7**	0.7	0.6	0.6	0.9
Total dividend payout ($'000)	**8,526**	8,411	7,125	7,117	10,678

Definitions:

1. 2021 comparative figure was adjusted for the reclassification of certain recovery of expenses previously classified under cost of sales
2. Adjusted EBIT is based on a measure of adjusted earnings before interest and tax, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant & equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment/writeback of impairment on investments in joint venture/associate and property, plant and equipment, (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss
3. Return on assets = profit after tax / average total assets
4. Return on shareholders' funds = profit attributable to shareholders / average shareholders' funds
5. Interest coverage ratio = profit before interest and tax / finance costs
6. Gross gearing = total borrowings / total equity
7. Net gearing = net borrowings / total equity
8. Dividend per share for 2018 includes an additional special dividend of 0.3 cent per share

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present Tuan Sing's Annual Report and Financial Statements for the financial year ended 31 December 2022 ("FY2022").

FY2022 Financial Performance

The Group achieved a net profit attributable to shareholders of S$4.6 million for FY2022, compared to S$83.7 million in the previous financial year ("FY2021"). If a gain of S$89.0 million from the disposal of a subsidiary which owned Robinson Point is excluded, net profit in FY2022 was S$4.6 million compared to a net loss of S$5.3 million in FY2021.

The Group's financial position remained healthy in FY2022. Cash and cash equivalents stood at S$252.0 million as at 31 December 2022, with a net gearing level of 0.84 time.

Resilient and Cautiously Optimistic Amidst Challenging Outlook

Despite the challenging global economic outlook with increasing financing and construction costs, we continued to stay focused on executing and completing various projects in Singapore and the region where we have a presence in.

In Singapore, our home base, our execution team for both investment and development properties persevered with their projects, capitalising on a post-COVID recovery environment, albeit still fraught with many operational and business challenges.

The sold-out Mont Botanik Residence obtained Temporary Occupation Permit ("TOP") in February 2023. We achieved high double-digit occupancy rates and aim to achieve full occupancy for our commercial properties at 18 Robinson and Link@896. We are also excited about the redevelopment potential of Link@896, which is next to the recently acquired vacant property at 870 Dunearn Road. Our team is evaluating various options to develop these two properties into an iconic project in the area.

In Indonesia, we have commenced construction of our flagship residential properties, Balmoral Tower and Cluny Villas, at Batam Opus Bay. Our execution team is ramping up marketing efforts to buyers in the region with the re-opening of borders post-COVID.

MESSAGE TO SHAREHOLDERS

Opus Bay Apartments, Indonesia

Meanwhile, our foray into Indonesia with a subsidiary of Mitsubishi Estate Asia to develop the first international luxury outlet mall, The Grand Outlet – East Jakarta has been progressing well and is expected to open for trading in 4Q 2023. Leasing is advancing ahead with Mitra Adiperkasa and numerous well-known brands committed to take up more than 60% of the leasable spaces.

In Australia, we continue to review the feasibility study and refine the design for the redevelopment of the Grand Hyatt Melbourne Complex. Depending on the prevailing market conditions, construction and financing costs, we will commence the leasing and construction work at an opportune time.

In Perth, we have started asset enhancement work at the Hyatt Regency Perth Complex in phases. The tenants for the first phase expect to start trading in 2H 2023. On completion of the asset enhancement work, the Perth complex would be repositioned as a mixed-use complex comprising retail, hospitality and office components for the future growth in line with the Western Australia economic expansion.

Prudent Financial Management

Development projects aside, the Group continued to exercise discipline in its cash flow and treasury management.

During the year, the Group acquired the remaining 19.8% stake in SP Corporation ("SP Corp") that it did not own. The transaction resulted in the privatisation and delisting of SP Corp from the Singapore Exchange, which allowed the Group to consolidate the business and optimise the cash balances at SP Corp.

As part of our prudent financial management strategy, the Group also launched a tender exercise to make an early redemption of the 6.9% Series 4 Medium Term Notes ("MTN") due in 2024. The tender exercise was aimed at reducing financing costs and deploying surplus cash. A total amount of S$58.25 million of the notes was redeemed, leaving an outstanding amount of S$141.75 million.

In addition, the 2.8% Superluck Series 1 MTN due in 2022 was redeemed in full in 2022. The Group also entered into its first green banking facility, a S$400 million green loan with a syndicate comprising UOB, DBS, HSBC and Maybank.

Rewarding Shareholders

In light of the Group's credible performance in FY2022, the Board has decided to propose an unchanged first and final one-tier tax exempt dividend of 0.7 cent per share to reward shareholders. If approved at the Annual General Meeting ("AGM") on 26 April 2023, the dividend payment will be made on 27 June 2023. Shareholders may also elect to receive their dividend in the form of shares under the Scrip Dividend Scheme.

Appreciation

Finally, we would like to convey our sincerest appreciation to the Board of Directors for their leadership and guidance in assisting the Group to navigate out of an early post-pandemic period during the year, albeit still fraught with many challenges. This has helped the leadership team to execute on their strategies and rally all our employees and across our network to deliver another year of good performance. We will continue to look to their contributions in the coming year.

Our special thanks also go to the Group's partners and shareholders. For without their unwavering support, our successes would have been less than stellar. To our customers, we continue to be grateful for the opportunities to deliver quality products to them. We wish to assure all stakeholders that we will continue to strive to maintain your support and trust in the year ahead and beyond.

Stay safe and well.

Richard Eu Yee Ming
Chairman

William Nursalim alias William Liem
Chief Executive Officer

DIRECTORS' PROFILE

RICHARD EU YEE MING, PBM

Chairman,
Non-Executive &
Independent Director

Date of first appointment
as Director: 19 August 2019

Date of appointment
as Chairman: 24 February 2021

Date of last re-election
as Director: 22 April 2020

Proposed for re-election
at the AGM on 26 April 2023

Served on the following Board committees:
- Nominating Committee (Chairman)
- Audit and Risk Committee (Member)
- Remuneration Committee (Member)

Academic and professional qualification
- Bachelor of Laws (LL.B) Hons, University of London

Present directorship in other listed companies
- SUTL Enterprise Limited (listed on SGX-ST)

Present principal commitments
(other than directorships in other listed companies)
- Eu Yan Sang International Limited (Non-Executive Group Chairman, Non-Executive Director)
- Vanda Global Capital Pte. Ltd. (Director)
- Dragonfly Education Group Pte. Ltd. (Director)
- Ang Moh Kio-Thye Hua Kwan Hospital Limited (Director)
- Thye Hua Kwan Nursing Home Limited (Chairman)
- Nippon Life India Asset Management (Singapore) Pte. Ltd. (Director)
- Singapore University of Social Sciences (Pro-Chancellor)

Background and working experience
- Various senior positions in the company now known as Haw Par Corporation Ltd
- Assistant to Managing Director, Hong Kong Television Broadcasts Ltd
- Dealer, J Ballas & Co. Pte Stockbrokers
- Managing Director of Dataprep (Singapore) Pte Ltd
- Corporate Planning Manager and Company Secretary of Metro Holdings Ltd
- Managing Director of Intervest Capital Management Pte Ltd
- Key appointment holder for Eu Yan Sang Group from 1989, appointed Group CEO in 2002 and Chairman from 2017
- Independent Director, Broadway Industrial Group Limited, 2005 to 2021
- Chairman of Board of Trustees, Singapore University of Social Sciences, 2015 to 2021.
- Chairman, Advisory Panel, Temasek Polytechnic, Centre of Innovation for Complementary Health Products, 2022 to date

Award

2003: Entrepreneur of the Year Award, Singapore, Master Category, Ernst & Young

2007: Honorary Fellow, Marketing Institute of Singapore

2010: Best Chief Executive Officer Award (companies with market capitalisation less than S$300 million) at the Business Times Singapore Corporate Awards

2011: Ernst & Young Entrepreneur of the Year, Singapore, represented Singapore at the World Entrepreneur of the Year Awards

2019: Spirit of Enterprise – Nexia TS Entrepreneurship Award

2020: Public Service Medal (Pingat Bakti Masyarakat), Singapore National Day Awards 2020

WILLIAM NURSALIM ALIAS WILLIAM LIEM

Chief Executive Officer,
Executive Director

Date of first appointment
as Director: 15 January 2004

Date of appointment
as Chief Executive Officer: 1 January 2008

Date of last re-election
as Director: 28 April 2022

Served on the following Board committee:
- Nil

Academic and professional qualification
- Bachelor of Science in Business, University of California, Berkeley
- Master of Business Administration, Massachusetts Institute of Technology

Present directorship in other listed companies
- Nil

Present principal commitments
(other than directorships in other listed companies)
- Gul Technologies Singapore Pte. Ltd. (Director)
- Nuri Holdings (S) Pte Ltd (Director)

Background and working experience
- Corporate Analyst of Lehman Brothers
- Management roles in GT Asia Pacific Holdings Pte Ltd and Habitat Properties Pte Ltd

Award

2016: Best Chief Executive Officer Award (companies with market capitalisation $300 million to less than $1 billion) at the Singapore Corporate Awards 2016

DIRECTORS' PROFILE

CHENG HONG KOK

Non-Executive & Independent Director

Date of first appointment as Director: 15 August 2017

Date of last re-election as Director: 23 April 2021

Served on the following Board committees:
- Remuneration Committee (Chairman)
- Nominating Committee (Member)

Academic and professional qualification
- Bachelor of Science (Chemical Engineering) Degree with First Class Honours, University of London
- Advanced Executive Management Program, Kellogg Graduate School of Management, Northwestern University, United States of America
- Singapore State Scholar/Colonial Welfare and Development Scholar
- Eisenhower Fellow

Present directorship in other listed companies
- Nil

Present principal commitments
(other than directorships in other listed companies)
- Nil

Background and working experience
- Various senior positions at Singapore Petroleum Company Limited ("SPC") as head of corporate planning, finance and accounting, supply and trading, and marketing and distribution. President and Chief Executive Officer of SPC from 1981 to 1996, Board and Executive Committee member of SPC from 1999 to 2009, and was actively involved in the Asean Council on Petroleum during his tenure with SPC
- Independent Director of the Board and Chairman of the Audit and Risk Committee of Far East Orchard Ltd for many years until 2017
- Board member of the Singapore Economic Development Board
- Member of the Government Economic Planning Committee

MICHELLE LIEM MEI FUNG

Non-Executive & Non-Independent Director

Date of first appointment as Director: 5 April 2001

Date of last re-election as Director: 22 April 2020

Proposed for re-election at the AGM on 26 April 2023

Served on the following Board committees:
- Audit and Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic and professional qualification
- Bachelor of Science (Economics) (Hons), London School of Economics
- Master of Business Administration, University of Chicago

Present directorship in other listed companies
- Nil

Present principal commitments
(other than directorships in other listed companies)
- Honorary Consul, Consulate of the Grand Duchy of Luxembourg in Singapore
- Nuri Holdings (S) Pte Ltd (Managing Director)
- Habitat Properties Pte Ltd (Managing Director)
- Giti Tire Pte. Ltd. (Director)
- GT Asia Pacific Holdings Pte Ltd (Director)
- Singhealth Fund (Director)

Background and working experience
- Director, management and corporate finance role in investment, property, manufacturing, retail and trading companies

Membership and others
- Patron of Bukit Timah Citizens' Consultative Committee, Holland-Bukit Timah GRC, Singapore
- Council Member of the University of Chicago Booth School of Business
- Trustee of the Singapore LSE Trust

Award

2016: The Public Service Medal by the President of Singapore

2022: Officer of the Order of Merit by the HRH Grand Duke Henri of Luxembourg

OOI JOON HIN

Non-Executive & Independent Director

Date of first appointment as Director: 7 May 2021

Date of last re-election as Director: 28 April 2022

Served on the following Board committees:
- Audit and Risk Committee (Chairman)

Academic and professional qualification
- Master of Science in Management, Massachusetts Institute of Technology
- Master of Science in Accounting, New York University
- Bachelor of Arts in Engineering Sciences (Magna cum Laude), Dartmouth College

Present directorship in other listed companies
- Nil

Present principal commitments
(other than directorships in other listed companies)
- Millennia Investment Management Pte Ltd (Managing Director and Co-founder)
- Areca Partners Limited (Director)
- Millennia China Technology Pte. Ltd. (Director)
- Millennia China Technology GP Ltd. (Director)
- Haciendas Pte. Ltd (Director)
- Haciendas DC Fund GP Pte Ltd (Director)
- Haciendas DC Fund Pte Ltd (Director)
- Millennia-VFT Ventures Pte. Ltd (Director)
- NACT Engineering Pte Ltd (Director)
- Millennia Capital Limited (Director)
- Millenia Asset Management (Wuhan) Co., Ltd (Director)
- Millenia Internet Capital Pte Ltd (Director)

Background and working experience
- Various senior positions at Lehman Brothers as Senior Vice President and Co-head of Lehman Brothers Asia Energy Group from 2001 to 2002, with responsibility for the energy and power sectors in Asia Pacific and before that, was Vice President of corporate finance execution for the Southeast Asian investment banking team
- Senior accountant, Grant Thornton in New York

MANAGEMENT PROFILE

MR TAN CHOONG KIAK
Group Chief Financial Officer

Mr Tan joined Tuan Sing in August 2020. He has over 30 years of experience managing Asia Pacific finance teams and has extensive experience in acquisition, divestment, IPO, debt & equity financing, and strategic planning. Before Tuan Sing, he held senior leadership positions at Resorts World Sentosa, Wildlife Reserves Singapore, NewsPage, HDH Capital Management, Lazard and Lehman Brothers in Singapore, Hong Kong and the U.S. Mr Tan is a Chartered Global Management Accountant and holds a Master in Business Administration from Harvard Business School.

MS PEGGY WONG
General Counsel

Ms Wong joined Tuan Sing in 2017 as General Counsel and is responsible for the Group's legal and compliance matters. She brings with her extensive experience accumulated from working across a full spectrum of legal work in private practice and in-house positions encompassing real estate development, manufacturing, asset management and investment holdings. She has a strong track record in cross-border transactions and has held leadership positions with management responsibilities in corporate governance and change management. Ms Wong holds a Bachelor of Laws Degree from the University of Canterbury and is a Barrister and Solicitor of the High Court of New Zealand.

MR PATRICK TAN BOON CHEW
Head, Asset and Fund Management

Mr Tan joined Tuan Sing in April 2018 and has more than 32 years of experience in real estate development, asset and fund management. He held prior senior appointments in various reputable real estate companies and fund management establishments, where he was tasked with acquiring and divesting, developing, managing and marketing properties (including residential, commercial, hotel, industrial and mixed-use development) in Asia. Mr Tan holds a Bachelor of Science (Honours) Degree in Building Economics and Quantity Surveying, a Master of Science in Project Management and a Master of Applied Finance Degree. He is also professionally qualified as a member of the Singapore Institute of Surveyors and Valuers and as a Member of the Singapore Society of Project Managers.

MR ALEXANDER LOH KIM LENG
Director, Group Human Resources

Mr Loh is currently Director, Group Human Resources with 21 years of experience across a full spectrum of human resource management. In his role, he leads the Group HR team in reinforcing strong company culture, creating, and leading employee engagement and development programs, and implementing reward and talent management strategies that support the achievement of business goals and objectives. Mr Loh holds a Bachelor of Business Administration Degree in Human Resource Management from La Trobe University, Australia.

MR NICK NG CHOONG HOW
Senior Vice President, Business Development

Mr Ng joined Tuan Sing in March 2010, and has garnered more than two decades' experience in agency works, project marketing and investment consultancy in the real estate industry. Mr Ng holds a Bachelor of Science (Honours) in Economics and Management at the University of London, a Diploma in Civil Engineering at Singapore Polytechnic and a Specialist Diploma in Fund Management and Administration at Nanyang Polytechnic.

MANAGEMENT PROFILE

MR JAMES ONG JOO LIM
Senior Vice President, Sales, Leasing and Marketing

Mr Ong joined Tuan Sing in June 2012. Before that, he held various senior positions at established real estate agencies including Jones Lang LaSalle, Chesterton International and Colliers International, accumulating almost three decades of experience in selling both local and overseas residential projects.

MR THIVA KESAVAN
Vice President, Hospitality (Operations)

Mr Thiva joined Tuan Sing in April 2020, heading the operations of Hospitality portfolio. He has more than two decades of experience in Hotel operation and strategies, asset performance enhancement and creative operator. He held key leadership roles transforming operation and profitability within different hospitality portfolios. Mr Thiva holds a Diploma in Counselling from Kaplan School of Management.

MR ONG SOON ANN
Vice President, Property Management & Maintenance

Mr Ong joined Tuan Sing in May 2020 and currently leading the Property Management department. He is also providing Mechanical & Electrical support for all ongoing projects and help drive the company sustainability goals. He has more than 20 years of property management experience in office and retail environment. Mr Ong holds a Bachelor's Degree in Mechanical and Production Engineering from Nanyang Technological University and a Diploma in Marine Engineering from Singapore Polytechnic. He is also a Singapore Certified Energy Manager and a Green Mark Professional.

MR TAN CHEE WEE
Vice President, Procurement/Projects,
General Manager, Construction Management

Mr Tan joined Tuan Sing in August 2015. He has extensive experience in residential, commercial, industrial and institutional projects. He is currently leading Tuan Sing's procurement/ project division to achieve cost efficiency in upcoming development projects, and is also leading the Group's construction management business. Mr Tan holds a Bachelor of Civil Engineering from Universiti Teknologi Malaysia, a Master's Degree in Civil Engineering from Nanyang Technological University and a Master's Degree in Project Management from National University of Singapore.

MR KENNY TAN CHING YEEN
Vice President, Information Technology

Mr Tan joined Tuan Sing in March 2021. He has more than 25 years' experience in IT strategy, consulting, engagement and implementation of innovative solutions for public and commercial sectors. He leads the Group's regional IT team in digital transformation initiatives and implementation of innovative solutions for the Group. Before joining Tuan Sing, he held senior positions in various companies including IBM, Fujitsu, Accenture-Avanade, NCS, Motorola and Health Promotion Board. Mr Tan holds a Bachelor of Science (Computer Science) Degree from National University of Singapore. He is also a certified Project Management Professional (PMP) with Project Management Institute.

MR KEN YEO AIK HUI
Vice President, Regional Projects

Mr Yeo joined Tuan Sing in April 2021, heading the Regional Projects portfolio. He has more than two decades of experience in real estate development and project management. He held prior senior positions at other real estate companies, where he led residential, hospitality and mixed development (high rise) projects in the region. Mr Yeo holds a Bachelor of Civil Engineering (Honours) from the Nanyang Technological University.

AWARDS & ACCOLADES

RECOGNITION FOR CORPORATE GOVERNANCE AND TRANSPARENCY

Securities Investors Association (Singapore) Investors' Choice Awards (Mid Capitalisation Category)

- 2022 Winner of **Most Transparent Company Award – Real Estate**
- 2021 Winner of **Most Transparent Company Award – Real Estate**
- 2021 Runner-up of **Singapore Corporate Governance Award**

Singapore Governance and Transparency Index Ranking

- 2022 (Top 3%) - 17th place amongst 489 listed companies
- 2021 (Top 4%) - 23rd place amongst 519 listed companies
- 2020 (Top 3%) - 17th place amongst 577 listed companies

Singapore Corporate Awards (Mid Capitalisation Category)

- 2022 Winner of **Best Annual Report (Gold)**

RECOGNITION FOR BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

18 Robinson, Singapore

- 2022 Council on Tall Buildings and Urban Habitat (CTBUH) – **Winner for Geotechnical Engineering Award**
- 2022 BCA **Green Mark Award Platinum** - Green Mark for Existing Non-Residential Buildings
- 2021 BCA **Construction Excellence Award (Merit)**
- 2021 Council on Tall Buildings and Urban Habitat (CTBUH) – **Award of Excellence Winner for Best Tall Building 100-199 meters and Urban Habitat – Single Site Scale**
- 2020 BCA Construction Quality Assessment System – **CONQUAS STAR rating**
- 2020 BCA Universal Design (UD) **GoldPLUS Award**

Cluny Villas in Opus Bay, Indonesia

- 2023 Asia Pacific Property Awards 2023-2024 – **Award Winner for Architecture Multiple Residence Indonesia**

Balmoral Tower in Opus Bay, Indonesia

- 2023 Asia Pacific Property Awards 2023-2024 – **Award Winner for Residential High Rise Architecture Indonesia**

The Grand Outlet – East Jakarta, Indonesia

- 2023 Asia Pacific Property Awards 2023-2024 – **Award Winner for Leisure Architecture Indonesia**

BCI Asia Awards

- **2022 Top Ten Developers Awards**

RECOGNITION FOR CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

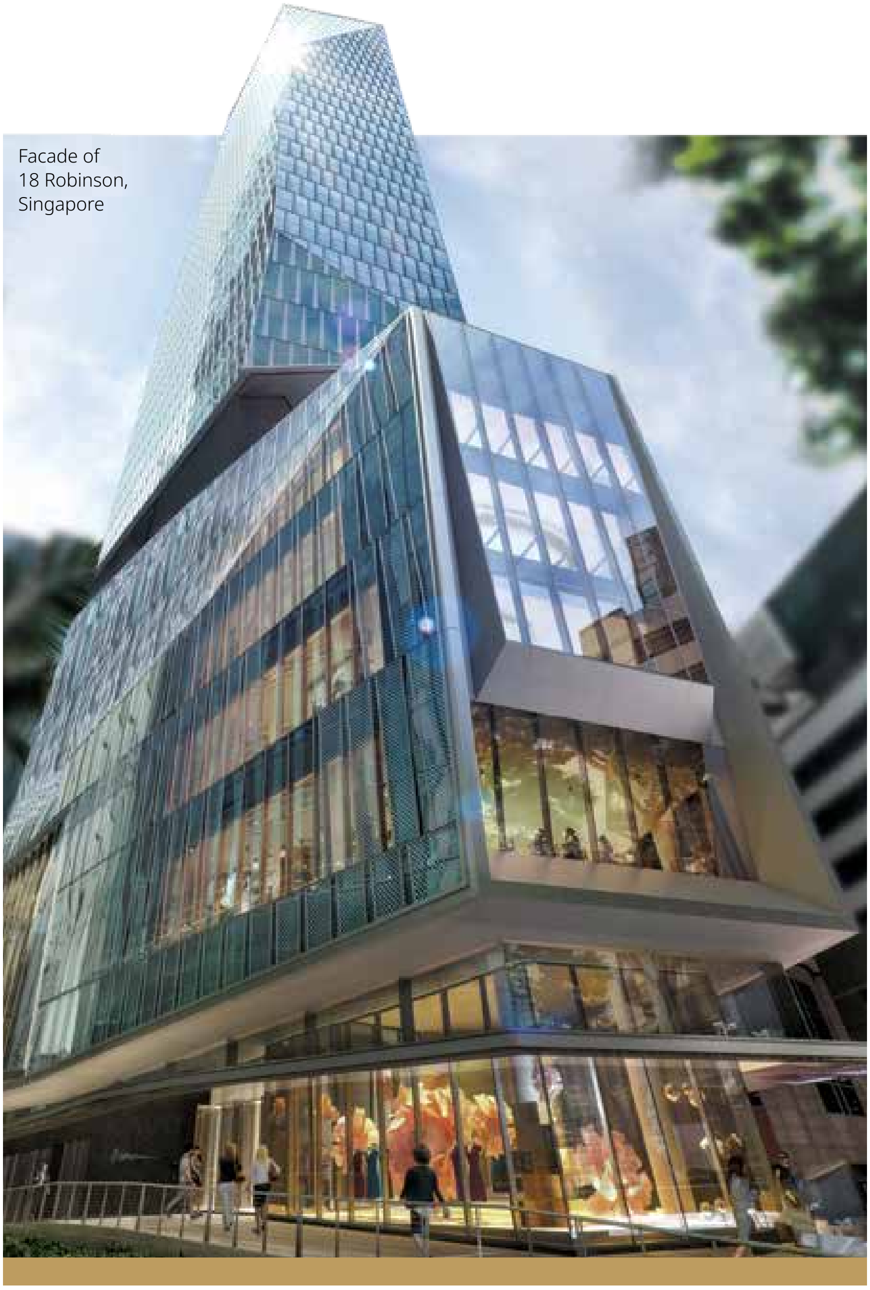
Grand Hyatt Melbourne, Australia

- 2023 Forbes Travel Guide - **Four Star Rating for Excellence in Hospitality**
- 2022 Business Traveller Asia-Pacific Awards – **Best Business Hotel in Melbourne; Best Business Hotel Brand in the World; Top 3 Best Business Hotel Brand in the World**
- 2022 AHA (Australian Hotels Association) National Awards for Excellence - **Best Marketed Accommodation Provider**
- 2022 Victorian Accommodation Awards for Excellence – **Best Marketed Accommodation Provider; Outstanding Achievement in Training and Development**
- 2022 DestinAsian Readers' Choice - **Top 3 Best Hotel in Australia**
- 2021 Business Traveller Asia-Pacific Awards – **Best Business Hotel in the World; Top 3 Best Business Hotel Brand in Asia-Pacific; Top 3 Best Business Hotel in Melbourne**
- 2021 Travel & Leisure World's Best Awards – **Top 5 City Hotels in Australia and New Zealand**
- 2021 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence – **Outstanding Achievement in Training & Development; Front Office Services Employee of the Year**
- 2020 Business Traveller Asia-Pacific Awards – **Best Business Hotel in Melbourne; Best Business Hotel Brand in the World; Top 2 Best Business Hotel Brand in Asia Pacific**

Hyatt Regency Perth, Australia

- 2022 WA Perth Airport WA Accommodation Awards – **Chef Award; Executive Level Manager Award**
- 2021 WA Perth Airport WA Accommodation Awards – **Food & Beverage Award; Hotel Housekeeping Award; Hotel Engineering and Maintenance Award**
- 2021 WA Australian Hotels Association – **Service to Australia Award**

CEO'S REVIEW OF OPERATIONS



Facade of 18 Robinson, Singapore

KEY DEVELOPMENTS IN 2022

Despite global economic uncertainties and increasing construction and finance costs, we remain cautiously optimistic for the outlook of the real estate market in Singapore and the region where we are present.

This is why we have pushed hard during the year to continue the progress of several quality projects under development in Singapore and overseas and we intend to maintain the momentum going forward.

In ***SINGAPORE***, Kandis Residence, the tranquil 130-unit condo development set in the Northern corridor, has obtained Certificate of Statutory Completion ("CSC") in August 2022. Over at Hillview, Mont Botanik Residence was fully sold and is pushing ahead with completion in early 2023. The project has obtained Temporary Occupation Permit ("TOP") and handover of properties to the buyers is ongoing and would have been completed by March this year. Notwithstanding cooling measures, sales at the exclusive 90-unit Peak Residence are progressing within expectation, attesting to its charming view at a high point in the Thomson district. This project is enroute for completion in 1H 2024.

On commercial side, 18 Robinson and Link@896 continued to perform well with occupancy of 89% and 94% having been achieved respectively at the end of 2022. The acquisition of 870 Dunearn Road, adjacent to Link@896 was completed in August 2022. With the adjacency of both properties, the combined enlarged site gives a regular-shaped land parcel which is ideal for more efficient planning with wider and improved visibility along Dunearn and Bukit Timah Roads. Evaluation for the potential use of these two sites is ongoing and we will provide further updates in due course.

Mont Botanik Residence, Singapore

CEO'S REVIEW OF OPERATIONS


The Grand Outlet - East Jakarta, Indonesia

Meanwhile, in ***INDONESIA***, the preview of the 559-unit Balmoral Tower and 51 Cluny Villas under Phase 1 in Singapore has yielded positive responses despite the restriction brought about by borders closure. These two residential properties are part of our flagship Opus Bay project in Batam, which is being developed in phases into an integrated township comprising residential living, with retail offering, F&B, commercial, hotel, tourist attractions, international school and medical centres.

We are excited on the progress of our joint venture project with our Japanese partner. Construction of The Grand Outlet – East Jakarta commenced in early 2022 and has since achieved more than 40% of works on site as of end December 2022. We have also arranged a tie-up with Mitra Adiperkasa (MAP) as the anchor tenant to operate more than 38 sought-after brands at The Grand Outlet. As at end 2022, some 60% of the retail space have been committed by numerous tenants including Nike, Calvin Klein, Tommy Hilfiger, Timberland, Mango and Starbucks. The Grand Outlet is targeted to open for business to the public in 4Q 2023.

In ***AUSTRALIA***, business at our hotels in Melbourne and Perth picked up substantially during the year as a result of stronger demand from domestic transient business as well as from the corporate segment.

In Perth, Hyatt Regency Perth, which resumed full operation post quarantine de-requisition in August 2022, is enjoying strong demand from domestic and leisure travels and we expect higher international visitation as well with the return of international sporting events and conferences.

The situation is similar at Grand Hyatt Melbourne which continues to benefit from strong domestic and corporate demand and we expect this positive trend to continue for the rest of 2023.

During the year, the operating term of the Hotel Management Agreement for Grand Hyatt Melbourne which expired in December 2022 was extended for an additional 5 years to 31 December 2027.

The slowing global growth and uncertain macro-economic conditions have resulted in real estate investors taking a cautious approach where the focus is on defensive assets with high quality cash flows. However, the current volatility is only expected to persist in the short term with structural trends in technology and ESG to remain intact in the mid to long term.

The Asia Pacific region is also expected to be more resilient and see better growth with China and ASEAN-5 to grow faster than the global growth rate. We expect green and sustainability to continue to be essential features for real estate assets. At Tuan Sing, we are committed to be socially responsible by incorporating sustainable elements in our new projects and existing developments.

As part of our transformation journey into a regional real estate player, the Group will continue to look for strategic partners to complement our expertise and to expand our footprints to seize growth opportunities in key cities in China, Indonesia and Australia where we already have a significant presence.

Looking ahead, we will continue to leverage on our knowledge, expertise, networks of partners and coupled with entrepreneurial spirit, human capital and strong balance sheet to deliver high quality developments in the region and to generate stronger and sustainable returns over time.

William Nursalim alias William Liem

Chief Executive Officer

OPERATION SUMMARY

Peak Residence, Singapore

Tuan Sing Holdings Limited is a regional investment holding company focused primarily on real estate investment, real estate development and hospitality. Over the years, the Group has developed a portfolio of strategically located real estate assets in Singapore and across the region and has established a reputation for delivering high quality and iconic developments.

The Group operates in five business segments, namely
(i) Real Estate Investment
(ii) Real Estate Development
(iii) Hospitality
(iv) Industrial Services
(v) Other Investments

REAL ESTATE INVESTMENT

The Real Estate Investment segment focuses on the investment in properties in Singapore, Australia, Indonesia and China. The Group's main investment properties are 18 Robinson, Link@896 and The Oxley in Singapore; commercial buildings in Melbourne and Perth, which are adjacent to the Group's two hotels: Grand Hyatt Melbourne and Hyatt Regency Perth; and The Grand Outlet – East Jakarta in Indonesia.

REAL ESTATE DEVELOPMENT

The Real Estate Development segment focuses on the development of properties for sale in Singapore and the region. With Mont Botanik Residence and Peak Residence in Singapore completing in early 2023 and 2024 respectively, the Group has embarked on regional development opportunities in Batam, Indonesia and Sanya, China.

HOSPITALITY

The Hospitality segment comprises two hotels in Australia, namely the Grand Hyatt Melbourne and Hyatt Regency Perth, which are managed by Hyatt International. The two hotels are located in prime locations in Melbourne and Perth respectively, and cater to the business and high-end tourism sectors of these cities.

INDUSTRIAL SERVICES

The Industrial Services segment includes two wholly owned subsidiaries, namely the recently privatised SP Corporation Pte. Ltd. ("SP Corp") and Hypak Sdn. Bhd. ("Hypak"). Hypak is a Malaysia based company carrying out the business of manufacturing and marketing of polypropylene packaging bags.

OTHER INVESTMENTS

Other Investments segment comprises a 44.5% equity interest in Gul Technologies Singapore Pte. Ltd. ("GulTech") and a 49% equity interest in Pan-West (Private) Limited ("Pan-West"). GulTech is a printed circuit board manufacturer with three plants in China. Pan-West is a retailer of golf-related lifestyle products.

OPERATION SUMMARY

REAL ESTATE INVESTMENT

Revenue of $56.0 million in 2022 was comparable to 2021. Whilst revenue from commercial properties in Singapore and Australia was higher, this was partially offset by the absence of contribution from Robinson Point which was divested in June 2021. Overall, the Group achieved improved occupancies and average gross rental rates for its investment property portfolio in Singapore. Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") for 2022 decreased by 10% to $28.5 million due mainly to the absence of contribution from Robinson Point.

18 Robinson, Singapore

SINGAPORE

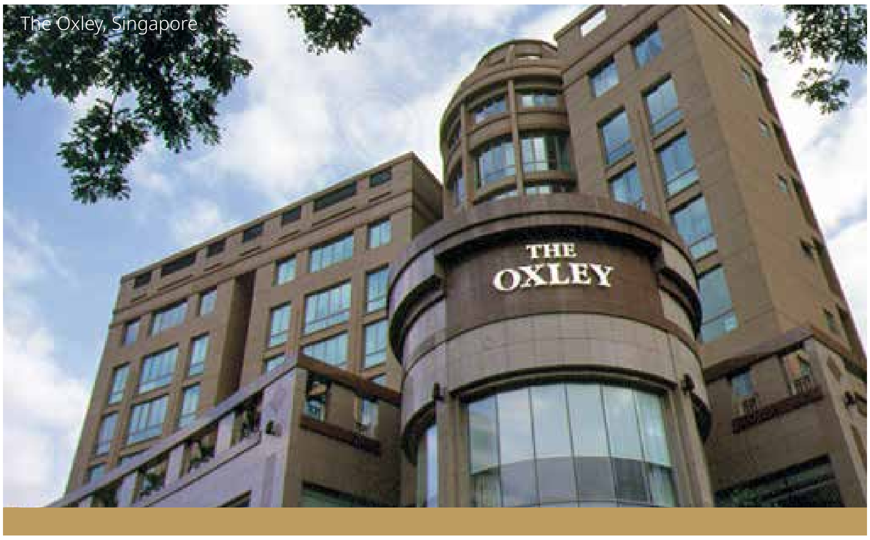
Office sector rents in Singapore's Central Region rose for a fifth straight quarter at 5.1% in the 4th quarter of 2022, the highest quarterly growth since 1st quarter of 2021 at 5.4%, according to statistics released by the Urban Redevelopment Authority ("URA"). The growth was propelled by office rents in the Central Area. For the full year, office rents in the Central Region grew 11.7%, a sharp acceleration from the 1.9% rise in 2021.

The rental outlook remains positive as Singapore's effective management of the COVID-19 pandemic has helped to boost the confidence of investors and occupiers and build resilience in Singapore's real estate market. The leasing demand remains favourable due to limited prime office supply. With Singapore's strong economic fundamentals, business-friendly reputation and status as a regional hub, the office sector is expected to continue the path of growth in the long term.

18 Robinson is situated at the prominent junction of Robinson Road and Market Street (diagonally opposite Lau Pau Sat). This premium commercial office building with complementary retail space has approximately 17,784 square metres of net lettable area. Designed by Kohn Pedersen Fox Associates in conjunction with Architects 61, the building comprises a tower from the 10th to 28th storey, a podium from the ground to 7th storey and a sky terrace level with six basement levels. The podium comprises a mix of retail, food and beverage and office spaces, while the tower comprises mainly office spaces located on the 10th to 27th storey (save for 25th storey) and retail and food and beverage spaces on the 28th storey. The basement levels consist of one basement level of vehicular drop-off and car lift access and five basement levels of an automated guided vehicle car parking system. 18 Robinson obtained Temporary Occupation Permit ("TOP") in January 2019 and was rated "CONQUAS Star" by the BCA under its Construction Quality Assessment System in 2020. Tenants include a mix of family offices, embassies, financial and professional service companies.

18 Robinson features urban windows revealing its interior functions and serves to connect with the street activities. For occupiers on all office floors, the low-iron glass facade provides a sweeping, all-around panorama of city vistas and marina views. Some of the building's energy-and-water saving features include the use of energy-efficient variable-speed drives in the air-conditioning system and the extensive use of LED lighting throughout the building, reflecting the Group's green and sustainability features.

OPERATION SUMMARY



The Oxley, Singapore


Link@896, Singapore

The building also has passive energy-saving design features including a curtain wall facade system that uses low-emissivity, double-glazed insulating glass units to minimise heat gain into the building. Equipped with a fully automated carpark system that uses a battery-powered automated guided vehicle system, 18 Robinson employs a laser-guided positioning system instead of conventional automatic parking systems that require conveyor belts to transport the cars.

18 Robinson was awarded the BCA Green Mark Gold^{PLUS} rating for the numerous green features that have been incorporated into the design of the building. In March 2022, upon renewal of the Green Mark certification, the rating was upgraded from Gold^{PLUS} to Platinum. This was achieved through the fine-tuning of our existing plants to further improve efficiency.

Link@896 (formerly "896 Dunearn Road") is a commercial building located opposite King Albert Park MRT. It is situated on a part-freehold, part-999-year leasehold site of 13,089 square metres with an allowable gross plot ratio of 1.8 and a maximum permissible gross floor area of 23,560 square metres. Acquired in June 2017, this five-storey building comprises approximately 18,006 square metres of net lettable area, with a mixture of retail and office tenancies. The Group refreshed the tenancy mix by introducing more sports/wellness, lifestyle, education, retail and food and beverage tenants through additions and alteration works which have been substantially completed. Anchor retail tenants include Cold Storage and Burger King.

In August 2022, the Group completed the purchase of a freehold site at 870 Dunearn Road which is adjacent to and shares the same boundary as Link@896. Combined together, these two properties will result in an enlarged site that will yield a regular-shaped land parcel ideal for more efficiency planning with wider frontage and improved visibility along Dunearn and Bukit Timah Roads. Evaluation for the potential redevelopment of these two properties is ongoing.

The Oxley is a freehold 10-storey mixed commercial-cum-residential building located along Oxley Rise, which lies in the prime District 9, and is just a few minutes' walk away from the entertainment, shopping and hotel belt of Orchard Road. The building includes a podium block that houses commercial premises from the 1st to 3rd storey, a tower block with residential units from the 4th to 10th storey, and a three-storey basement car park. The Group was the developer of the building and currently owns the three-storey commercial space. The third floor currently houses Tuan Sing's corporate headquarters.

Far East Finance Building is a 13-storey commercial building with a basement, comprising mainly office space on all levels except for part of the ground floor which accommodates shop space. It is located adjacent to 18 Robinson along Robinson Road, near its junction with Cecil Street/ Finlayson Green. The Group owns the strata unit that occupies the whole of the 11th floor.

L&Y Building is a five-storey light industrial building with a basement car park, located at Jalan Pemimpin within proximity to the Marymount MRT station. The Group owns three of the 24 strata units in the building.

OPERATION SUMMARY

REAL ESTATE INVESTMENT

Artist's impression for Hyatt Regency Perth complex, Australia

AUSTRALIA

The Group has commercial and retail buildings in Melbourne and Perth which are adjacent to its two hotels, Grand Hyatt Melbourne and Hyatt Regency Perth respectively. The Group also owns two land plots adjoining the Hyatt Regency Perth complex.

MELBOURNE

In 2022, Melbourne has well and truly bounced back to a normal way of life post COVID-19. The city has been abuzz with events as workers return to the office, and retail spending has rebounded. At the same time, the tourism sector continues to improve aided by a rebound in domestic and leisure travel. Still, there remains an element of caution in the market for most business owners. In recent months, there has been a softening of consumer confidence, though retail spending remains healthy. As such, current rental levels are expected to be retained moving forward.

The ***Commercial Centre and Carpark within Grand Hyatt Melbourne complex*** located at 123 Collins Street consists of three flagship luxury boutique retail tenancies fronting Collins Street, two retail tenancies fronting the Grand Hyatt Melbourne porte-cochere (with return driveway to Russell Street), a basement hospitality tenancy space and a basement carpark with 589 parking bays. The tenancies occupy a total lettable area of 3,024 square metres. Some of the luxury and high-end stores in the hotel's shopping complex include Bvlgari, Paspaley Pearls and Giorgio Armani. In 2022, the Group achieved an average occupancy rate of 98%. The Group has self-managed the carpark since October 2020.

In 2020, the Group acquired ***25 George Parade***, a property adjoining to the Grand Hyatt Melbourne complex. This standalone retail area of 135 square metres sits on a prime landholding of 160 square metres.

The Group is evaluating plans to redevelop its Melbourne properties into an iconic mixed-use development comprising premium grade office space, luxury retail and dining experiences as well as upper-upscale hotel/ serviced residences.

PERTH

The Perth market has seen continued growth of the mining and resources sector which continues to provide demand for office space. Retail property within Perth has also continued to see a recovery although some decline in retail sales was seen at the end of 2022 due to cost of living pressures.

The ***Commercial Centre and Carpark within Hyatt Regency Perth complex*** located at 99 Adelaide Terrace comprises a three-level office, two basement levels of carpark with 883 parking bays and a retail component. The commercial centre faces Terrace Road and Plain Street and overlooks the picturesque Swan River. It has an estimated total lettable area of 22,644 square metres, including an area undergoing construction. Fortescue Metal Group currently occupies 82% of the completed space.

Two vacant land, 10 & 40 Terrace Road The Group owns two land parcels totalling 3,072 square metres which adjoin the Hyatt Regency Perth complex and are slated for future development.

The retail component of the commercial centre and part of the car park area are currently undergoing an Asset Enhancement Initiative ("AEI"). Upon completion, it will be an iconic commercial and retail hub in the Eastern Perth CBD, which is in proximity to the Crown Casino and the Perth Optus Stadium. The proposed development is on-going and tenants of the first phase are expected to start trading in the second half of 2023.

OPERATION SUMMARY

The Grand Outlet - East Jakarta, Indonesia

INDONESIA

The Grand Outlet - East Jakarta

The Group established a 50:50 joint venture with Mitsubishi Estate Co., Ltd. to develop an international luxury outlet mall in Karawang – a fast growing economic hub connecting Indonesia's capital city Jakarta and third-largest city Bandung. Construction is ongoing with a target opening date in the fourth quarter of 2023. Upon completion, The Grand Outlet - East Jakarta will have a leasable area of approximately 26,000 square metres, featuring approximately 180 shops with a wide variety of retail offerings and dining establishments. There will also be ample car park space available.

The Grand Outlet – East Jakarta is envisioned to be a world class shopping destination, where visitors can revel in retail therapy set in green urban spaces. The luxury outlet mall aims to offer international brands that sell branded and discounted mid- to high-end apparels, shoes, bags, accessories and more. Beauty seekers can get pampered from a range of holistic treatments offered by beauty salons and massage services, while diners can satiate their taste buds from a variety of gastronomic delights.

The Grand Outlet – East Jakarta has won an award in the Asia Pacific Property Awards 2023–2024 for Leisure Architecture Indonesia.

The integrated development in Sanya, China

CHINA

No. 2950 Chunshen Road, Minhang District, Shanghai is a three-storey commercial building occupying a land area of approximately 1,741 square metres. The leasehold building with an estimated lettable area of 2,170 square metres is fully leased.

Lakeside Ville, Qingpu District, Shanghai The Group owns six shop units and basement commercial spaces which occupy a total estimated lettable area of 3,896 square metres in the development that is within proximity to the Hongqiao International Airport and the transportation hub. The Group also owns two apartment units occupying an estimated gross floor area of 634 square metres. The Group was the developer of the development that was completed in 2010.

55 underground carpark lots at Luyinyuan, Lane 558 Baochun Road, Minhang District, Shanghai The Group owns an underground carpark occupying the basement of a 17-storey building. The carpark occupies an estimated area of 2,403 square metres.

OPERATION SUMMARY

REAL ESTATE DEVELOPMENT

Revenue from Real Estate Development declined 11% to $81.7 million in 2022, due mainly to the absence of revenue from Kandis Residence and Sennett Residence. Kandis Residence obtained TOP and all units were fully sold in 2021, while the remaining residential units at Sennett Residence were sold in 2021. The decrease in revenue was partially offset by higher progressive revenue recognition of units sold in Peak Residence and Mont Botanik Residence. Adjusted EBIT for 2022 was a narrower loss of $6.2 million as compared to a loss of $8.2 million in 2021. The narrower loss was due mainly to lower show flat and selling expenses for residential projects in Singapore, partially offset by higher construction costs arising from construction delays.

The Group takes pride in the high-quality premium homes it has developed over the last few decades. The attention to quality and detail, from site planning to the development of the finishes of each project, is critical to ensuring that its products exude an outstanding yet timeless appeal. The Group also prides itself in its discerning eye for identifying and selecting world-class and renowned architects for its projects. In partnership with these professionals, the Group aims to create cutting-edge architecture using breakthrough and visually exciting designs that cater to sophisticated individuals and investors, as well as to deliver products that set new benchmarks for live-work-play concept and quality living.


Mont Botanik Residence, Singapore

SINGAPORE

Despite property cooling measures, the residential market rebounded with a robust take-up of new project launches. It also saw further price movement upwards from second half of 2022 and ended the year with a price index increase of 8.6%. Although this is lower than the 10.6% increase achieved in 2021, the residential market demonstrated its resilience amidst uncertain economic outlook, high inflation and higher financing costs. Market fundamentals continue to be intact on the back of pent-up local and foreign demand, tight labour market with low unemployment rate, dwindling stock of unsold units and limited supply pipelines. However, the Group is conscious of and taking steps to manage the higher construction costs and tight manpower situation carried over from COVID-19, which may continue to impact project margins and construction schedule.

Kandis Residence is a 130-unit tranquil project set in the Northern corridor. The development has obtained the Certificate of Statutory Completion ("CSC") in August 2022, a new milestone after obtaining the TOP in March 2021. Residents can enjoy the short stroll to Sembawang park which overlooks the Johor Strait.

Mont Botanik Residence is a freehold 108-unit project distinguished by a series of communal sky gardens linking the two residential towers. The development is inspired by the surrounding lush greenery of Bukit Timah Nature Reserve, Bukit Batok Nature Park and Bukit Gombak "Little Guilin". The project is fully sold and obtained the TOP in February 2023.

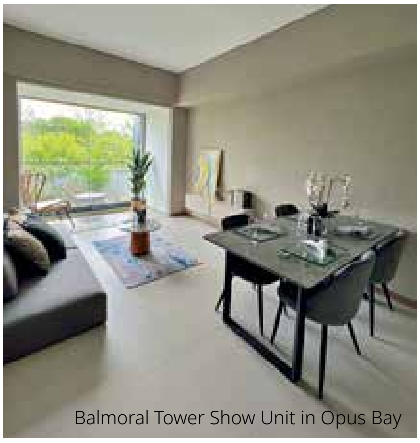
Peak Residence is an exclusive freehold project in Thomson district that sits on the peak with panoramic views of MacRitchie Reservoir. With easy accessibility to Novena MRT station and the upcoming Mount Pleasant MRT station, this 90-unit project is expected to be completed in the first half of 2024.

DIVERSIFICATION STRATEGY

In line with its diversification strategy, the Group has over the years broadened its presence overseas with the acquisition of 125 hectares of land in Batam, Indonesia, a 2.26% equity stake in the holding company of a mixed-development site on Kura Kura Bali in Bali, Indonesia, and a 7.8% equity stake in the holding company of an integrated mixed-development project in Sanya, China. These development projects are expected to strengthen the Group's property portfolio and profitability in the future.

OPERATION SUMMARY

Cluny Villas Show Unit in Opus Bay



Balmoral Tower Show Unit in Opus Bay

INDONESIA

Batam has been a traditional investment and tourist attraction for Singaporeans and visitors from the region. Within reach by ferry in an hour from Singapore, Batam possesses strong development potential as a locale for high-quality lifestyle destination for residents and visitors. This is attested by many high-rise and high-end residential and commercial developments coming up in recent years.

Opus Bay is a 125-hectare site located in western Batam, Sekupang District. The site, which was acquired in phases by the Group in 2018 and 2019, has undergone master planning for an integrated mixed-development township with a dedicated ferry terminal. It will comprise residential living, retail with food and beverage, outlet mall, hotels with MICE facilities, offices, tourist attractions, international schools and medical facilities.

Opus Bay is the brainchild of an international collaboration with world acclaimed architect firm, New York-based Kohn Pedersen Fox Associates (KPF) as the master planner, Singapore-based RT+Q Architects for the apartment buildings, ONG & ONG for the exclusive villas, Park + Associates for the ferry terminal and Lead8 for the outlet mall. When completed, it is set to redefine how people live and play.

The Group has soft-launched Balmoral Tower and Cluny Villas in Singapore. Show flats and show villas in Batam are targeted to open in the first half of 2023. The 37-storey Balmoral Tower has 559 residential units, offering choice options from studio apartments to three-bedroom units, ideal for investors and holiday home owners, while the limited-edition Cluny Villas present a resort feel with private pool in exclusive setting.

Land in Kura Kura Bali The Group acquired a 2.26% equity interest in Goodwill Property Investment Limited ("GPI") in 2019, with the aim of seeking opportunities to grow its portfolio of well-located assets in Indonesia. GPI holds 80% of PT Bali Turtle Island Development, a developer in Indonesia that owns approximately 500 hectares of land in Kura Kura Bali ("KKB") (formerly known as Serangan Island), located at Turtle Island in the south-eastern part of Bali.

KKB is easily accessible as it is just a 15-minute drive away from Denpasar International Airport and connects seamlessly via a bridge to the main Bali island. Other prime resort destinations such as Sanur, Nusa Dua, Jimbaran Bay, Kuta and Seminyak are a stone's throw away.

Set against the spectacular backdrop of Bali's sacred Mount Agung, KKB is part of Bali's capital city of Denpasar. When completed, the integrated development will have hotels, residential resorts, mixed-use retail villages and art & cultural museums. It will also have a marine science conservatory, marina, surf & beach clubs, creative campus, knowledge & innovation technology park, eco & adventure parks and many island lifestyle activities. The Group is the lead development partner in this integrated development.

CHINA

Land at Yuxiu Road and Hairun Road in Sanya, Hainan The Group has an equity interest of 7.8% in Sanya Summer Real Estate Co., Ltd ("SSRE"), a Hainan-based property development company which owns two plots of land at Yuxiu Road and Hairun Road in Sanya, Hainan. The Yuxiu Road land is approximately 44,485 square metres and is adjacent to the Sanya High-Speed Railway Station. An integrated development comprising commercial apartments, hotel and retail components with close to 2,000 carpark lots and a transportation hub is under construction on site. When completed in the second half of 2023, this iconic landmark is expected to yield a gross floor area of close to approximately 200,000 square metres for sale or lease. The Hairun Road land is approximately 28,569 square metres. Design and planning work for a proposed residential and commercial development is ongoing. The project is expected to be completed progressively in three to five years' time.

Land at Fuzhou The Group owns one plot of vacant land in the mountainous ridge of the Shoushan Country, Jing'an District in Fuzhou. The site, which measures about 163,740 square metres, is a 30-minute drive away from the city centre.

OPERATION SUMMARY

HOSPITALITY


Grand Hyatt Melbourne, Australia

Revenue from Hospitality surged 89% to $85.5 million in 2022 on the back of improved hotel operations in Australia following the lifting of border restrictions in early 2022. Correspondingly, the Group's adjusted EBIT improved to $19.1 million in 2022 from $1.4 million in 2021.

The Group owns two internationally recognised, award-winning five-star hotels, Grand Hyatt Melbourne and Hyatt Regency Perth. Both hotels are managed under the Hyatt brand pursuant to the hotel management agreement with Hyatt International. The hotel management agreement for Grand Hyatt Melbourne commenced on 8 August 1996 and the operating term has been further extended for an additional five years to 31 December 2027. Hyatt Regency Perth's hotel management agreement commenced on 1 July 1996 and will expire on 31 December 2026. Hyatt International has the option to extend the management agreement for Hyatt Regency Perth.

Grand Hyatt Melbourne is located within Melbourne's central business district, at the "Paris End" of Collins Street, with access to both Russell Street and Flinders Lane. The hotel, which opened in 1986 and has been extensively renovated in recent years, comprises a total of 550 guestrooms and suites over 33 levels. It also features four food and beverage outlets, 15 meeting rooms, a day spa, a fully equipped health and fitness club with a swimming pool, a tennis court and a golf driving net. Retail space and a car park are also integrated within the Grand Hyatt Melbourne complex. The hotel achieved an average room occupancy rate of 64% in 2022, as compared to 24% in 2021. The occupancy rates in 2021 were affected by the COVID-19 pandemic.

Hyatt Regency Perth is located at the eastern end of Perth's central business district, with three road frontages to Adelaide Terrace, Plain Street and Terrace Road. It commands expansive views of the Swan River. Completed in 1984, it features an integrated five-star hotel, office, retail, and parking complex, along with an adjacent commercial centre known as Fortescue Centre. The hotel comprises 367 hotel rooms and suites over the upper nine levels. Facilities and amenities include four food and beverage outlets, 15 conference and meeting rooms and numerous recreation facilities, including an outdoor heated swimming pool and a fitness centre. It operated as a quarantine hotel from March 2020 to July 2022, and returned to commercial operation since August 2022. The hotel achieved an average room occupancy rate of 33% in 2022, as compared to 47% in 2021.

The reopening of Australia's international borders since February 2022 and progressive lifting of COVID-19-related restrictions in 2022 resulted in encouraging recovery in the hotel business. With China reopening in January 2023, we expect a resurgence of Chinese travellers to Australia. The Group expects higher contribution from international travellers in 2023.

OPERATION SUMMARY

INDUSTRIAL SERVICES

Industrial Services revenue declined 84% to $9.2 million in 2022 due mainly to the absence of coal delivery at SP Corp. Adjusted EBIT was a loss of $1.9 million in 2022 as compared to a loss of $0.6 million in 2021. The wider loss was partly due to the absence of contribution from coal delivery as well as expenses related to the privatisation of SP Corp in 2022.

Hypak, Malaysia

Hypak is a 100% owned subsidiary of the Group. It is an industrial packaging producer and supplier of polypropylene woven bags and laminated bags in Malaysia for products such as fertilisers, sugar, chemicals, flour and feed meal. Hypak owns a 99-year leasehold industrial building in Malacca, Malaysia with a land area of approximately 19,100 square metres.

OTHER INVESTMENTS

Other Investments segment comprises a 44.5% equity interest in GulTech and a 49% equity interest in Pan-West. In line with our strategic direction, the Group is not averse to disposing its investments in these two businesses should the opportunity arises.

Profit from this segment is derived mainly from GulTech. Adjusted EBIT increased 16% to $30.5 million in 2022 due mainly to higher net profit contribution as well as the appreciation of United States dollar against Singapore dollar as GulTech's reporting currency is in United States dollar.

Gultech in Wuxi, China

GulTech is a respected manufacturer in the printed circuit boards market, serving customers in the automotive, computer peripheral, consumer electronics, telecommunications, healthcare and instrument and control sectors. It has three manufacturing plants in Suzhou and Wuxi, China. Leveraging on its innovative designs and prototype expertise, GulTech continues to work in partnership with multinational clients to provide leading-edge solutions in a highly dynamic and fast-paced technological environment. Its customers include leading suppliers and manufacturers for automotive systems such as Visteon Corporation, Continental AG and Wistron Corporation.

In 2021, Gultech China Pte Ltd ("Gultech China"), a wholly-owned subsidiary of GulTech, divested approximately 17.5% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd ("Gultech Jiangsu") to Yonghua Capital, Wens Capital, investment arms of the local authority (Xishan Economic and Technology Development Zone), and entities set up to administer an employee share option plan. The onboarding of new shareholders as part of a broader restructuring of Gultech Jiangsu's shareholding capital is in line with its strategic review and positions the company for a possible listing in China. The strategic review is on-going.

Pan-West distributes golf-related lifestyle products through a variety of outlets and concessionaires in Singapore. It is the exclusive distributor of some of the world's top golfing brands including Honma Golf, Cleveland Golf, Sun Mountain and Volvik, as well as High Definition Golf simulators. Pan-West is also an exclusive dealer for Skechers Golf footwear in Singapore.

PROPERTY PORTFOLIO

SINGAPORE

18 Robinson

INDONESIA

Opus Bay Apartments

REAL ESTATE INVESTMENT

Name of Property	Location	Estimated Lettable Area / Gross Floor Area / Land Area (square metre)	Tenure	Group's Effective Equity Interest
COMMERCIAL				
18 Robinson	Singapore	17,784	999 years from year 1884 & 1885 (approx. 82% of the total land) / 99 years from year 2013 (approx. 18% of the total land)	100%
Link@896	Singapore	18,006	Freehold / 999 years from year 1879	100%
Site at 870 Dunearn Road	Singapore	1,592[a]	Freehold	100%
The Oxley, 1st – 3rd floors	Singapore	2,557	Freehold	100%
Far East Finance Building – 11th floor	Singapore	284	999 years from year 1884	100%
2 shop units at Sennett Residence[b]	Singapore	61	99 years from year 2011	100%
Commercial Centre and Carpark within Grand Hyatt Melbourne complex	Australia	3,024[c]	Freehold	100%
Commercial Centre and Carpark within Hyatt Regency Perth complex and 2 vacant land of 3,072 sqm	Australia	22,644[c][d]	Freehold	100%
A single-storey commercial building at 25 George Parade, Melbourne	Australia	135	Freehold	100%
A three-storey commercial building at No. 2950 Chunshen Road, Minhang District, Shanghai	China	2,170	57 years from year 2008	100%
Six shop units and basement commercial units at Lakeside Ville Phase III, Lane 1517 Huqingping Highway, Qingpu District, Shanghai	China	3,896	70 years from year 1997	100%
55 underground carpark lots at Luyinyuan, Lane 558 Baochun Road, Minhang district, Shanghai	China	2,403	60 years from year 2005	100%
Two apartment units at Lakeside Ville Phase III	China	634	70 years from year 1997	100%
INDUSTRIAL				
L&Y Building (3 strata units)	Singapore	2,100	999 years from year 1885	100%

(a) Refers to land area.
(b) The carrying amounts of 2 shop units at Sennett Residence have been classified as assets held for sale as at 31 December 2022.
(c) Refers to the estimated lettable area of the commercial centre.
(d) Includes additional lettable area under construction.

PROPERTY PORTFOLIO

AUSTRALIA


Grand Hyatt Melbourne

CHINA


Lakeside Ville

REAL ESTATE DEVELOPMENT

Name of Property	Location	Estimated Gross Floor Area / Land Area (square metre)	Tenure	Group's Effective Equity Interest
COMPLETED PROPERTIES HELD FOR SALE				
Sennett Residence	Singapore	33,328	99 years from year 2011	100%
Mont Botanik Residence[a]	Singapore	8,546	Freehold	100%
PROPERTIES UNDER DEVELOPMENT				
Peak Residence	Singapore	8,209	Freehold	70%
Balmoral Tower, Opus Bay	Indonesia	31,830	30 years from year 2004	100%
Cluny Villas, Opus Bay	Indonesia	76,716	30 years from year 2004	100%
Batam Opus Bay Land (I)	Indonesia	657,299[b]	30 years from year 2004	100%
Batam Opus Bay Land (II)	Indonesia	401,229[c]	30 years from year 2019	100%
LAND HELD FOR FUTURE DEVELOPMENT				
Land in Jin'an District, Fuzhou, Fujian Province	China	163,740[d]	70 years from year 1994	100%

(a) Mont Botanik Residence obtained Temporary Occupation Permit ("TOP") in early 2023 and is fully sold.
(b) Refers to land area. This excludes Balmoral Tower and Cluny Villas.
(c) Refers to land area.
(d) Refers to land area and pending renewal of expired certificate for construction site planning.

HOSPITALITY

Name of Property	Location	Land Area[a] (square metre)	Tenure	Total Hotel Rooms	Group's Effective Equity Interest
Grand Hyatt Melbourne	Australia	5,776	Freehold	550	100%
Hyatt Regency Perth	Australia	22,754	Freehold	367	100%

(a) Land area refers to the whole development including commercial and carpark.

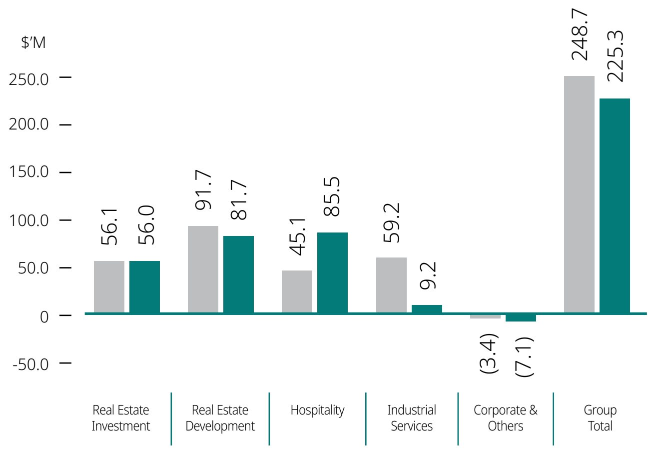
REVIEW OF FINANCIAL PERFORMANCE

REVENUE

Revenue by business segment

The Group's revenue was $225.3 million, a decrease of 9% as compared to $248.7 million last year. The decrease was due mainly to lower revenue from Industrial Services. Excluding Industrial Services, the Group's revenue for 2022 increased 14%, driven by higher revenue from Hospitality but partially offset by lower revenue from Real Estate Development. Revenue from Real Estate Investment in 2022 was comparable to 2021.

Revenue by business segment ($'M)



Revenue by geographical location

The Group's revenue was generated mainly from Singapore and Australia, contributing a combined 95% and 82% of the total revenue in 2022 and 2021 respectively.

Revenue by geographical location	2022 $'M	%	2021 $'M	%
Singapore	108.4	48%	140.0	56%
Australia	106.6	47%	64.7	26%
China	0.8	1%	35.0	14%
Malaysia	9.2	4%	9.0	4%
Indonesia	0.3	*	-	-
Total	**225.3**	**100%**	**248.7**	**100%**

(*) Less than 1%

REVIEW OF FINANCIAL PERFORMANCE

PROFIT PERFORMANCE

Adjusted EBIT by business segment

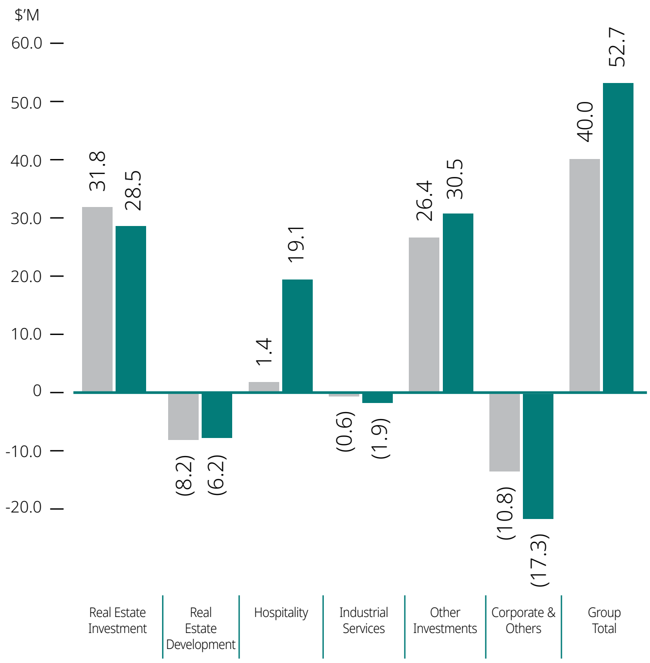
Adjusted EBIT increased by 32% to $52.7 million due mainly to higher contribution from Hospitality and Other Investments, partially offset by lower contribution from Real Estate Investment.

The increase in Adjusted EBIT was due mainly to the recovery of hotel operations in Australia following the lifting of border restrictions in early 2022 and higher share of profit from GulTech, partially offset by the absence of contribution from Robinson Point, which was sold in 2021. Real Estate Development continued to be affected by higher construction costs and project delays.

Profit after tax attributable to shareholders

Profit after tax attributable to shareholders was $4.6 million, a decrease of 95% as compared to $83.7 million in 2021. Excluding the gain of $89.0 million from the disposal of a subsidiary which owned Robinson Point, the profit after tax attributable to shareholders was $4.6 million as compared to a loss of $5.3 million in 2021.

Adjusted EBIT by business segment ($'M)



FINANCIAL POSITION

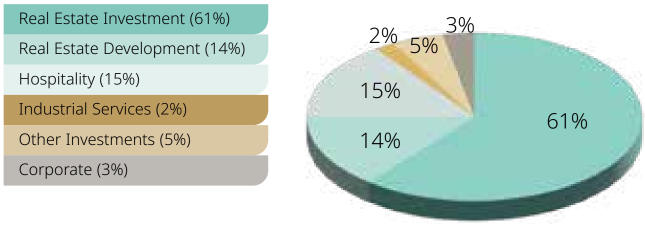
The Group's **total assets** as at 31 December 2022 decreased by 4% to $2,657.0 million. The decrease was due mainly to lower cash and cash equivalents arising mainly from the repayment of borrowings and interest payments as well as the decrease in development properties arising from the sale of residential units. The decrease in total assets was partially offset by the increase in contract assets representing unbilled consideration for construction works completed in respect of the sold residential units.

The Group's **total liabilities** as at 31 December 2022 decreased by 5% to $1,432.2 million. The decrease was due mainly to lower loans and borrowings arising from the net repayment of bank loans and borrowings and translation loss resulting from the weakening of the Australia dollar against the Singapore dollar.

Shareholders' equity as at 31 December 2022 decreased by 2% to $1,223.3 million. The decrease was due mainly to lower foreign currency translation account arising mainly from the weakening of the Australia dollar and Chinese Renminbi against the Singapore dollar. The decrease was partially offset by net fair value gains from the revaluation of properties.

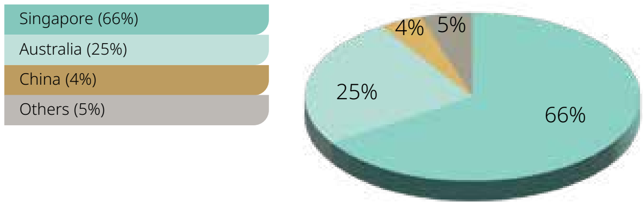
Total assets by business segment (2022: $2,657.0M)

Real Estate Investment, Hospitality, and Real Estate Development contributed 61%, 15% and 14% of the Group's total assets in 2022 respectively.



Total assets by geographical location (2022: $2,657.0M)

66% of the Group's total assets are located in Singapore whereas assets in Australia form the bulk of the Group's overseas assets.



REVIEW OF FINANCIAL PERFORMANCE

SHARE CAPITAL AND EARNINGS PER SHARE ("EPS")

The number of issued ordinary shares as at 31 December 2022 was 1,218,043,900 (excluding treasury shares) as compared to 1,201,564,603 as at 31 December 2021. On 24 June 2022, 16,991,297 new ordinary shares were allotted and issued at $0.349 per share to shareholders who had elected to participate in the Company's Scrip Dividend Scheme in respect of the 0.7 cent dividend per ordinary share for the year ended 31 December 2021. Separately, 512,000 ordinary shares were purchased from the market under the "Share Purchase Mandate" and were held as treasury shares.

Earnings per share, including fair value adjustments, decreased by 94% to 0.4 cents, as compared to 7.0 cents a year earlier.

	2022	2021
Earnings per share (cents) :		
• Including fair value adjustments	0.4	7.0
• Excluding fair value adjustments	0.1	7.5
Weighted average number of ordinary shares in issue (in millions)	1,210.1	1,194.9

DIVIDEND AND SHAREHOLDERS' RETURN

Dividend

Subject to the shareholders' approval at the forthcoming Annual General Meeting to be held on 26 April 2023, the Directors proposed a first and final one-tier tax exempt dividend of 0.7 cent per share amounting to approximately $8.5 million to be paid on 27 June 2023 in respect of the year ended 31 December 2022. For the previous year end, a dividend of 0.7 cent per share was declared; the dividend amounting to $8.4 million consisted of a cash payment of $2.5 million and the issuance of 16,991,297 ordinary shares to shareholders who opted for the Scrip Dividend Scheme.

Shareholders will continue to have the opportunity to participate in the Scrip Dividend Scheme and receive their dividend in the form of shares instead of cash. For the purpose of determining dividend entitlements, book closure dates have been fixed on 10 May 2023.

The Group has been declaring dividends every year since 2009. Total gross dividend payout since then amounts to $92.2 million, including the $8.5 million proposed for 2022.

Dividend payout and dividend yield

The proposed dividend of 0.7 cent per share for 2022 represents i) dividend payout ratio of 1017.5% based on the profit attributable to shareholders before fair value adjustments; ii) dividend yield of 1.9% based on dividend per share over the average share price of 37.4 cents traded during the year.

Year	Dividend per share (cent)	No of shares (million)	Gross payout ($'000)	Cumulative payout ($'000)
2009	0.3	1,138	3,412	3,412
2010	0.4	1,146	4,586	7,998
2011	0.3	1,154	3,463	11,461
2012	0.5	1,161	5,806	17,267
2013	0.5	1,173	5,864	23,131
2014	0.5	1,176	5,881	29,012
2015	0.6	1,179	7,073	36,085
2016	0.6	1,183	7,097	43,182
2017	0.6	1,187	7,122	50,304
2018	0.9	1,186	10,678	60,982
2019	0.6	1,186	7,117	68,099
2020	0.6	1,187	7,125	75,224
2021	0.7	1,202	8,411	83,635
2022	0.7	1,218	8,526	92,161

REVIEW OF FINANCIAL PERFORMANCE

BANK BORROWINGS AND MEDIUM TERM NOTES ("MTN")

As of 31 December 2022, the Group had total bank borrowings and debt securities of $1,278.2 million, comprising:

(a) Secured Borrowings of $1,134.9 million (89%)

The Group's secured borrowings are applied to the financing of certain development and investment properties and certain property, plant and equipment in Singapore and Australia.

(b) Unsecured Borrowings of $143.3 million (11%)

These comprise mainly the Series IV MTN.

Tuan Sing established an unsecured S$900 million Multicurrency MTN Programme in February 2013 under which it can issue notes in series or tranches and the notes may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Tuan Sing issued S$200 million Series IV notes on 18 October 2021. The Series IV notes have a tenor of three years and bear a fixed interest rate of 6.90% per annum payable semi-annually in arrears. Tuan Sing purchased S$58.25 million of the notes on 18 November 2022 under a tender offer at 101% of the principal amounts.

The Group's borrowings are distributed amongst several banks using a combination of floating and fixed interest rates of various durations depending on a number of factors. These factors include the timing the debt is entered into, the prevailing market sentiment, the Group's view of the financial market outlook and the nature of the assets pledged. To mitigate interest rate risk, the Group monitors the trend of interest rate movements. Financial instruments are used, if they are deemed necessary, to hedge interest rate exposures.

As at 31 December 2022, the profiles of the bank borrowings and MTN are as follows:

By interest rate profile:
- Floating rate borrowings – 89%
- Fixed rate borrowings – 11%

By currency profile:
- Singapore dollar borrowings – 76%
- Australian dollar borrowings – 24%

GEARING

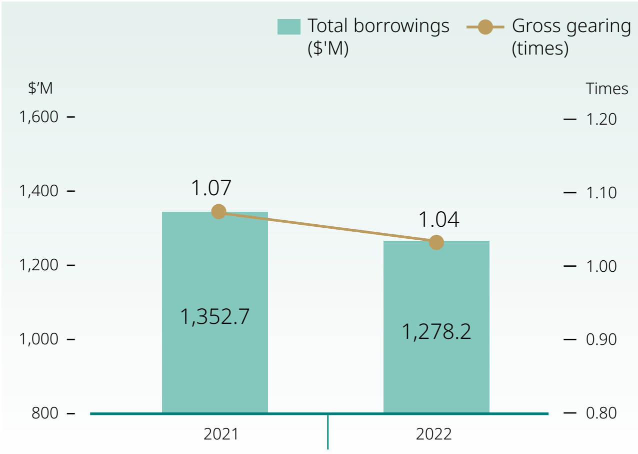
The Group uses gross gearing ratio (total borrowings as a percentage of total equity) and net gearing ratio (net borrowings as a percentage of total equity) to measure the debt leverage. Net borrowings is defined as total borrowings minus cash and cash equivalents.

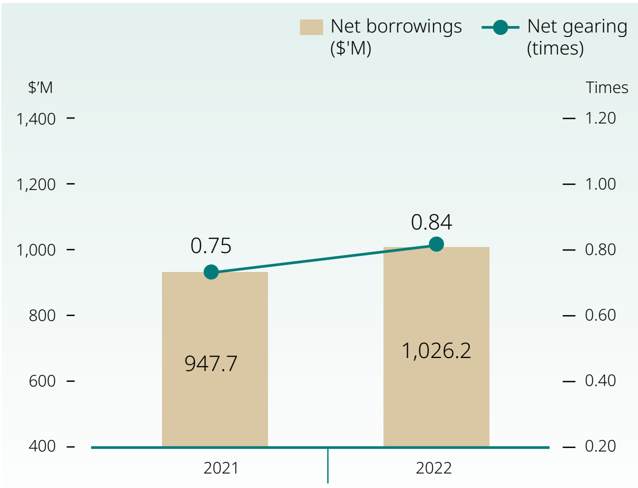
As at 31 December 2022, gross gearing ratio decreased to 1.04 times from 1.07 times last year. Net gearing ratio increased to 0.84 times from 0.75 times last year, mostly due to cash being deployed for real estate investments.

TREASURY MANAGEMENT

Treasury management is carried out by the Group in accordance with established policies and guidelines, which are regularly updated to take into account changes in the operating environment. Working capital requirements and capital expenditures are funded by a mix of short-term and long-term loans. New investments are structured with an appropriate mix of equity and debt after careful assessment of relevant risks.

The Group monitors working capital requirements and performs cash flow forecast on a quarterly basis as well as ensures the monitoring and compliance of loan covenants. The Group closely monitors relevant emerging regulations which may potentially impact the way that the Group obtains finances or introduce any operating constraints. The Group keeps abreast of the latest developments in debt markets and arranges new financing as opportunities arise. The consistent approach in treasury management has helped the Group build a long-term relationship with financial institutions.





MANAGING RISK IN DELIVERING OUR STRATEGY

OVERVIEW OF OUR APPROACH

The Group's business environment is subject to constant and significant changes that require regular assessment of our corporate strategies. At Tuan Sing, risk management is an integrated process that supports informed decision-making throughout the Group. Our integrated approach recognises the need for clear, timely direction and decision from the Board of Directors, senior management and our business unit management (i.e. SBUs). Risk management is also embedded into day-to-day decision-making and operational activities (i.e. operational risk management).

The top-down approach (i.e. strategic risk management) involves a review of the external environment in which we operate and our risk appetite. The result will then guide our execution of our strategy. Key risk indicators have been identified for each of our principal risks and are used to monitor our risk exposure. These key risks are reviewed periodically by the Audit and Risk Committee to ensure that the activities of the business remain within our risk appetite.

The bottom-up approach (i.e. operational risk management) involves identifying, managing and monitoring risks at the "front line" level. This way, risk management is embedded in our everyday operations. Control of this process is through maintaining of risk registers by all SBUs. These risk registers are aggregated and reviewed by the CEO and CFO, with significant and emerging risks escalated for the Board and Audit and Risk Committee's consideration as appropriate. This process complements the top-down approach by helping us to identify our principal risks and ensuring that operational risks are fully considered in determining the risk appetite and the corresponding strategy of the business.

The Group's Enterprise Risk Management ("ERM") system is designed to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded, the risks facing the business are being assessed and all information that may be required to be disclosed is reported to the Board through the Audit and Risk Committee. We have reviewed the current ERM framework and are of the view that it remains appropriate for the year 2022.

MANAGE RISK IN DELIVERING OUR STRATEGY

The Group remains focused on real estate and hospitality segments to drive growth. The Group will continue to expand its real estate investment, real estate development and hospitality businesses and acquire quality and strategic locations of investments that will contribute a recurring income flow to the Group. In pursuit of corporate strategies and business goals, the Group acknowledges that it is necessary to take certain risks that the Group believes are manageable and appropriate in relation to expected opportunities. However, these should be within the Group's risk appetite by taking into consideration the assessment of macro-environment that the Group is operating in. The Group uses key risk indicators to ensure that the activities of the business are within its risk appetite.

RISK PROFILE AND KEY RISKS

The Group's key risks and appropriate mitigating measures are summarised under "Business Dynamics & Risk Factors Statement" section of this Annual Report. The Group's risk appetite and risk profile remains broadly unchanged in 2022, albeit the rising interest rates and construction costs have impacted our risk landscape.

NO THREAT TO GOING CONCERN

After making due inquiry, the management is satisfied that there were no risks that could threaten the ability of the Group to continue as a going concern over the coming 12 months.

Our Risk Governance & Oversight Structure

THE BOARD

- Determine strategic objectives
- Set risk appetite and parameters
- Review external environment
- Manage and monitor risk
- Assess effectiveness of risk management system
- Instil culture and approach for risk governance

AUDIT & RISK COMMITTEE

- Direct delivery of strategic actions
- Report principal risks and uncertainties
- Oversee financial reporting, operational and compliance risks
- Oversee internal and external audit processes
- Consider aggregation of risk exposures across the business
- Monitor key risk indicators and the implementation of risk mitigation plans
- Oversee the adequacy and effectiveness of the Group's risk management and internal control systems

CEO & CFO

- Implement the Company's strategy
- Strengthen the Group's risk management culture
- Ensure the overall framework of risk management is comprehensive and responsive to changes in the business
- Review the completeness and accuracy of risk assessments, risk reporting and the adequacy of risk mitigation efforts on a regular basis

STRATEGIC BUSINESS UNITS

- Monitor and manage operational risks on an ongoing basis
- Identify emerging risks
- Maintain risk registers which provide a framework for all relevant staff to recognise their shared responsibility for an effective management of risks on a regular and timely basis

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

BUSINESS & STRATEGIC RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
STRATEGIC RISK	
• The Group is exposed to risks associated with its overseas expansion plans. • Expansion involves the spreading of resources in setting up new business units and dealing with unfamiliar rules and regulations in foreign countries or nuances in customer service expectations. • Such expansion plans may cause management to lose focus and there is no assurance that the expansion plans will be commercially successful.	• New investment proposal is evaluated carefully to ensure that it is in line with the corporate strategy and investment objectives and that it can meet the relevant hurdle rates of financial return. Other relevant risk factors are also considered. • Evaluation includes macro and project-specific risks analyses, due diligence and sensitivity analyses on key assumptions. Each investment proposal must be reviewed and approved by the Board. • Where appropriate, the Group will explore joint venture opportunities that allow risk and reward sharing between partners. • Interested Person Transactions ("IPT") Mandate is in place to provide the Group with added means to underpin its expansion strategy by leveraging on Interested Persons' network and its close working relationship with Interested Persons.
CATASTROPHIC LOSS RISK	
• Properties owned are subject to risks of physical damages caused by fire, natural disaster such as flood or man-made events like terrorists' attacks. • The insurance coverage purchased by the Group may not be adequate to fully compensate the financial loss from properties affected by a catastrophe.	• The Group conducts insurance reviews with insurance brokers on an annual basis to ensure adequate and comprehensive insurance coverage to rely on in times of a catastrophic event. • For the two hotels in Australia, the Hyatt Global Policy protects all Hyatt Hotels internationally (e.g. for public liability) and is designed to capture all risks not captured locally.
COMPETITION RISK	
• The relatively small size of our operations may be a disadvantage in the highly competitive property development industry. Hence, the Group may be more vulnerable to external shocks and negative occurrences specific to its operations. • Real estate markets in Singapore and in the region are changing rapidly, which means the Group has to respond swiftly and effectively – more so than other bigger players. • The hospitality industry in Australia, where our hotels are situated, is highly competitive. Any completion of new hotels or renovation of competing hotel properties would reduce the competitiveness of older or existing properties.	• The Group strives to maintain competitiveness by differentiating its products and leveraging on its brand name to set itself apart from the mass market. In recent years, the Group has also been diversifying its property portfolio across geographies to enhance the stability of its future revenue and profitability streams. • Tuan Sing is a recognised developer with proven track records and a sterling reputation associated with award-winning projects. • The Group actively works with potential business partners when submitting bids for new land parcels. • The Group's hotel properties offer choice locations and excellent services for their class. Long-term hotel management agreements are in place with Hyatt International which enhanced the profile of our hotel properties. • Plans are in progress to create value from existing assets through asset enhancement initiatives and redevelopment works.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

BUSINESS & STRATEGIC RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
INDUSTRY RISK	
• The Group is exposed to inherent risks in property development and construction business. • Adverse weather, labour shortage, poor performance by main contractors, industrial accidents, delays in obtaining regulatory approvals or business disruptions caused by a pandemic could delay the completion of projects and cause cost overruns. • The Group is exposed to the hotel industry's supply and demand cycle, which is dependent on the conditions of the hospitality and leisure industry and the state of the property market in Australia.	• Policies and procedures covering project management and procurement process of the construction management business are in place. • A pre-approved project budget is agreed to in advance so as to monitor the performance of the project team. All variation orders require approval at appropriate level. • The Group's procurement function has been strengthened to establish a robust bulk procurement database in order to achieve competitive pricing and ensure supplied materials meet the quality standards and comply with local regulations. • The Group continues to review and explore options and strategy to optimise the value of its Hospitality segment.
LEGAL AND DISPUTES RISK	
• The Group is exposed to risk of legal disputes with various counterparties. • There will be varying impacts to the Group depending on the type and severity of the legal suits / disputes.	• The Group ensures all contract documents with legal terms and conditions are properly reviewed before execution. • Any potential legal issues are brought to the attention of the Group's Legal department for advice and to formulate resolutions at the earliest opportunity. • The Group works closely with its counterparties to minimize potential disputes and achieve settlement amicably.
MACROECONOMIC & POLITICAL RISK	
• Changing macroeconomic and political conditions in countries where the Group operates could adversely affect the Group's performance, particularly when the Group ventures further into the region. • The property development business depends heavily on the continued health of the real estate market in Singapore and in the region. • Changes in government policies and regulations affect the market demand, land title acquisition, planning and design, construction hours and financing.	• The Group monitors key economic indicators and keeps itself updated regarding potential changes of policies by the authorities. • The Group remains optimistic about the medium and long-term outlook for the property markets in Singapore and in the region.
REGULATORY RISK	
• The Group is exposed to changes in prevailing laws and regulations in the countries where it operates, particularly in corporate law, competition law, consumer protection and environmental law.	• The Group works closely with advisors, consultants and local authorities so as to keep abreast of regulatory changes. • Local business units are required to apprise the head office of material regulatory developments in a timely manner.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

BUSINESS & STRATEGIC RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
REPUTATION RISK	
• The Group's reputation is at risk of adverse publicity if there is mishandling of transactions or events.	• The Group values its reputation and has in place an open communication programme to ensure timely and effective communication with its key stakeholders. • The Group has clearly articulated its mission statement and the guiding principles that drive its operations. • The Group has an Investor Relations policy to further strengthen its communication with stakeholders.
BUSINESS CONTINUITY RISK	
• Property and hotels investment businesses are capital-intensive and rely heavily on external financing at commercially acceptable interest rate and terms. • Property development business relies on obtaining land plots, taking projects to fruition and successfully marketing the units within a certain timeframe, while achieving profitability that commensurate with the risks involved. • Natural disasters, pandemic and other unforeseen events could cause severe disruptions to our business.	• A S$900 million MTN Programme has been in place since 2013 to allow the Group to seize opportunities at short notice, diversify its sources of funding and raise its business profile. • A portfolio of mostly freehold investment properties provides a platform of growth and generates recurring income. Existing hotel properties offer a stable income stream given its choice locations. • Business Continuity Plans are in place to minimise business disruption.
TERRORISM RISK	
• The Group could be adversely affected by direct terrorist attacks because of its geographical footprint. • Such an event could result in damage to its properties or facilities, or cause injury or death to personnel as well as disruption in operations, thus causing financial losses to the Group.	• This is an inherent risk that the Group faces. • The Group has a disaster recovery plan in place. • Properties are protected through the implementation of various security measures. • Where appropriate, the Group obtains insurance coverage to mitigate these risks.

FINANCIAL RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
LIQUIDITY RISK	
• Renewal or additional debt financing on favourable terms would be subject to prevailing global and local economic conditions, sentiments in credit and capital market. • The Group's property portfolio in Singapore and Australia is pledged under various mortgage loan agreements. A breach in any loan covenant could trigger various repayments at short notice.	• The Group monitors its cash and cash equivalents and maintains a level deemed adequate. • The Group manages debt financing and bond issuance proactively to ensure financing requirements are met in advance. • Cash flow projections, debt maturity profiling and bank facilities undrawn are reviewed quarterly to monitor the Group's liquidity position. • Great emphasis is placed on the timely execution of ongoing projects to ensure that a significant proportion of our property projects is sold and that cash is being realised as early as possible.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

FINANCIAL RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
CAPITAL STRUCTURE RISK	
• An inefficient capital structure or weakness in financial management could affect the Group's ability to provide adequate returns for shareholders.	• The Group conducts regular reviews to ensure an optimal capital structure. • The Group monitors its gross gearing, net gearing ratios and their trends on a quarterly basis. • To achieve an optimal capital structure, the Group might from time to time issue new shares, obtain new borrowings, sell assets (thereby reducing borrowings), adjust the dividend payout, or return capital to shareholders.
DERIVATIVE FINANCIAL INSTRUMENT RISK	
• Market conditions could move against the assumptions the Group adopts at the time of hedging transactions, an inherent risk.	• Derivative financial instruments are used only to manage the impact of interest rate fluctuations on floating rate debts or foreign currency exposure, or to comply with certain bank covenants. • Hedging is undertaken to meet actual operational requirements, not for speculative purposes. • The Group closely monitors the impact of the macro-economic conditions.
PRICE RISK	
• Revenue and profit recognition for development properties and fair value adjustments for investment properties are lumpy. • Residential property prices and demand in Singapore and in the region are subject to rounds of government's cooling measures.	• This is an inherent systemic risk as the Group operates in the industry. • Diversify its property portfolio. • For development properties, the Group reduces the gestation period of a property launch. In addition, the Group monitors the market sentiments so as to leverage on any potential upside. • For investment properties, the Group aims to lock in major tenants with multi-year lease durations.
CREDIT RISK	
• Credit risk arises when counterparties default on their contractual obligations resulting in financial losses to the Group.	• Standard operating procedures are in place which include extending pre-approved credit terms to only credit-worthy customers and monitoring credit risk on a regular basis. • Collections are closely monitored. Major collectability issues are highlighted to all concerned.
FOREIGN EXCHANGE RISK	
• Exchange gains or losses might arise when the assets and liabilities in foreign currencies are translated into Singapore dollars for financial reporting or repatriation purposes.	• Natural hedging is used extensively, including matching sale with purchase or matching assets with liabilities of the same currency and amount, whenever it is practicable. • Currency translation risk is inherent for operations outside Singapore. Since it is non-cash in nature, it is not hedged.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

FINANCIAL RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
INTEREST RATE RISK	
• The Group is exposed to interest rate fluctuations through borrowings.	• The Group keeps abreast of trends in interest rate movements and seeks for refinancing opportunities to lower the cost of borrowing where possible. • A variety of financial instruments, including interest rates of different durations, interest rate swaps, caps and forwards, could be used to hedge interest rate risks arising in the ordinary course of business.
TAX RISK	
• The Group is exposed to vagaries of tax interpretations or changes at short notice in foreign jurisdictions. • Inter-company loans within the Group are exposed to transfer pricing risk.	• The Group monitors changes in tax rules in different countries on a periodic basis and seeks advice especially for cross-borders transactions and inter-company transactions. • Tax provisions are made in strict compliance with the rules so as to reduce under-accrual in the book of accounts. • The Group developed its Transfer Pricing Documentation Master File to provide a guideline on transfer pricing for all subsidiaries across different countries.
FINANCIAL REPORTING RISK	
• Apart from the Group's policies and guidelines and the internal audit function, which has been outsourced, the Group relies on self-assessment, review and reporting process at strategic business units to ensure that transactions are carried out in conformity with accounting standards and the Group's accounting policies and that the internal controls are adequate and effective. • This system may not prevent or detect all fraud or misstatements in a timely manner. • Changes in conditions or operations might cause system effectiveness to vary from time to time.	• Internal controls over financial reporting are reviewed regularly and embedded within our corporate governance structure. • On a half-yearly basis, the operating and finance heads of strategic business units report the results of their self-review in their management representation letter. • The management representation letter also serves as a platform for all strategic business units to highlight any transactions and / or events that could have material or potential financial impact to the Group.
INVESTMENT RISK	
• Higher returns are usually accompanied with higher risk and uncertainty. Therefore, the Group has to strike a balance when making an investment.	• Major investments are reviewed by the Board or its committee to ensure that they are in line with the Group's strategic focus, meet the relevant risk-adjusted hurdle rate of return, and pass other risk assessments.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

OPERATIONAL RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
ALLIANCE RISK	
• The medium or long term interests of business associates or joint venture partners might not necessarily be aligned with the Group's. • Policy and personnel changes by business associates could lead to their inability or unwillingness to fulfil their obligations.	• The Group agrees with business associates in advance on well thought-out rights, duties and obligations of each party. • The Group maintains cordial working relationships with its business partners. • Policies and procedures are established to facilitate smooth management and operations of the joint venture company.
SOCIAL & ENVIRONMENT RISK	
• Heightened awareness among the public or environmental agencies could increase the Group's operating expenses with relation to environmental issues.	• The Group adopts environmentally-friendly practices across countries, so as to bring them in line with best practices in the market and to remedy shortcomings identified. • The Group provides eco-themed amenities and nature-inspired landscaping at its development projects. The Group is also committed to meeting green building requirements for its projects. For hotel operations, various environmental conservation initiatives are implemented. • The Group has published its Sustainability Report on the corporate website to promote stakeholder engagement.
PEOPLE RISK	
• The Group depends on steadfast service provided by good personnel for business continuity. • Succession plan execution is a challenge given the size of the Group.	• The Group provides a safe working environment in which employees can develop their careers with work-life balance so as to ensure that human capital are nurtured and retained. • Attractive award and bonuses are given to staff who performed well.
PROCESS, SOURCING & EXECUTION RISK	
• Property development projects take 3-5 years to complete. Delays in project completion and cost overruns could arise from labour and material shortage, poor performance of contractors, delays in obtaining necessary regulatory approvals, or industrial accidents, etc. • The Group relies on third-party contractors and consultants for various services. • Long-term hotel management agreements have given Hyatt International almost full discretion in the operations of the Group's two hotels in Australia.	• Operating manuals, standard operating procedures and a delegation-of-authority matrix are in place. • Project costs and project timelines are closely monitored through regular project meetings with consultants, suppliers and contractors. • Project control sheets are prepared for on-going projects and are monitored on a monthly basis. Costs overruns are analysed and highlighted to the senior management and the Board. • Regular management team meetings are held to facilitate effective project coordination and communication. • Profit sharing terms in the hotel management agreements aim to ensure alignment with the Group's risk appetite.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

OPERATIONAL RISKS (CONT'D)

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
WORK HEALTH AND SAFETY RISK	
• Employees are exposed to workplace health and safety risks arising from events such as incidents in the production process or pandemics. • Business uncertainties arising from the pandemic lingers due to the evolution of the coronavirus.	• The Group cultivates a safety-conscious culture at all levels where appropriate. Such steps include the setting up of employees' safety council. • Refresher drills on fire safety, emergency evacuation and first aid responses are conducted regularly. • A disease/pandemic preparedness plan is in place to safeguard the health and welfare of employees, and to ensure quick resumption of critical business functions. • Where appropriate, the Group obtains insurance coverage to mitigate these risks.
CYBER SECURITY RISK	
• The Group's operations are exposed to disruptions to the network. • These could happen through targeted attacks by hackers, insider attacks or accidental cyber incidents. • Cyber thefts of sensitive and confidential information could lead to litigation by customers and/or regulatory fines and penalties.	• The Group adopts a holistic approach by keeping abreast of the threat landscape and changes in business environment. • The Group has in place an Information Security Policy, which covers cyber security and data protection measures. Multi factor authentication (MFA) has also been implemented as an additional control to protect against unauthorised access to the Group's network. • Where appropriate, the Group obtains insurance coverage to mitigate these risks.
INFORMATION TECHNOLOGY RISK	
• The Group relies on the Information Technology ("IT") infrastructure and system functionality for its daily operations. Any failure of the IT system applications will cause interruptions to the business processes which may have potential financial impacts.	• An online IT help desk platform is readily available to employees. • Several systems have been migrated and maintained in Cloud. The objective is to manage IT infrastructure remotely while minimising security risk and cost of maintaining on-premise hardware.

COMPLIANCE RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
COMPLIANCE RISK	
• There have been rapid changes in laws, regulations and practices making compliance more complicated. • The Group's internal control systems and related framework might not be brought up-to-date in time.	• Internal controls, risk management and corporate governance frameworks, and control self-assessment processes are all in place and are reviewed on an annual basis. • A whistle-blowing policy and annual declarations by staff on ethics are in place. • External auditors are engaged for statutory audits and internal auditors are engaged to conduct operations reviews; both report directly to the Audit and Risk Committee.

CORPORATE STRUCTURE

As at 17 March 2023

Peak Residence, Singapore

TUAN SING HOLDINGS LIMITED

70 SUBSIDIARIES

18 ASSOCIATES/JOINT VENTURES

3 TRUSTS

REAL ESTATE INVESTMENT

Gerbera Land Pte. Ltd.

Oxley Development Pte. Ltd.

Pemimpin Properties Pte. Ltd.

Superluck Properties Pte. Ltd.

Grand Hotel Company Pty Limited[2][3]

Grand Hotel Management Pty Limited (as trustee)[2][3]

Habitat Properties (Shanghai) Ltd.[2]

Hainan Jiayuan Business Management Co, Ltd[2]

PT Karawang Outlet Mall (50%)[1][2]

PT Grand Outlet Bali (50%)[1][2]

REAL ESTATE DEVELOPMENT

Calypso Construction Management Pte. Ltd.

Clerodendrum Land Pte. Ltd.

Episcia Land Pte. Ltd.

TSRC Novena Pte. Ltd. (70%)[1][2]

PT Goodworth Investments[2]

PT Titian Damai Mandiri[2]

Sanya Summer Real Estate Co Ltd (7.8%)[1][2]

HOSPITALITY

Grand Hotel Company Pty Ltd[2][3]

GH Operations Pty Ltd[2]

HR Operations Pty Ltd[2]

Grand Hotel Management Pty Limited (as trustee)[2][3]

OTHER INVESTMENTS

Gul Technologies Singapore Pte. Ltd. (44.5%)[1][2]

Gultech (Jiangsu) Electronics Technologies Co., Ltd (36.7%)[1][2]

(1) Effective interest is shown if ownership is not 100%
(2) Indirect ownership
(3) Grand Hotel Company Pty Limited and Grand Hotel Management Pty Limited are engaged in both Real Estate Investment and Hospitality businesses

CORPORATE DATA


Aerial view of Opus Bay, Indonesia

BOARD OF DIRECTORS
Richard Eu Yee Ming, *Chairman*
William Nursalim alias William Liem, *Chief Executive Officer*
Michelle Liem Mei Fung
Cheng Hong Kok
Ooi Joon Hin

AUDIT AND RISK COMMITTEE
Ooi Joon Hin, *Chairman*
Richard Eu Yee Ming
Michelle Liem Mei Fung

NOMINATING COMMITTEE
Richard Eu Yee Ming, *Chairman*
Cheng Hong Kok
Michelle Liem Mei Fung

REMUNERATION COMMITTEE
Cheng Hong Kok, *Chairman*
Michelle Liem Mei Fung
Richard Eu Yee Ming

WHISTLE-BLOWING COMMITTEE
William Nursalim alias William Liem, *Chief Executive Officer*
Tan Choong Kiak, *Group Chief Financial Officer*
Peggy Wong, *General Counsel*
Alexander Loh Kim Leng, *Director, Group Human Resources*
Email: whistle-blowing@tuansing.com

COMPANY SECRETARY
Leow May Cin

REGISTERED OFFICE
9 Oxley Rise
#03-02 The Oxley
Singapore 238697
Tel: (65) 6223 7211
Fax: (65) 6224 1085

SHARE REGISTRAR
B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tel: (65) 6593 4848
Fax: (65) 6593 4847

GROUP EXTERNAL AUDITORS
Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Tel: (65) 6224 8288
Fax: (65) 6538 6166
Partner-in-charge: Yang Chi Chih
(Appointed in 2021)

GROUP INTERNAL AUDITORS
PricewaterhouseCoopers Risk Services Pte. Ltd.
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Tel: (65) 6236 3388
Partner-in-charge: Ng Siew Quan

PRINCIPAL FINANCIERS
United Overseas Bank Limited
DBS Bank Limited
Commonwealth Bank of Australia
The Hongkong and Shanghai Banking Corporation Limited

SHARE LISTING INFORMATION
Counter name: Tuan Sing
SGX code: T24
Bloomberg code: TSH:SP

SUSTAINABILITY AT TUAN SING

1.INTRODUCTION

(A) Sustainability at Tuan Sing - Core Pillars

Sustainable practices have been progressively introduced into the day-to-day operations of Tuan Sing since the implementation of the Company's Sustainability Policy in 2016. These practices have guided the Group in the way we conduct our businesses, and they have formed an integral part of our business strategy.

The three core pillars of our Sustainability Policy are as follows:

NURTURE OUR PLANET

As an advocate of the spirit of "caring" for our society and the environment, we ensure that our new builds are built sustainably, and our investment properties are operated efficiently. We actively encourage our employees to volunteer for both environmentally friendly and charitable causes.

CARE FOR OUR PEOPLE

We are committed to the wellbeing of all stakeholders, especially the professional development of our employees through the provision of training and upskilling opportunities, as well as the creation of an inclusive and collaborative work environment.

GROW SUSTAINABLE PROFIT

We strive for sustainable growth and economic performance of investments as a corporate by adhering to a high standard of corporate governance and embracing a risk-centric culture.

(B) About This Sustainability Report

Tuan Sing upholds its commitment to sustainability with the publication of its annual sustainability report ("Sustainability Report"). This report covers the Group's sustainability performance for the financial year from 1 January 2022 to 31 December 2022.

This report sets out Tuan Sing's sustainability strategies in the economic, environmental, social and governance aspects moving forward, as well as incorporates targets for the Group to achieve in the short-term, medium-term and long-term and its performance on a year-to-year basis. It also sets the pace for the Group to engage with various stakeholders, such as employees, investors, customers, business partners, community and regulators, to share its sustainability commitments, and to identify and address stakeholders' material issues and concerns.

With the intention to contribute to environment protection for our future generations, Tuan Sing has stepped up its efforts by implementing various sustainability-related initiatives throughout the year. In line with the new requirements of Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules, Tuan Sing has also developed its roadmap for implementation of recommendations by the Task Force on Climate-Related Financial Disclosures ("TCFD"), and the relevant disclosures are included in this report.

SUSTAINABILITY AT TUAN SING

The scope of this report covers the Group's portfolio and staff in Singapore, Indonesia, Australia, China and Malaysia. This report includes only the following assets and entities in which the Group has majority ownership.

Singapore:	• 18 Robinson • Link@896 • The Oxley
Indonesia:	• PT Batam Opus Bay
Australia:	• Hotel, Commercial Centre and Carpark within Grand Hyatt Melbourne complex • Hotel, Commercial Centre and Carpark within Hyatt Regency Perth complex
China:	• Habitat Properties (Shanghai) Ltd
Malaysia:	• Hypak Sdn. Bhd.

For clarity, the reasons for limiting the reporting to assets and entities in which the Group has majority ownership are the limited access to sustainability data and limitations in the implementation of sustainability strategies and initiatives in respect of the Group's other assets and entities.

This report has been prepared in accordance with the internationally recognized Global Reporting Initiative ("GRI") Standards: GRI Standards 2021 and in compliance with SGX-ST Listing Rules 711A and 711B, as well as the Common Set of Core Metrics. We have also referred to the Recommendations of the TCFD as well as the United Nations Sustainable Development Goals ("UN SDGs"). The GRI Standards 2021 were adopted as the reporting framework of this report as they provide thorough requirements for engagement of stakeholders as well as a wide range of materiality topics which are relevant to the nature of our businesses. This Sustainability Report focuses on the material topics identified and is issued with the approval of the Board and shall be read in conjunction with the other sections of the Annual Report, and other sustainability-related disclosures.

This Sustainability Report has undergone internal review but has not been audited by external auditors. The Group aims to carry out external audits gradually in the future years.

This report and previous editions are available online at: https://www.tuansing.com/investor-centre/publications/.

Contact and Feedback

Your feedback is valuable to us in improving our sustainability practices. If you have any comments or feedback regarding this report and its contents, please send your views to us at https://www.tuansing.com/get-in-touch.html.

Tuan Sing Holdings Limited
9 Oxley Rise, #03-02 The Oxley
Singapore 238697
Tel: +65 6223 7211

(C) Board Statement and Commitment Towards Sustainability

At Tuan Sing, we are committed to safeguard our stakeholders' interests for sustainable short and long-term investment returns. We will always strive to be resilient to overcome challenges in the present and the future.

We further endeavour to be socially responsible by incorporating sustainable elements into our new projects and existing developments. We do this by inculcating the right culture in our people and constantly sharing our principles with all stakeholders through frequent dialogues and engagements.

At the corporate level, the Board fully supports Management's abiding commitment to enhance the way we operate our businesses, and to bring transformations to our businesses and our daily lives towards a low-carbon and sustainable world for our stakeholders and future generations.

Global warming, environmental issues, human rights issue, social problems, and economy issues in the world are unavoidable and are part of the important matters to be considered in our business strategies. To communicate and align expectations of its Environmental, Social and Governance ("ESG") commitment to stakeholders, Tuan Sing has enhanced its Sustainability Policy to better reflect its determination to drive long term sustainability and bring sustainable values to our investors.

While the world is dealing with global issues such as inflationary pressures, war in Ukraine and post pandemic uncertainties, we may lose sight of the long-term efforts required to fight climate crisis. On top of that, events caused by extreme weather such as floods, droughts, and forest fires, would have significant impacts to the supply chain and serve as a signal that climate change needs urgent attentions. In November 2022, Singapore Government has submitted the strengthened long-term low emissions development strategy (LEDS) with a clear goal to achieve net-zero emissions by 2050, and updated 2030 Nationally Determined Contributions (NDCs) target to limit carbon emissions to 60 million tonnes in 2030, after the emission peaks before 2030[1].

[1] Singapore's national statement by Grace Fu, Minister for Sustainability and the Environment, at United Nation Framework Convention on Climate Change (UNFCCC) 27th Conference of the Parties (COP27), held in Sharm El-Sheikh, Egypt, on 15th November 2022. Also refer to https://unfccc.int/sites/default/files/resource/SINGAPORE_cop27cmp17cma4_HLS_ENG.pdf and https://climateactiontracker.org/countries/singapore/.

SUSTAINABILITY AT TUAN SING

Being a responsible corporate entity, Tuan Sing remains committed to the decarbonization effort by escalating our low-carbon transitioning efforts to build resilience for future challenges associated with the risks and impacts of climate change. Climate risk is part of the Group's overall risk management, and we endeavour to keep this on our radar for the long-term sustainability of our business. While we strive to reduce carbon emissions, we have also implemented carbon absorption programmes in tandem, such as introducing more green spaces and increasing the number of trees in our projects and landbanks. Taskforce and committees have been formed internally as think-tank for green initiatives and to drive the implementation process, tracked by performance monitoring.

In line with the UN SDGs to be achieved by 2030 and the Singapore Green Plan 2030, the Group has refreshed its vision for sustainable future and launched the Green Masterplan 2030 in Year 2021. We remain steadfast to the Green Masterplan 2030 with the '**I-N-S-P-I-R-E**' principles as follows: -

Innovation	Creative design and innovative technology in built environment
Net zero	Decarbonisation to reduce carbon emission
Safety	Safe and healthy work environment for employees
Profit	Economic growth, and sustainable short and long-term investment returns
Integrity	Ethical, 'zero-bribery' and inclusive business practices
Responsibility	Quality service and products
Engagement	Frequent engagement with communities and stakeholders

The Group continued with its annual assessments this year with better stakeholder engagement especially in-depth conversations on sustainability-related impacts and concerns with staff. This is to ensure that all stakeholders are well informed of our core values and priorities to build our resilience to overcome future challenges and changes in our journey towards achieving our Green Masterplan 2030. These conversations have raised awareness among stakeholders and inspired them to come up with ideas and suggestions for more sustainable business operations.

2. VALUE CREATION AND APPROACHES

(A) Sustainability Committee Structure and Strategies Implementation Flow

In addition to the 'I-N-S-P-I-R-E' principles, the following approaches support the materialisation of the plan in the long term and ensure that performance is on track to achieve targets set:

i) Changes and Influence

To bring improvement to the business, changes to operations and mindset are inevitable. A Sustainability Task Force has been set up to champion our sustainability causes.

The Sustainability Task Force consists of representatives from respective properties and departments and will brainstorm initiatives and drive sustainability strategies.

All short- and long-term strategies and initiatives that involve monetary investment are to be presented and approved by the Management before execution by the Sustainability Task Force and the respective properties. A summary of these strategies and initiatives are included in the Company's Sustainability Report which is reviewed and approved by the Board on an annual basis.

New policies as well as amendments to the policies governing sustainability aspects of the business are published on Tuan Sing's website after they have been approved by the Management.

ii) Communication and Awareness

The Management's and Board's commitments towards sustainability and the relevant initiatives are communicated clearly to all stakeholders via different platforms to ensure awareness is created, and to obtain all stakeholders' involvement and support towards achieving the relevant goals and key performance indicators ("KPIs").

SUSTAINABILITY AT TUAN SING

iii) Implementation
Strategic planning and implementation of ideas are conducted in tandem to ensure work efficiency and achievement of targets.

iv) Target Setting
Creditable and reliable indicators like market benchmarks are used as reference and compared to the Group's past records before setting targets, thus ensuring that the targets set are realistic and achievable.

v) Measurement and Reporting
Quarterly data is collected and reported to the Management on a regular basis. Should any property fall behind in achieving its targets, immediate actions are taken to bring the property's performance back on track.

3. STAKEHOLDER ENGAGEMENT

It is important for an organisation to understand the differences between its business priorities and its stakeholders' concerns so that the concerns can be addressed with solutions that do not compromise the business priorities.

It is only through timely engagements that we can better understand our stakeholders' expectations and concerns. This is fundamental to the formulation of our business strategies which play a crucial role in sustainable business development and growth.

We have identified our key stakeholders and summarised our engagement approach as follows:

Our Stakeholders	Frequency	Engagement Platforms	Key Topics and Concerns Raised	Our Response
Investors	At least once a year	• Annual General Meeting • Site visits • Corporate website • Investor Relations emails • Investors' calls • Annual Report • SGXNET announcements	• Sustainable returns • Company growth • Corporate governance practices • Risk management practices	Refer to "Message to Shareholders", "CEO's Review of Operations", "Corporate Governance", "Managing Risk in Delivering Our Strategy" and "Business Dynamics & Risk Factors Statement" of the Annual Report.
Employees	Throughout the year	• Performance appraisal discussions • 360-degree feedback • E-communications • Climate risk workshop • Materiality assessment workshop • Sustainability related meetings • Company newsletters	• Remuneration and welfare • Workplace health and safety • Training and career development • Updates on company events and progress of development projects	Refer to "Social Responsibility and Human Assets" within the Sustainability Report.
Customers	Throughout the year	• Tenant meetings • Show unit and sales gallery • Customer satisfaction surveys • Email correspondence • Social media channels	• Quality of products and services • Workmanship and defects rectification • Environmental impacts and sustainability features	Refer to "Corporate Governance for Fair and Conducive Business Environment" within the Sustainability Report and "Corporate Governance" of the Annual Report.
Business Partners	At least once a year	• Meetings • On-site inspections • Price quotations and email correspondence • Vendor evaluation and assessment	• Ethical and fair trading • Workplace health and safety • Economic performance	Refer to "Corporate Governance for Fair and Conducive Business Environment" within the Sustainability Report and "Corporate Governance" of the Annual Report.
Community	At least once a year	• Community service engagements	• Environmental and social impact	Refer to "Social Responsibility and Human Assets" and "Nurture Our Planet" within the Sustainability Report.
Regulators	At least once a year	• Meetings • On-site inspections • Email correspondence • Seminars • Official circulations	• Ethical and fair trading • Environmental and social impact • Workplace health and safety • Laws and regulations	Refer to "Introduction" and "Corporate Governance for Fair and Conducive Business Environment" within the Sustainability Report and "Corporate Governance" of the Annual Report.

SUSTAINABILITY AT TUAN SING

(A) ESG Materiality Topics

Materiality Assessment

With greater focus on climate change issues globally and potential shifting priorities in areas of concerns among stakeholders, Tuan Sing conducted more comprehensive materiality assessment exercises with stakeholders this year to identify key concerns on economic, environmental, social and governance matters. Workshops and discussions were conducted internally to identify areas of concerns raised by different departments, and these areas of concerns were then mapped against material topics under the GRI Reporting Standards and the UN SDGs, and prioritised according to the levels of impact to business as well as stakeholders' concerns. The prioritised areas of concerns were eventually shortlisted as Tuan Sing's sustainability material topics, after validation by Management and approval by the Board of Directors, to be included in our Sustainability Report.

As we continue to improve and escalate our efforts along our sustainability journey, we aim to engage more stakeholders in the coming years for wider perspectives, greater alignment of priorities, as well as more informed directions of the Group's sustainability strategies.

STEP 1 **Identify areas of concerns**

STEP 2 **Prioritise areas of concerns**

STEP 3 **Shortlisting and validation of material topics by Management**

STEP 4 **Approval by Board of Directors**

Material Topics

Further to the materiality assessment, the following material ESG topics will be disclosed in this Sustainability Report in accordance with their level of significance to Tuan Sing's economic, environmental, and social impact, as well as their importance to our stakeholders. As there has not been any major change in our business model, the majority of the material topics and topic boundaries are in line with those reported in the FY2021 report, except for the following two new topics:-

i) Emission, which focuses on greenhouse gas emissions and is very much relevant to climate change; and

ii) Customer Satisfaction, which places importance on producing quality products and services, as well as the wellbeing of our customers.

In order to have clear goals for respective stakeholders within the organisation, targets were set for each material topic for measurement and monitoring of progress and improvements. These targets will be elaborated in more detail under the respective material topics of this Sustainability Report.

Materiality Topics	Sustainability Focus Areas and Relevant UN SDGs	Relevant Sections of the Annual Report	Impact Boundary
Economic Performance	8 DECENT WORK AND ECONOMIC GROWTH SDG 8 – Sustainable economic growth, productive employment	• "Statutory Reports and Accounts" of the Annual Report • "Social Responsibility and Human Assets" and "Corporate Governance within the Sustainability Report • "Corporate Governance" of the Annual Report	All business segments
Energy	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION SDG 7 – Access to affordable, sustainable and modern energy SDG 13 – Combat climate change	• "Nurture Our Planet" within the Sustainability Report	All business segments
Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING SDG 3 – Healthy lives and wellbeing	• "Social Responsibility and Human Assets" within the Sustainability Report	• Employees • Customers • Business partners • Community

SUSTAINABILITY AT TUAN SING

Materiality Topics	Sustainability Focus Areas and Relevant UN SDGs	Relevant Sections of the Annual Report	Impact Boundary
Emission	SDG 7 – Access to affordable, sustainable and modern energy SDG 13 – Combat climate change	• "Nurture Our Planet" within the Sustainability Report	All business segments
Local Communities	SDG 1 – End poverty SDG 11 – Safe and resilient human settlements	• "Social Responsibility and Human Assets" within the Sustainability Report	• Employees • Communities
Anti-corruption	SDG 16 - Inclusive societies, access to justice	• "Corporate Governance" within the Sustainability Report • "Corporate Governance" of the Annual Report	All business segments
Customer Satisfaction	SDG 3 – Healthy lives and wellbeing SDG 12 – Responsible consumption and production	• "Social Responsibility and Human Assets" within the Sustainability Report	• Employees • Customers • Business partners
Water	SDG 6 – Sustainable management of water and sanitation	• "Nurture Our Planet" within the Sustainability Report	All business segments
Waste	SDG 11 – Safe and resilient human settlements SDG 13 – Combat climate change	• "Nurture Our Planet" within the Sustainability Report	All business segments
Employment	SDG 8 – Sustainable economic growth, productive employment	• "Social Responsibility and Human Assets" within the Sustainability Report	• Employees
Diversity and Equal Opportunity	SDG 5 – Gender equality SDG 10 – Reduce inequalities	• "Social Responsibility and Human Assets" within the Sustainability Report	• Employees • Business partners
Training and Education	SDG 4 – Equitable quality education and lifelong learning opportunities	• "Social Responsibility and Human Assets" within the Sustainability Report	• Employees

SUSTAINABILITY AT TUAN SING

4. NURTURE OUR PLANET

Studies show that total emissions from the construction industry accounted for 38% of total global energy-related carbon dioxide ("CO2") emissions[2]. Encouraging the real estate sector on a low-carbon pathway will clearly contribute significantly towards slowing down climate change and global warming.

At Tuan Sing, we are committed to adopting long-term green practices in our daily business operations to create a cleaner and greener planet for our future generations. In Singapore, 18 Robinson was awarded the Green Mark Gold Plus Rating by BCA in 2017 for the numerous green features that have been incorporated in the design of the building. In March 2022, upon renewal of the certification, the rating was upgraded from Gold Plus to Platinum under the category 'Existing Non-Residential Buildings". This was achieved through the fine-tuning of our existing plants to further improve energy efficiency and continue creating awareness for sustainability by way of tenants engagement. In Australia, we have maintained 3.5 stars National Australian Built Environment Rating System ("NABERS") rating for our commercial centre in Perth.

For better target achievement and performance monitoring, the Management and Sustainability Taskforce have set short-, medium- and long-term targets for the respective material topics. We remain steadfast in our commitment to achieve the following overall long-term targets for all our buildings by Year 2030:

i) Green certifications for all 100%-owned and managed properties;

ii) 30% reduction of energy usage intensity (EUI) and carbon emission set-off;

iii) 20% reduction of water consumption;

iv) 20% reduction of waste generation;

v) 10% increase of recycling volume; and

vi) 30% reduction of paper consumption.

The following are the targets set for the Real Estate Investment, Hospitality and Industrial Services segments:-

Environmental Matters	Short Term Target (FY2023)	Medium Term Target (FY2025)	Long Term Target (FY2030)
Green Certifications	N.A.	Green certification for more than half of 100% owned and managed buildings	Green certification for all 100% owned and managed buildings
Emission	Reduction of 3%-4%	Reduction of 11%	Reduction of 30%
Energy Consumption	Reduction of 3%-4%	Reduction of 11%	Reduction of 30%
Water Consumption	Reduction of 2%-4%	Reduction of 7.5%	Reduction of 20%
Waste Generation	Reduction of 2%-3%	Reduction of 7.5%	Reduction of 20%
Recycling Rate	Increase of 1-2%	Increase of 3.5%	Increase of 10%
Paper Consumption	Reduction of 3%-4%	Reduction of 11%	Reduction of 30%

(A) Key Improvement Initiatives

We have identified the following key improvement initiatives to meet targets set in the Green Masterplan 2030 and achieve the reduction of greenhouse gas ("GHG") emission by 30% by Year 2030:

[2] "Construction industry accounts for 38% of CO_2 emissions"
(Source: https://environmentjournal.online/articles/emissions-from-the-construction-industry-reach-highest-levels/)

SUSTAINABILITY AT TUAN SING

These key improvement initiatives have been set out to align with the 'Innovation' and 'Net Zero' principles under our Green Masterplan 2030. Besides steering us towards achieving an overall carbon emission reduction of 30% by year 2030, we believe it will also lay the foundation for us to achieve Net Zero emission in the future.

We aim to focus on the following to achieve the targets set for environmental efforts:

i) Obtain green certifications for all properties owned and managed by Tuan Sing Group by Year 2030;

ii) Use of technology and innovations to improve energy efficiency and encourage savings on energy, water and paper consumptions;

iii) Reduce waste generation and pollution including construction waste, construct on bio-diversity land and increase landscape area; and

iv) Encourage recycling and upcycling to divert waste to be disposed in landfills.

(B) Performance

The Group has diversified investments in various segments and countries. As the nature of business of each segment is different, the reporting of performance shall be segregated based on the different segments and make reference to each segment's distinctive benchmark.

(i) Real Estate Investment

For simplicity, all office and retail properties as well as the show units and sales galleries of our Real Estate Development business is grouped under Real Estate Investment for performance reporting and monitoring.

The data collected for this group of properties is tabulated as follows:

Environmental Performance Indicators	Parameter / Unit	Year 2021	Year 2022	Remarks
Energy Consumption	Energy Use Intensity (EUI) - kWh/m²/year	180.02	213.69	Current moderated benchmark based on GFA: 166.59kWh/m²/year
Water Consumption	Intensity (m³/m²/year)	1.03	1.09	Moderated benchmark based on GFA: 1.04m³/m²/year
Waste Disposal	Volume (Tonne)	227.11	291.41	Only general waste. Volume reported is net volume after recycling.
Paper Consumption	Volume (No. of reams)	A3: 240 A4: 756	A3: 118 A4: 483	Based on paper of 500 pieces per ream with paper mass of 70g/m².
Recycling	Volume (Tonne)	13.02	18.85	Including paper, plastic, glass and metal

Note:
Moderated benchmarks for energy and water consumptions are derived based on benchmarks published by Building and Construction Authority ("BCA") and Public Utilities Board ("PUB") of Singapore as follow:

a) Energy use intensity ("EUI"): 135kWh/m²/year for office buildings (small) and 240kWh/m²/year for retail mall;
b) Water consumption intensity: 1.0m³/m²/year for office buildings (with water-cooled cooling tower) and 1.3 m³/m²/year for retail malls.

Further to the recovery of footfall to retail malls and return of employees to offices since the second quarter of FY2022, consumptions have increased to pre-pandemic levels. Consumption intensity was also affected due to divestment of properties and demolition of show units in the middle and end of last year. The increase was as expected but we expect it will stablilise gradually. The same is reflected in the total carbon emission and its intensity.

On the other hand, it was noted that paper consumption has reduced and recycling volume has increased, with the roll-out of initiatives on recycled paper printing and printing "only when necessary", as well as the recycling of departing tenants' furniture and light fittings in order to reduce volume of trash going to landfills.

SUSTAINABILITY AT TUAN SING

Emission was not reported in the FY2021 Sustainability Report as Tuan Sing Group had not included emission data as part of its report previously. With the rising concerns and focus on emissions, we have decided to include emission in our Sustainability Report this year and adopt FY2021 as the base year for performance monitoring, in-line with the reporting on other consumptions for Real Estate Investment segment.

For clarity, Scope 1 emission includes consumption of natural gas in our properties in Australia and China, while Scope 2 emissions are calculated from electricity consumption which are supplied by a third-party supplier/retailer. As our assets and entities operate in different countries, the emissions are calculated based on the electricity emission factor of Singapore, Indonesia, Australia, China and Malaysia, as well as amount of carbon produced by diesel and natural gas.

The following table stipulate Scope 1 and Scope 2 emissions:-

Carbon Emission	Parameter / Unit	Year 2021	Year 2022
Scope 1 Emission	Volume (Tonne)	124.05	305.13
Scope 2 Emission	Volume (Tonne)	7,495.61	7,476.07
Total Emission **Intensity**	**Tonne** **kg/m²**	**7,619.66** **88.52**	**7,781.20** **106.24**

With the following initiatives underway, we hope to see significant improvement in the reduction of consumption as well as carbon emissions in the subsequent years:-

a) Upgrade of chiller at Link@896, Singapore;
b) Review of good practice and system calibration for Commercial Centre in Perth, Australia; and
c) More intensive sustainability initiatives for all properties.

(ii) <u>Hospitality</u>

During the pandemic, the operations in our Hospitality segment experienced an unusual lull period due to lockdowns, travel restrictions and border closures. The average occupancy rate for FY2019 was 85% while it was 33% for FY2021 and 52% for FY2022. To achieve a more reliable and accurate comparison, we have decided to use FY2019 instead of FY2021 as the base year for the performance review of our Hospitality sector. The following table shows the comparison of performance of our hospitality components for energy consumption, water consumption, waste generation, paper consumption and recycling rate:

Environmental Performance Indicators	Parameter / Unit	Year 2019	Year 2022	Remarks
Energy Consumption	Energy Use Intensity (EUI) - kWh/m²/year	238.84	194.22	Benchmark based on GFA: 230.00kWh/m²/year
Water Consumption	Intensity (m³/guest night/year)	0.5882	0.6025	Benchmark based on guest nights: 0.57m³/guest night/year
Waste Disposal	Volume (Tonne)	General waste: 687.38 Food waste: 106.93	General waste: 384.20 Food waste: 126.98	Volume reported is net volume after recycling.
Paper Consumption	Volume (No. of Reams)	A3: 6 A4: 1,929	A3: 19 A4: 1,054	Based on paper of 500 sheets per ream with paper mass of 70g/m²
Recycling	Volume (Tonne)	Compost: 34.57 Others: 100.45	Compost: 6.23 Others: 47.48	Recycling of Others including paper, plastics and glass.

<u>Note</u>:
1. Benchmarks for energy and water consumptions are based on benchmarks published by BCA and PUB as follows:
   a) Energy use intensity (EUI): 230kWh/m²/year for hotels (large);
   b) Water consumption intensity: 0.57m³/guest night/year for 5-star hotels (with water-cooled cooling tower).

SUSTAINABILITY AT TUAN SING

As for carbon footprint, the following table sets out the Scope 1 and Scope 2 emissions:-

Carbon Emission	Parameter / Unit	Year 2019	Year 2022
Scope 1 Emission	Volume (Tonne)	2,783.36	2,079.49
Scope 2 Emission	Volume (Tonne)	10,494.75	9,306.40
Total Emission **Intensity**	**Tonne** **kg/m²**	**13,278.11** **125.74**	**11,385.89** **107.82**

We recognise that our hotel operations have been one of the biggest generators of waste and highest consumption of electricity within the Group due to the inherent nature of the business. With lower average occupancy rate of the hotels in FY2022, the consumption and waste generation, as well as emissions in FY2022 are lower than in FY2019. We would expect slight increases in consumption in the following year as the occupancy rate continues to rise to pre-COVID levels.

Nevertheless, measures have been implemented to keep both waste generation and electricity consumption in control. Since partial installation in the past year, we have also continued with the replacement of existing lighting with new energy-efficient LED lighting in corridors, function rooms and guest bathrooms.

(iii) Industrial Services

The Industrial Services segment in this Sustainability Reporting covers the Industrial Services plant of Hypak Sdn. Bhd. in Malaysia.

As the production of food packaging, fertilizer and chemical was considered essential during the pandemic period, operations in the Industrial Services plant were only slightly disrupted and thus, we have used FY2021 as the base year for performance comparison.

The following table shows the performance of our Industrial Services segment in energy consumption, water consumption, waste generation, paper consumption and recycling rate:

Environmental Performance Indicators	Parameter / Unit	Year 2021	Year 2022	Remarks
Energy Consumption	Energy Use Intensity (EUI) - $kWh/m^2/year$	370.56#	392.29	Intensity increased with increased production in Industrial Services plant.
Water Consumption	Intensity ($m^3/m^2/year$)	0.37	0.38	
Waste Disposal	Volume (Tonne)	0*	0*	Only plastic waste was generated during production process
Paper Consumption	Volume	A3: 4 reams A4: 98 reams Other: 0.51 tonne	A3: 3 reams A4: 104 reams Other: 0.26 tonne	Based on paper of 500 pieces per ream with paper mass of $70g/m^2$.
Recycling	Volume (Tonne)	311.66*	334.63	Only plastics.

Note:
Restatement for FY2021 energy consumption as error found in data.
* All our plastic waste generated from the manufacturing process are 100% recycled. Hence there was no plastic waste.

As for carbon footprint, the following table sets out the Scope 1 and Scope 2 emissions:-

Carbon Emission	Parameter / Unit	Year 2021	Year 2022
Scope 1 Emission	Volume (Tonne)	0.00	0.00
Scope 2 Emission	Volume (Tonne)	2,200.00	2,329.04
Total Emission **Intensity**	**Tonne** **kg/m²**	**2,200.00** **188.61**	**2,329.04** **199.68**

SUSTAINABILITY AT TUAN SING

(iv) Overall Emissions

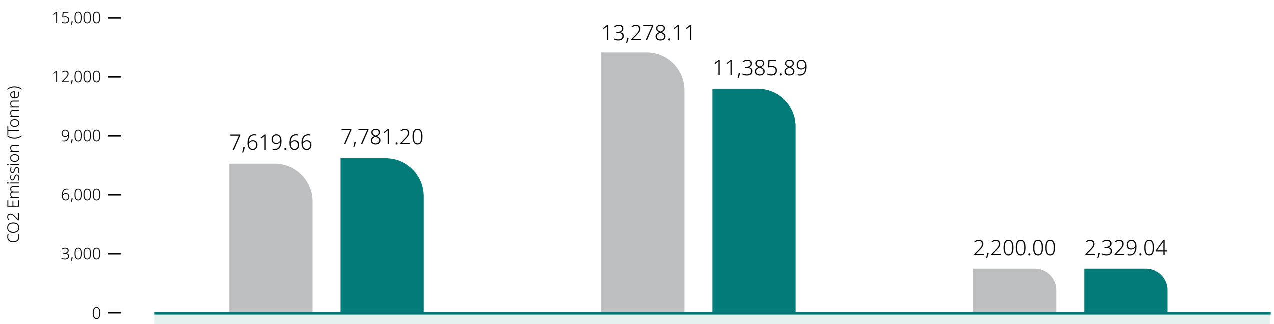
For the assets and entities included in the scope of this Sustainability Report, our total carbon dioxide emission for FY2022 is 21,496.13 tonnes with a reduction of 6.9% compared to 23,097.76 tonnes of emissions for Base Year. In terms of emission intensity, there is a reduction of 0.66% from 113.59kg/m^2 in Base Year to 112.84kg/m^2 in FY2022.

Carbon Emission	Parameter / Unit	Base Year[a]	Year 2022
Scope 1 Emission	Volume (Tonne)	2,907.41	2,384.62
Scope 2 Emission	Volume (Tonne)	20,190.36	19,111.51
Total Emission **Intensity**	**Tonne** **kg/m²**	**23,097.77** **113.59**	**21,496.13** **112.84**

Note:
[a] Base year refers to FY2021 for the Real Estate Investment and Industrial Services segments, and FY2019 for the Hospitality segment.

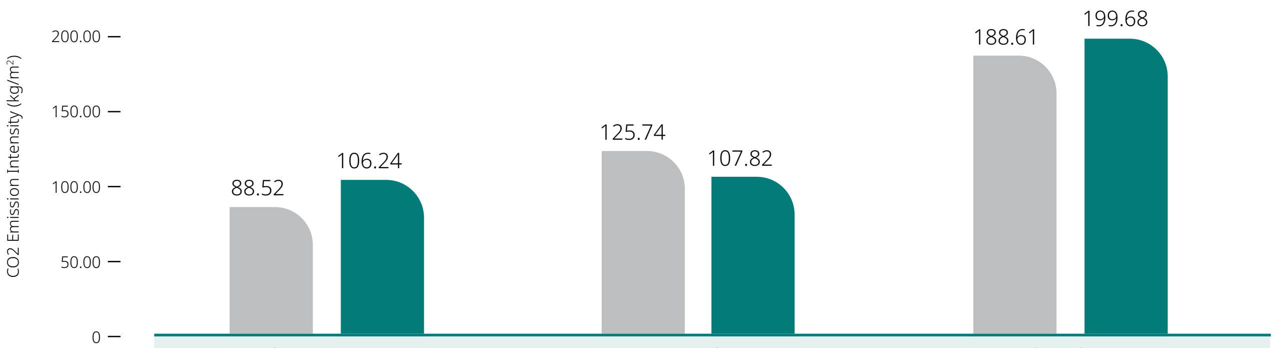
The following charts are the breakdown and comparison of carbon dioxide emissions and its intensity of base year and FY2022 for our three major business segments:-

CO2 Emission (Base Year VS 2022)



	Real Estate Investment	Hospitality	Industrial Services
BASE YEAR	7,619.66	13,278.11	2,200.00
2022	7,781.20	11,385.89	2,329.04

CO2 Emission Intensity (Base Year VS 2022)



	Real Estate Investment	Hospitality	Industrial Services
BASE YEAR	88.52	125.74	188.61
2022	106.24	107.82	199.68

SUSTAINABILITY AT TUAN SING

(C) Decarbonisation Effort Towards Net-Zero

TCFD Risk Management and Implementation Roadmap

Further to a consultation paper in 2021, SGX has mandated climate-related disclosures in accordance with TCFD Recommendations for the material and building sector for Sustainability Report for FY2024 which will be published in Year 2025.

As Tuan Sing has just embarked on its climate change sustainability journey, the Group aims to integrate climate-related risk management and disclosure in a phased approach from qualitative disclosures to quantitative disclosures over a course of three (3) years commencing from the FY2022 report through to the FY2024 report.

FY2022	FY2023	FY2024
Impacts in qualitative terms Describe the governance structures, including the Board oversight and management's role. Identify the climate-related risks and opportunities. Acknowledgement of the need to assess and respond to climate risks. Disclose Scope 1 and Scope 2 GHG emissions.	Impacts in more quantitative terms, business strategy and financial planning related to climate risks. Describe the processes for identifying and managing climate-related risks. Include metrics for assessment. Targets in quantitative terms and performance. Disclose Scope 1 and 2 GHG emissions, if appropriate, Scope 3 GHG emissions and its related risks, with measurement methodology. Conduct qualitative scenario analysis.	Full and clear considerations on physical, transition and liability risks over short-, medium- and long-term horizon. Integration of climate-related risks into company's overall risk management. Targets and monitoring of performance in quantitative terms. Conduct scenario analysis with more quantitative outcomes. External assurance.

As FY2022 will be our first year reporting on climate-related disclosures, we have focused on identifying the impacts, risks and opportunities brought by global climate change through a series of workshops involving Management and members from various departments. A high-level assessment of the corresponding mitigating actions that could address the identified climate-related risks which are relevant to the Group is also being explored. In the subsequent years, we would dive deeper into the formulation of business strategy and financial planning related to climate risks by including relevant metrics for assessment and qualitative scenario analysis, as well as full integration of climate-related risk into the overall organization risk management.

The physical and transition climate-related risks identified for the Group are summarized in the table below.

Causes of Climate-Related Risks	Potential Financial Impacts to the Group	Mitigating Actions
Physical	**Short- to Medium-Term**	**Short- to Medium-Term**
• Acute weather events such as floods, heavy downpours and thunderstorms • Chronic events such as rising sea levels and rising temperatures	- Increase in costs to rectify damages caused by water seepage at our older buildings which lack structural measures to protect from floodwaters. Older buildings with frequent damages might also lead to a lower valuation which impacts the Group's profits and loan refinancing quantum.	- Implement assets enhancement initiatives to our older buildings and explores flood barriers to minimise the risks of water seepage during heavy downpours or flood, which will also help to improve our property's valuation.
	- Reduced revenue due to business disruptions during rectification works or flooding at our buildings with basement / ground level carparks.	- Enhance our insurance coverage (e.g. Industrial All Risks insurance) to cover rectification costs and potential losses from business disruptions caused by acute weather events.
	- Increase in insurance premiums for our buildings.	- Explore flood mitigating actions that could help to reduce the insurance premium while maintaining adequate flood coverage.

SUSTAINABILITY AT TUAN SING

Causes of Climate-Related Risks	Potential Financial Impacts to the Group	Mitigating Actions
	- Project completion delays caused by disruptions to construction activities during extreme weather conditions.	- Increase the adoption and utilisation of pre-fabricated products and elements, which can be performed and conducted off-site during extreme weather conditions.
	- Higher operating costs and capital costs to provide cooler air, shelters and seamless connections to our buildings.	- Install energy efficient air-conditioning system which will reduce the operating costs in the long-run. In addition, lower cost initiatives such as umbrella lending services are considered as an alternative solution to maintain the footfall to our buildings during heavy downpours.
	- Higher medical costs from negative impacts to employees' health (e.g. heat stroke and dehydration) during extreme hot weather especially for our employees who are required to work outdoor (e.g. site staff).	- Provide ample break time during working hours for our site staff and employees whose job scope mainly entails outdoor activities to ensure our employees hydrate themselves. This will help to reduce the occurrence of employees falling ill during workdays with extreme hot weather.
Transition	**Medium- to Long-Term**	**Medium- to Long-Term**
Policy and Legal		
• Government policies towards net zero carbon emissions by 2050 (for Singapore and Australia) and by 2060 (for China and Indonesia).	- Increase in carbon tax which is an initiative by Singapore government to achieve net zero carbon emission goal might increase future project costs especially for materials purchased from overseas.	- Explore to source from local supply chains where possible and to purchase more sustainable products and materials that do not have high carbon emissions in their production process for its property development projects.
• Mandatory climate-related disclosures (e.g. by SGX) and more stringent green requirements for buildings (e.g. launching of the Singapore Built Environment Embodied Carbon Pledge by Singapore Green Building Council (SGBC)).	- Increase in compliance cost to meet the various climate-related disclosures and SGBC's requirements.	- Minimise site waste and adopt renewable energy sources for our property development projects in order to meet the SGBC's requirements. In addition, the Group also strives to balance the compliance cost while adhering to all regulatory requirements.
Technology		
• Substitution of existing construction supplies and products with lower carbon emissions options for our property development projects.	- Increase in construction costs as a result of procuring lower carbon emission supplies and products for ongoing/new property development projects.	- Explore the possibility of bulk purchase of lower carbon emission materials and supplies for property development projects that are occurring at the same time in order to lock in better prices.
Market		
• Shift in market demands such as leasing office units in buildings with green initiatives and green certification designs.	- Existing properties that lack or do not have green initiatives will lose their competitiveness, which will negatively affect the Group's occupancy rates and rental income.	- Adopt green leases and implement green features (e.g. auto-lightings, energy-saving lights, water-saving taps, high-efficiency air conditioners, etc) to improve the marketability of our existing investment properties and to meet the shift in consumers' demand and preferences.

SUSTAINABILITY AT TUAN SING

Climate change not only brings about challenges to the Group's business operations but could also give rise to opportunities as the Group incorporates environmental and social sustainability into our business.

The climate-related opportunities for the Group are presented in the table below:

Type of Climate-Related Opportunities	Potential Financial Impacts to the Group
Resource Efficiency (Short- to Medium-Term)	**Short- to Medium-Term**
• Storing of rain/flood water for landscape irrigation use at our buildings.	- Reduce operating costs through the use of alternative source of water for our buildings' landscape irrigation.
• Use of more energy efficient equipment in our existing properties (e.g. energy saving lights, energy efficient air-conditioning system, etc).	- Reduce operating costs and increase the value of our properties (e.g. highly rated energy-efficient buildings) which could have positive impact to the Group's P&L and yield a higher loan refinancing quantum.
• Reuse and repurpose of furniture and fit-out items during our show units' construction and office renovation.	- Reduce wastage and capital expenditures.
• Work from home arrangements as an alternative to commute to workplace during extreme weathers.	- Boost productivity and consequently increase revenue through benefits to workforce management (e.g. higher employee satisfaction and improved employees' health and safety).
Products and Services (Short- to Medium-Term)	**Short- to Medium-Term**
• Use of virtual and AI functions to improve visitors' experience (e.g. use of interactive and AI-enabled websites to view the Group's show flats virtually).	- Ability to reach out to more potential buyers who could not visit the physical show flats, which could result in higher sales volume.
• Use of low emission materials for the Group's property development projects.	- Increase revenue through demand for lower emissions properties.
Resilience (Medium- to Long-Term)	**Medium- to Long-Term**
• Resource substitution, including diversification initiatives.	- Increase reliability of the supply chain to our property development projects and the ability to operate under various extreme weather conditions.

Energy Savings and Emission Reduction

As air-conditioning system is the main contributor to energy consumption of a building, we have reviewed the aging chiller plant at our commercial property, Link@ 896, and concluded that an upgrade is necessary to improve on its overall operating efficiency.

Prior to the upgrading works, an energy audit was conducted, and the data collected revealed that our chilled water system was operating at a combined operating efficiency of 1.02 kW/RT as compared to a new system which can potentially operate at 0.65 kW/RT or better.

To minimise operational disruption the following were proposed:

i) To replace one chiller with one new 300RT magnetic bearing chiller with efficiency of 0.52 kW/RT.
ii) To replace 2 of our existing cooling towers (efficiency at 0.032 kW/RT) with 2 new cooling towers with efficiency at 0.03 kW/RT.
iii) To replace 1 existing chilled water pump (efficiency at 0.128 kW/RT) with 1 new chilled water pump (with Variable Speed Drive) with efficiency at 0.03 kW/RT.
iv) To replace 1 existing condenser water pump (efficiency at 0.178 kW/RT) with 1 new condenser water pump (with Variable Speed Drive) with efficiency at 0.035 kW/RT.
v) To install new Building Management System ("BMS") to better control the operations of the system.

Installation work has been completed in December 2022 and testing and commissioning of system is to be completed in first quarter of 2023. The new system will improve energy efficiency at Link@896, as well as boost the reliability of our infrastructure to support continuous operations.

Our Property Management team has also reviewed the alighting points and revised the shuttle bus route in July 2022 to shorten travel distance while increasing ridership and thus bringing in higher footfall to our commercial centre, Link@896 in Singapore.

SUSTAINABILITY AT TUAN SING

The original distance per loop was approximately 7.3km at totaling 77 trips per week and the new route is 6km per loop at total of 88 trips per week. With the increased in number of trips, the total distance has decreased by 34km per week from 562km to 528km per week. The total mileage saved in a year is approximately 1,768km.

Transportation by bus emits 89g of CO2 per km per passenger[3]. With the reduction of 1,768km distance in a year, we prevent approximately 157kg of CO2 emission per passenger into the atmosphere every year.

The following table summarize the outcome and benefits of re-routing the shuttle bus service:-

Description	Original Route	New Route	Outcome and Benefits
Implementation	Aug 2020	July 2022	
Distance per trip (Estimated based on Google map image)	7.3km	6km	Overall distance is shorter, lesser petrol consumption. Reduced 34km/week or about 1,768km/year.
Total trips per week	77	88	
Total Distance/Week (Estimated)	562km	528km	
Average ridership per month	90 Pax	656 Pax	Increase in ridership, reduction in carbon footprint

Water Conservations

In 2015, the Water Resources Institute ("WRI") ranked Singapore as one of the most water-stressed countries in the world. It estimates that by 2040, Singapore would be one of eight countries in the world most vulnerable to disruptions in water supply[4]. The NEWater process which recycles our treated used water into ultra-clean and high-grade reclaimed water was launched in 2003 to meet increasing needs for water with population growth and moves Singapore towards water sustainability.

As part of our efforts in water conservation, the infrastructure in our commercial building, 18 Robinson which was awarded the Green Mark Platinum certification, was designed to use NEWater for its cooling towers for the air-conditioning system of the building. Since the commencement of its operation in 2019, 18 Robinson has conserved over 43,000m^3 of potable water and saved more than S$17,000 in operation costs by using NEWater.

We have also reviewed the water usage in our commercial building Link@896 and reduced compound cleaning from quarterly to half-yearly. In addition, strict conduct and enforcement of maintenance protocol enable early breakdowns detection, and potential leakages can be attended to promptly to prevent wastages.

Waste Management

According to the 2021 Waste Statistics and Overall Recycling by the National Environment Agency, construction waste and metal contributed to 14.6% and 20.2% of the waste generated in Singapore respectively in Year 2021[5]. Although 98% to 99% of the construction waste generated was recycled, reducing waste generation could lighten the need for recycling in the first place. Due consideration has been given to reduce waste throughout our property lifecycle, as illustrated in the following:-

Design	• Requirements on Building Information Modelling (BIM) for coordination of design and construction especially for design and build projects in Singapore. • Design for maintanability and considerations for savings on consumption such as water savings sanitary wares, energy-efficient lighting and equipment.
Tender	• Reduce paper consumption by issuance of tender document in digital copies instead of printed copies.
Construction	• Adhere to BCA's demolition protocol for identification of material for reuse and recycle. • Early planning and coordination to avoid unnecesary hacking and demolition.
Property Management	• Reuse and recycle furniture and items left behind by departing tenants. • Use energy efficient LED lights in properties. • Provision of recycle bin to boost supports from tenants for recycling. • Strict requirements to tenants on proper disposal and recycling protocol during fitting-out works and operations.

3 Transportation and Climate Change, https://blogmech.com/transportation-and-climate-change/.
4 Article "Our Water, Our Future" by The Public Utilities Board ("PUB"), Singapore's National Water Agency, https://www.pub.gov.sg/Documents/PUBOurWaterOurFuture.pdf.
5 Waste Statistics and Overall Recycling, https://www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling.

SUSTAINABILITY AT TUAN SING

Other than exercising waste reduction and recycling in our construction development and property management, we encourage staff to exercise due considerations in printing on new paper, encourage double sided printing, and utilize used paper for draft printing.

Our Industrial Services plant in Malaysia practices 100% plastic recycling in its operations. The plastic waste generated from daily manufacturing operations are collected and stored in collection points. The plastic waste is collected by a plastic recycling company on weekly basis.

As for hospitality, waste generation control and initiatives are in place to reduce and recycle waste generated throughout the operations:-

Grand Hyatt Melbourne ("GHM") – GHM has a number of food and beverage outlets which generate a sizeable volume of food waste. To contain this problem and divert food waste from landfills, GHM installed an appropriately sized Closed-Loop Organics Unit that uses composting technology to process all food waste onsite. As a result, nutrient-rich soil conditioners were produced and used as fertiliser for the hotel gardens. While volume of food waste will increase in tandem with the occupancy rate, we aim to increase the volume of food waste recycled into compost in the coming years.

Hyatt Regency Perth ("HRP") – A top priority for HRP is to minimise the impact of its operations and practices on the environment. As part of continuing efforts to reduce and recycle waste, HRP engaged the City of Perth as an agent to provide a total waste service that includes the removal of commingled waste and organic waste directly from the site, which in turn helps to contain costs and inefficiencies. Meanwhile, we are reviewing the possibility of implementing an overall waste management system for a more efficient waste handling process and performance monitoring.

Tree Planting Volunteerism and Greener Environment

> "We aim to encourage more colleagues in the Group to cultivate the meaningful drive to embrace and enhance our environment."

In the continuous efforts to partake in the "OneMillionTrees Movement" under the "The Singapore Green Plan" to expand the green area in Singapore by the Year 2030, National Parks Board ("NParks") has organized a series of tree planting activities regularly in different state land and parks to encourage the public to cultivate this meaningful drive to embrace and enhance our environment.

Some employees based in Singapore have started their volunteer journey with NParks throughout the year by volunteering in coordination of tree planting activities, as well as physical plantings. We aim to encourage more colleagues in the Group to participate in tree planting activities in the coming years.

In Melbourne, our team has made requests successfully to the Melbourne City Council for the installation of flower beds at the external compound of our Grand Hyatt Hotel building. These flower beds contribute to the ambience of the building compound and act as effective deterrents to ram raid crimes as well as illegal motorbike parking.

Our team is currently in contact with the City of Melbourne Council to have additional flower beds installed at other sides of our property.

SUSTAINABILITY AT TUAN SING

Emission Offsetting: Landscape Nursery and Green Stockpile
Forests sequester carbon by capturing carbon dioxide from the atmosphere and transforming it into biomass in trees. In a year, a mature tree can absorb more than 48 pounds (equivalent to 21.7kg) of carbon dioxide and releases oxygen through photosynthesis[6]. In addition to carbon offsetting, we aim to provide our own plants stockpile for use in projects landscaping works by setting up our own nursery.

The first landscape nursery has been set up on a plot of land near to our Opus Bay project in Batam. Site clearance works were completed and planting of trees and shrubs was commenced in the last quarter of FY2022. Together with the trees we have planted in our Mont Botanik Residence in Singapore and Opus Bay Show Villas, we have planted a total of 1,100 trees in 2022.

With the inclusion of shrubs and ground covers in the carbon absorption calculation, we have offset at least 30 tonnes of carbon dioxide this year. We aim to grow more trees each year and target to offset carbon dioxide emissions by a minimum of 10% by 2030, in addition to our sustainability efforts to reduce generation of greenhouse gases.

5. SOCIAL RESPONSIBILITY AND HUMAN ASSETS

Our employees are our most important asset. We are committed to actively engaging our workforce, and motivating them to work together with the Group to create a brighter future for all. Spreading positivity in the workplace helps nurture happy and satisfied employees, and hopefully spur their desire to contribute positively to the Group. To this end, we endeavour to provide our employees a safe and conducive working environment, and to equip them with the skills they need to perform at their best, through both learning and career advancement opportunities.

(A) Occupational Health, Safety and Well-being

At Tuan Sing, safety is always our top priority. Steps to promote and foster mental health and well-being include taking measures to prevent discrimination as well as incidents of any kind in the workplace. As a standard modus operandi, all new employees are briefed on Tuan Sing's policies and practices during the orientation programme.

In Year 2022, a new Environmental, Health and Safety ("EHS") Policy was approved and put in place. An EHS Committee consisting of safety officer from respective offices in different countries was formed and the committee is to meet on a regular basis to report on incidents in their workplace as well as brainstorm on health and safety management matters.

The safety and health committees at our two hotels review safety and health issues regularly while sourcing for ways to make the hotel environment safer for our employees and hotel guests.

(i) Workplace Safety and Health Risk Management and Mitigation
To reduce incidents of injury at workplaces, we exercise the following as part of the workplace safety and health risk management and mitigation:-

- **EHS Committee** – The committee consisting representatives from each office who look out for potential risks and hazards at our premises which may affect employees, contractors and the public, and report to the committee at regular meetings. The committee also organises brainstorming sessions to share ideas for improvements and risk mitigation, and tracks data for performance reporting.
- **Safety Inspections** – Regular site safety inspections are carried out at construction sites and workplaces to identify any potential hazards.
- **Feedback and Improvement** – Security and safety at our premises are part of the customer satisfaction survey carried out on an annual basis. Building management officers also gather and look out for feedback on health and safety issues from the public and take action promptly to address the potential risks.
- **Training and Toolbox Meeting** – Employees and workers are briefed on safety and health matters and requirements at new staff induction trainings and daily site safety toolbox meetings. Workplace safety and health trainings are arranged for our employees, especially the supervisors at Industrial Services plants and construction sites, for better enforcement of safety precautions. Fire drills are also conducted at our offices on an annual basis, so that tenants and employees are educated on the evacuation route and what to expect in the event of a fire emergency. As the employees of our Industrial Services plant in Malaysia deal with chemicals and machineries on a daily basis, training sessions on Chemical Safety Awareness, Hearing Conservation and Occupational Safety and Health (Amendment) Act 2022 (Malaysia) were conducted in August 2022 to ensure that employees are aware of the latest requirements on local regulations and promote awareness on the importance of adhering to safety protocols at workplace. A consultant was also engaged to carry out an Initial Assessment on Chemical Exposure & Noise Risk.

[6] "How Planting Trees Offsets Carbon", https://carbonfund.org/how-planting-trees-offsets-carbon/.

SUSTAINABILITY AT TUAN SING

Training for Hypak employees

Daily safety briefing at construction site

(ii) <u>Occupational Health and Safety Targets and Performance</u>

Occupational Health and Safety ("OHS") is a new topic in our sustainability efforts since 2021. We are tracking incidents of work-related injuries at all of our workplaces and the OHS performance monitoring includes all staff (both full-time and part-time), non-employees and contractors involved in the daily operations.

There were a total of 36 recorded injury incidents at workplace in 2022 and the injuries are mostly minor, such as cuts, slips and tripping, being hit by moving objects, falls, minor fractures and minor burns. These reported incidents took less than six (6) months for recovery and are hence not considered as high consequence injuries. The current injury rate per million working hours is 17.26.

The following table sets out the incidents reported at the entities and properties included in this Sustainability Report by country:-

Employees	FY2022					
	Singapore	Indonesia	Australia	China	Malaysia	Group Overall
Fatal Incidents	0	0	0	0	0	0
Fatality Rate (No. of fatality per million working hours)	0	0	0	0	0	0
High Consequence Injury	0	0	0	0	0	0
High Consequence Injury Rate (No. of high consequence injuries per million working hours)	0	0	0	0	0	0
Total Injuries	3	0	33	0	0	36
Total Hours Worked	473,182	526,589	673,319	52,363	360,503	2,085,956
Injury Rate (No. of injuries per million working hours)						17.26

<u>Targets and Performance</u>

We have also set short-, medium- and long-term targets for occupational health and safety of our employees, vendors and contractors working on site. Our targets benchmark the statistics in the Ministry of Manpower's Workplace Safety and Health reports.

During FY2022, we had 0 major injuries and 0 fatality incidents in the Group's operations. We maintain strict safety requirements and continue to improve on reducing injury rates at the workplace.

SUSTAINABILITY AT TUAN SING

Material Topic	Short Term Target (FY2023)	Medium Term Target (FY2025)	Long Term Target (FY2030)	Current Performance
Occupational Health and Safety	Perform better than the rate of 32.1 major injuries per 100,000 workers (i.e. 0.16 major injuries per 1,000,000 hours worked based on 2,000 hours per year per worker.) 0 Fatality	Perform better than the rate of major injuries per 100,000 workers of the national statistic of Year 2024 0 Fatality	Perform better than the rate of major injuries per 100,000 workers of the national statistic of Year 2029 0 Fatality	0 Major injuries 0 Fatality

(iii) Employee's Wellbeing

We believe that happy employees will feel a strong sense of accomplishment and find considerable satisfaction in their work. Hence the well-being of our employees comes first. Among others, a mental wellbeing program coupled with masterclasses and workshops to improve on their resilience, are provided to all employees.

As part of the Company's efforts to improve employee's mental wellness, the Company has signed up for MindFi, a mobile application that enables employees to monitor and enhance their mental wellness. Employees were given access to an extensive library with guided meditations, classes, mindfulness exercises and access to private and confidential one-on-one online coaching or counselling sessions.

The Company has also introduced WhiteCoat, a leading digital telehealth service provider that allows employees to video consult a Singapore-registered General Practitioner on their phone, to seek treatment for common ailments, as part of our enhancement to our employee benefits. This initiative complements our existing healthcare benefits that we provide to our employees, by providing an option to have a contactless video teleconsulting and medicine delivery services.

Complimentary health screenings are made available to employees annually. Comprehensive health screening packages, dental services and telecommunication services are also offered at preferential corporate rates to our employees and their family members. In addition, employees are also encouraged to use the swimming pool and jacuzzi facilities at the corporate head office in Singapore as a mean to lead a healthy lifestyle.

(B) Customer Satisfaction

Our customers are our key stakeholders and include tenants of retail and commercial properties, home buyers and hotel guests. It is our vision to create a clear distinction among competitors in terms of the quality of our products and services, as well as the wellbeing and safety of our customers.

To obtain feedback on our service and product quality, customer satisfaction surveys through online questionnaires are carried out at our commercial and hospitality properties on an annual basis. The outcome of surveys is shared among relevant employees for further improvement in the following years.

Throughout the reporting period, there was no incident of non-compliance related to customer's health and safety in any of our properties which resulted in fines, warnings or infringement of voluntary codes.

Commercial Tenants

Online questionnaires which cover satisfaction level of the following aspects were disseminated to tenants for their feedback:-

- Performance of Leasing Team
- Performance of Building Management Team
- Security of property
- Cleanliness
- Performance of vertical transportation
- Concierge service
- Fire safety control
- Indoor Air Quality
- Acoustics comfort
- Lighting comfort
- Scenting
- Overall maintenance and upkeep of property
- Parking facilities

The two commercial properties in Singapore, i.e. 18 Robinson and Link@896, scored overall customer satisfaction level of 79.4% and 75.4% respectively in FY2022.

SUSTAINABILITY AT TUAN SING

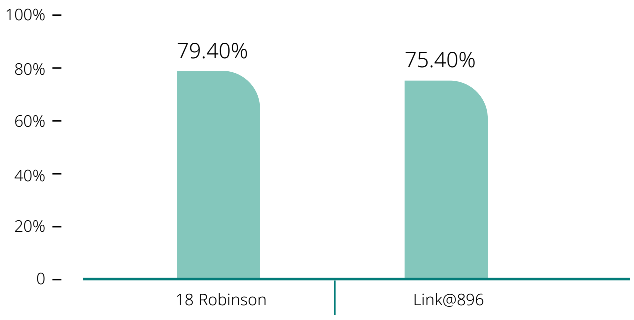
Hotel Guests

The guest satisfaction survey of Hospitality sector focuses on the following aspects which are key factors to the quality of hospitality services:-

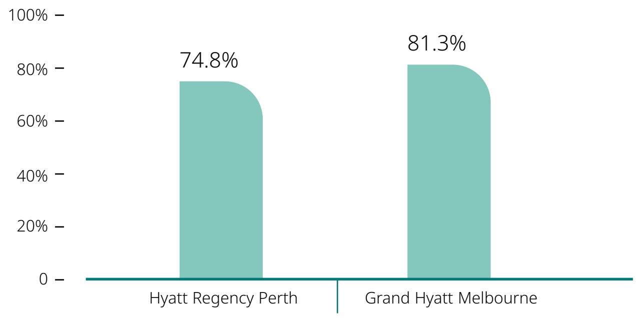
- Cleanliness
- Working order
- Customer service

The two hotels in Australia, i.e. Hyatt Regency Perth and Grand Hyatt Melbourne scored overall guests satisfaction level of 74.8% and 81.3% respectively in FY2022.

FY2022 Overall Customer Satisfaction Level - Commercial



FY2022 Overall Customer Satisfaction Level - Hospitality



Targets and Performance

Targets are also set for customer satisfaction for the short-, medium- and long-term. It is in our Tuan Sing DNA to achieve excellence with nothing but the top of our abilities, and to maintain our services as best as we can.

Material Topic	Short Term Target (FY2023)	Medium Term Target (FY2025)	Long Term Target (FY2030)	Current Performance
Customer Satisfaction	70% in average	75% in average	80% in average	Commercial: 77.4% Hospitality: 78.1%

In 2022, our hotels received the following awards in recognition of the high levels of customer satisfaction and service excellence achieved at our properties:-

Grand Hyatt Melbourne

- Business Traveller Asia-Pacific Awards – Best Business Hotel in Melbourne; Best Business Hotel Brand in the World; Top 3 Best Business Hotel Brand in the World
- AHA (Australian Hotels Association) National Awards for Excellence - Best Marketed Accommodation Provider
- Victorian Accommodation Awards for Excellence – Best Marketed Accommodation Provider; Outstanding Achievement in Training and Development
- DestinAsian Readers' Choice - Top 3 Best Hotel in Australia

Hyatt Regency Perth

- WA Perth Airport WA Accommodation Awards – Chef Award; Executive Level Manager Award

(C) Diversity and Inclusion

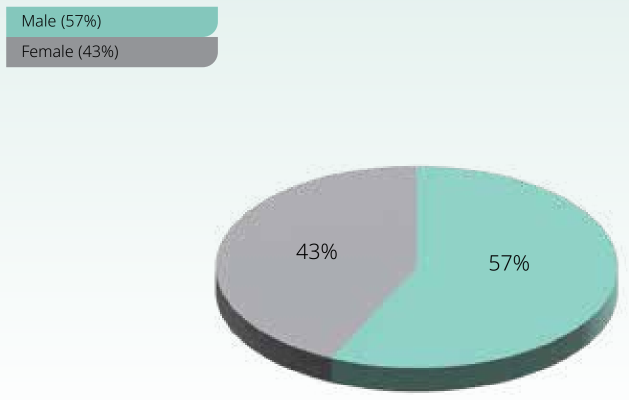
Diversity within a workplace is important as it allows Tuan Sing to expand its horizons with a wider range of insights and perspectives and have access to a diverse pool of talents. As of 31 December 2022, Tuan Sing and its subsidiaries have a total headcount of 1,009 people, of which 61.50% of them are employed under the hotel operators.

In terms of gender proportion, Tuan Sing has a healthy mix of males and females. The gender distribution across our businesses is fairly distributed, with a male to female ratio of 1.32:1 due to the male-dominant labour-intensive nature of our construction business and industrial services.

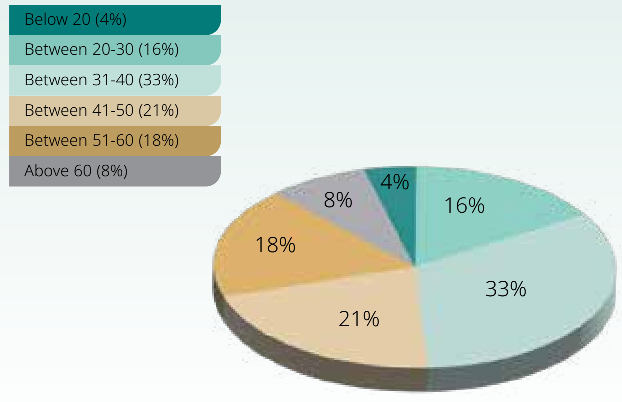
Tuan Sing advocates for an inclusive workplace through its age-diverse workforce, that is fairly represented by employees from all age groups. In addition to the inherent nature of a hospitality industry, the expansion of our business activities and hence the increased headcount for the past few years has led to the high numbers of employees with less than 3 years of service with the Group.

SUSTAINABILITY AT TUAN SING

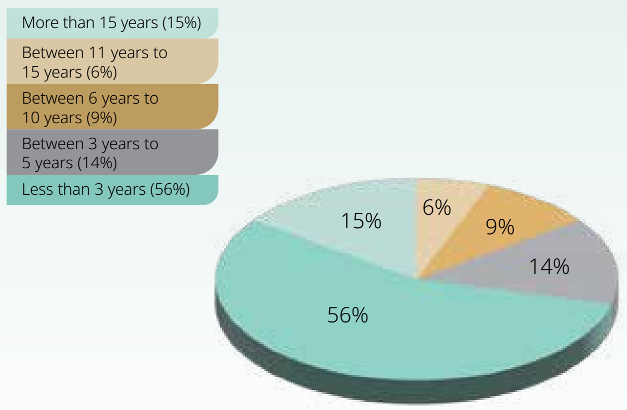
Employees by Gender



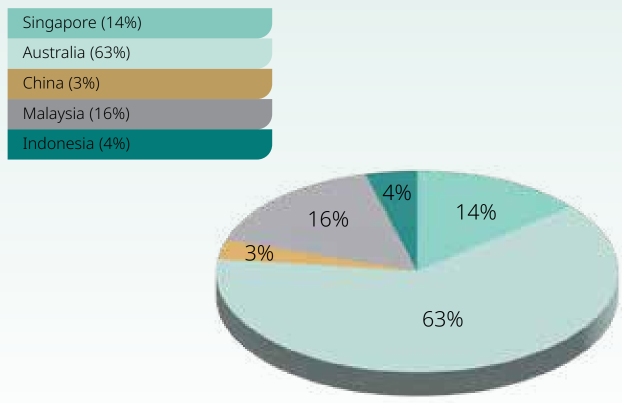
Employees by Age Band



Employees by Years of Service

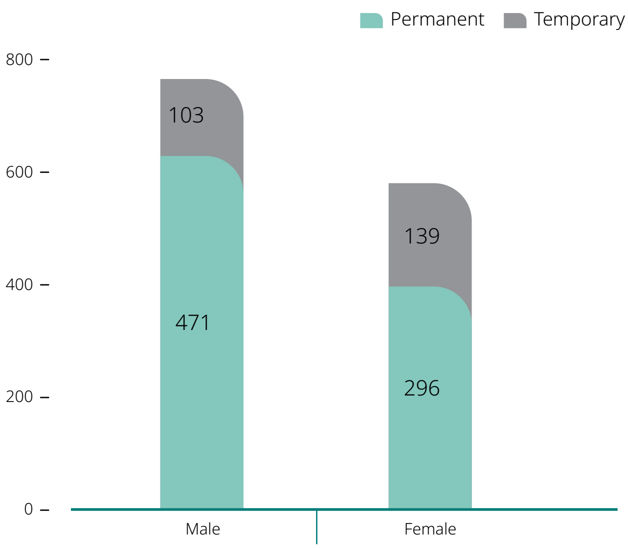


Employees by Country

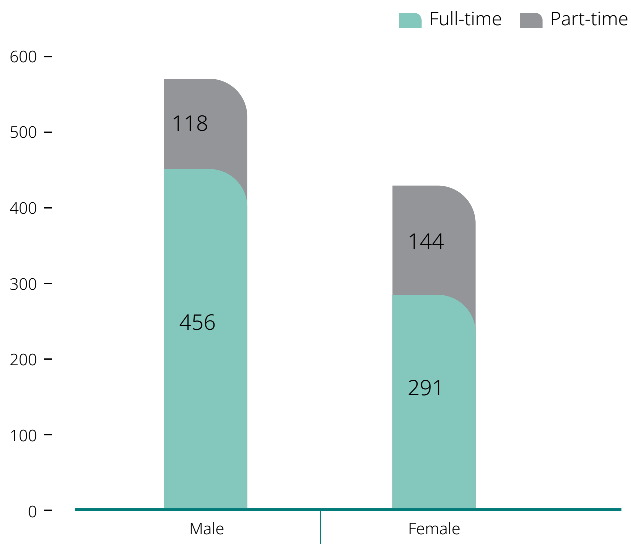


Across the Group, majority of our employees are employed on a full-time permanent contract basis. Less than 41% of our employees are employed either on temporary or part-time contract basis due to the needs of the hospitality industry.

Employee by Employment Contract & Gender



Employee by Employment Type & Gender



In terms of the board diversity, 1 of the 5 directors is a female and we aim to achieve at least 30% of female representation in the Board of Directors by 2030.

SUSTAINABILITY AT TUAN SING

(D) Fair Remuneration and Merit-based Employment

Ample opportunities are given to all employees to excel in their career with the Group, regardless of their background. Male and female employees are rewarded fairly based on merit, capability and work experience, and this is practised across all levels of the organisation structure.

We recognise that senior workers can continue to contribute to the Company's success by sharing their extensive experience with their younger peers. We value all our employees, and it is our practice to continue to re-employ employees beyond the retirement age.

The Group also adopts an open performance appraisal approach and reviews appraisal criteria regularly to align them with the changing expectations of different employee categories.

The Group's remuneration package consists of both fixed and variable components. The variable component is performance-based and is determined based on the performance of the Group, the business unit and the individual. The variable portion of an employee's remuneration increases as he or she moves up the corporate ladder.

(E) Training and Development

At Tuan Sing, we continue to invest in our people, helping them reach their full potential through various training and development programmes, job rotation and internal promotion opportunities, so they can move beyond their existing work scope both locally and regionally to take up challenges in the future. We have also held a group training for our non-Finance colleagues, "Finance for Non Finance Professionals" which equips them with the skills and knowledge in financial terms and concepts and key accounting principles to analyse financial statements and performance measures.

We have also conducted a yearly 360 Review for staff which acts as a catalyst for development by helping our participants identify their strengths as well as opportunities for improvement. This also helps to increase transparency among our internal team via trust, sharing, and increased clarity toward expected behaviors and goals.

Targets and Performance
The total training hours clocked by all staff stands at 3,988 hours for 2022, an increase of 35% as compared to 2021.

As we continue to grow our people in the Group, we set the following short-, medium- and long-term targets to showcase our commitment on continuous improvement:-

Material Topic	Short Term Target (FY2023)	Medium Term Target (FY2025)	Long Term Target (FY2030)
Training and Education	10 training hours per staff per year	12 training hours per staff per year	15 training hours each staff per year

(F) Talent Management and Planning

We strive to retain a diverse and robust talent pool, carefully grooming our people to ensure that they will be ready to meet future needs and challenges. Priority is given to employees whenever there is a job opening within the Group. Numerous employees have benefited from this approach, as it allows them to broaden their exposure and skill sets across various business functions. Such job rotation diversifies employees' job role and knowledge and maintains their passion at work while tackling challenges in their new roles.

(G) Charity, Donation and Sponsorships

In December 2022, Tuan Sing employees partnered with Extraordinary People by volunteering in the Annual Concert, "An Extra.Ordinary Celebration 2022", with 350 performers from 17 Special Education (SPED) schools, mainstream schools and organisations in a 90 minutes musical journey.

It was a meaningful effort by our colleagues, with some of them helping with ticketing for the concert, while other are attached to different performing special needs group across the two days, looking after their every need from rehearsals to the final performance. The event wasgraced by our President, Madam Halimah Yacob. Importantly, our employees played a huge role in helping to nurture more embracing and understanding attitudes in people involved in the event, and building the foundations for a more inclusive society.

SUSTAINABILITY AT TUAN SING

Targets
The Group targets to participate and volunteer in charity/fundraising events on a yearly basis. The following are our targets over short-, medium- and long-term horizon:-

Material Topic	Short Term Target (FY2023)	Medium Term Target (FY2025)	Long Term Target (FY2030)
Local Communities	Total 1,000 volunteer hours for the year	Total 2,500 volunteer hours for the year	Total 5,000 volunteer hours for the year

6. CORPORATE GOVERNANCE FOR FAIR AND CONDUCIVE BUSINESS ENVIRONMENT

(A) Corporate Governance

The Group continues to be committed to high standards of corporate conduct. The Board and Management firmly believe that good corporate governance is key to the long-term sustainability of the Group's businesses and performance.

To discharge its governance function, the Board has established policies and rules to govern the Group's activities, and the Board are guided by their respective written Terms of Reference which were updated during the year.

For more details, please refer to the Group's Corporate Governance Report under the "Corporate Governance" section of the Annual Report, which is also available on our corporate website (https://www.tuansing.com/corporate-governance/).

(B) Business Ethics and Compliance

The Group remains steadfast in its commitment to business ethics and compliance and conducting its business activities with the highest levels of integrity and maximum transparency.

Tuan Sing has received a number of accolades in recognition of its pursuit to achieve high standards of corporate governance. In 2022, Tuan Sing Group was the winner of Most Transparent Company Award under the Real Estate category. Its ranking in the Singapore Governance and Transparency Index (SGTI) 2022 rose from 23rd to 17th, out of a total of 489 listed companies. As part of its commitment towards excellence in corporate governance, Tuan Sing has put in place corporate policies which provide guiding principles on business conduct to all employees and stakeholders across its value chain.

(C) Anti-Corruption and Anti-Bribery

Integrity is one of Tuan Sing's corporate values and it has always upheld this value with the highest importance when conducting its business activities. To ensure employees' awareness, an employee handbook providing guidelines on the Code of Conduct and guidelines on conflict of interest, is made readily available to all employees through the employee's intranet portal.

The Code of Conduct provides guidelines on the following issues:

- Employees' responsibilities to carry out their duties diligently and faithfully
- Conflict of interest and the reporting and declaration procedure
- Whistleblowing
- Clarifications on misconduct

The above serve as a reminder to employees that they should act in the best interests of the Group and avoid situations that could create a conflict of interest. At the end of each year, employees are required to declare their compliance with the Code of Conduct, and whether they have been involved in any situation that might lead to a conflict of interest. A formal "Anti-Bribery and Anti-Corruption Policy" is also made available to all employees through the employee's intranet portal.

There were no bribery or corruption cases reported in 2022 and we aim to maintain zero occurrence of corruption incident.

SUSTAINABILITY AT TUAN SING

(D) Procurement and Supply Chain Management

For all projects, Tuan Sing keeps its sustainability targets in sight by exercising caution when selecting business partners who play an integral role in the various phases of the Group's property development projects. Consultants, contractors and suppliers engaged by the Group are required to demonstrate high levels of work ethics for project delivery and commitment towards the environment, health and safety.

The Group's procurement policy ensures that it receives the highest quality of desired goods and services at the best price possible. The procurement policy and system provide and align practices on all procurement activities within the organization, as well as maintain the highest integrity throughout the procurement process. By involving and training all vendors and contractors in the use of the procurement system, the policy ensures maximum transparency and fair competition in all procurement exercises. This year, we have enhanced our procurement system with better feature and compatibility for integration with Finance department's operations.

7. TCFD DISCLOSURE

TCFD Pillar	Recommended Disclosure	Tuan Sing Approach	Reference in Sustainability Report and Annual Report 2022
Governance Disclose the organization's governance around climate-related risks and opportunities.	(a) Describe the board's oversight of climate-related risks and opportunities.	Consistent with our overall risk management, climate-related risks are managed with a top-down approach, in which the Board, through the Audit and Risk Committee, determines strategic objectives, reviews external environment, sets risk appetite and parameters, as well as assesses the effectiveness of the risk management system. Clear, timely and informed decisions from the Board are passed through to the senior management and respective strategic business units ("SBUs") for execution and monitoring of performance.	"Managing Risk in Delivering Our Strategy" of the Annual Report, and "Nurture Our Planet" of this Sustainability Report.
	(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Management reports to the Board of Directors on all sustainability matters including climate-related issues that affect our local and overseas markets. In accordance with the Board of Directors' directions and decisions, Management provides oversight and guidance to the Sustainability Task Force which has been formed to identify, assess and manage the climate-related risks and opportunities that are relevant to the Group's operations through discussions with representatives from all departments of Tuan Sing.	"Managing Risk in Delivering Our Strategy" of the Annual Report, and "Nurture Our Planet" of this Sustainability Report.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. (b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	To tackle the top 10 potential impacts of the identified climate-related risks to the Group, a high-level assessment of the corresponding short (i.e. within 2 years), medium (i.e. 2 to 5 years), and long term (i.e. beyond 5 years) mitigating strategies are being explored and described in the Sustainability Report. Short- to long-term climate-related opportunities to the Group are also discussed.	"TCFD Risk Management and Implementation Roadmap" of the Sustainability Report.
	(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	As part of the Group's phase approach for integration of climate risk into the overall risk management, scenario analysis will be carried out in the following year.	Not applicable.

SUSTAINABILITY AT TUAN SING

TCFD Pillar	Recommended Disclosure	Tuan Sing Approach	Reference in Sustainability Report and Annual Report 2022
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	(a) Describe the organization's processes for identifying and assessing climate-related risks.	The Group conducts an annual risk assessment based on the principles and guidelines set out in the Group's Enterprise Risk Management ("ERM") framework. Although the environmental, social and governance (ESG) risks factors are broadly covered within the Group's 4 main risk categories (namely Business and Strategic Risks, Financial Risks, Operational Risks and Compliance Risks), we are working towards in-depth analysis of climate-related risks and integrating climate-related risk as the fifth risk category of the Group's ERM framework in the upcoming year. As the Group embarks on the journey to align with the recommendations of the TCFD in FY 2022, the bottom-up approach which is applied to our existing ERM system, is adopted to identify and assess the climate-related risks that are relevant to the Group. Through a series of workshops conducted by the Sustainability Taskforce, we identify the physical and transition climate-related risks which affect the Group financially. In the subsequent years, we will provide detailed analysis of the identified climate-related risks and corresponding mitigating strategies as well as the climate-related opportunities to the Group.	"Managing Risk in Delivering Our Strategy" of the Annual Report, and "TCFD Risk Management and Implementation Roadmap" of the Sustainability Report.
	(b) Describe the organization's processes for managing climate-related risks.	The Group adopts the same risk management strategy towards climate-related risks as the rest of the four aforementioned risk categories, where we strive to balance our risks profile while pursuing our business goals through implementing mitigating solutions to each identified climate-related risks.	"Managing Risk in Delivering Our Strategy" of the Annual Report, and "TCFD Risk Management and Implementation Roadmap" of the Sustainability Report.
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	As part of Tuan Sing's phased approach for integration of climate risk into its overall risk management, reporting on climate risk management will be carried out in the following year.	Not applicable.

SUSTAINABILITY AT TUAN SING

TCFD Pillar	Recommended Disclosure	Tuan Sing Approach	Reference in Sustainability Report and Annual Report 2022
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	The metrics used by Tuan Sing are the four core elements recommended by TCFD recommendations, i.e. governance, strategy, risk management and metrics and targets. We have also referred to the Common Set of 27 Core ESG Metrics recommended by SGX-ST, particularly the environmental metrics for climate-related disclosures.	"Introduction" and "Nurture Our Planet" of this Sustainability Report.
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	For the first year of integration of climate risk disclosure into our overall risk management as well as forming part of considerations for business strategies and planning, we are disclosing Scope 1 and Scope 2 GHG emissions in this Sustainability Report. The total GHG emissions for FY2022 is 21,496.13 tonnes, of which 2,384.62 tonnes are categorized under Scope 1 emissions and 19,111.51 tonnes are categorised under Scope 2. The emission intensity based on gross floor area ("GFA") is at 112.84kg/m^2, which is lower than base year.	"Nurture Our Planet" of this Sustainability Report.
	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Various short-, medium- and long-term targets have been set for the respective material topics, including energy, emissions, water and waste, which are related to climate risks. We have also made comparison of the current performance against base year for the respective Real Estate Investment, Hospitality and Industrial Services segments in order to monitor the progress of achieving these targets.	"Nurture Our Planet" of this Sustainability Report.

SUSTAINABILITY AT TUAN SING

8. ANNEXES

GRI Standards 2021 - Content Index

GRI Standard		Page Reference and Remarks
GENERAL DISCLOSURES		
2	**Generals Disclosures 2021**	
2-1	Organisational details	"Corporate Data" of Annual Report.
2-2	Entities included in the organization's sustainability reporting	"Introduction - About This Sustainability Report" of Sustainability Report.
2-3	Reporting period, frequency and contact point	"Introduction - About This Sustainability Report" of Sustainability Report.
2-4	Restatements of information	Restatement on FY2021 energy consumption of Industrial Services as error found in data (refer to "Nurture Our Planet": (B) Performance - (iii) Industrial Services).
2-5	External assurance	No external assurance has been carried out for this Sustainability Report.
2-6	Activities, value chain and other business relationships	"Corporate Profile" of Annual Report.
2-7	Employees	"Social Responsibility and Human Assets" of Sustainability Report.
2-8	Workers who are not employees	"Social Responsibility and Human Assets" of Sustainability Report.
2-9	Governance structure and composition	"Corporate Governance" of Sustainability Report and Annual Report.
2-10	Nomination and selection of the highest governance body	"Corporate Governance" of Annual Report.
2-12	Role of the highest governance body in overseeing the management of impacts	"Corporate Governance" of Annual Report.
2-14	Role of the highest governance body in sustainability reporting	"Value Creation and Approaches" of Sustainability Report
2-15	Conflicts of interest	"Corporate Governance" of Sustainability Report and Annual Report.
2-19	Remuneration policies	"Social Responsibility and Human Assets" of Sustainability Report and "Corporate Governance" of the Annual Report.
2-20	Process to determine remuneration	"Social Responsibility and Human Assets" of Sustainability Report and "Corporate Governance" of the Annual Report.
2-22	Statement on sustainable development strategy	"Board Statement and Commitment Towards Sustainability" of Sustainability Report
2-23	Policy commitments	"Value Creation and Approaches" and "Corporate Governance" of Sustainability Report.
2-24	Embedding policy commitments	"Value Creation and Approaches" and "Corporate Governance" of Sustainability Report.
2-25	Processes to remediate negative impacts	"Nurture Our Planet" of Sustainability Report.
2-27	Compliance with laws and regulations	There is no instance of non-compliance to the law and regulations.
2-29	Approach to stakeholder engagement	"Stakeholder Engagement" of Sustainability Report.
3	**Material Topics 2021**	
3-1	Process to determine material topics	"ESG Materiality Topics" of Sustainability Report.
3-2	List of material topics	
3-3	Management of material topics	
TOPIC MANAGEMENT DISCLOSURES		
Material Issue: Economic Performance		
3	**Material Topics 2021**	"5-Year Financial Highlights", "Statutory Reports and Accounts" and "Management Discussion and Analysis" of the Annual Report.
3-3	How organization manages economic performance	
201	**Economic Performance 2016**	
201-1	Direct economic value generated and distributed	
201-2	Financial implications and other risks and opportunities due to climate change	
201-3	Financial implications and other risks and opportunities due to climate change	
201-4	Financial assistance received from government	
Material Issue: Anti-corruption		
3	**Material Topics 2021**	"Corporate Governance for Fair and Conducive Business Environment" of Sustainability Report and "Corporate Governance" of Annual Report.
3-3	How organization manages anti-corruption	
205	**Anti-corruption 2016**	
205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	

SUSTAINABILITY AT TUAN SING

GRI Standard		Page Reference and Remarks
TOPIC MANAGEMENT DISCLOSURES (continued)		
Material Issue: Energy		
3	**Material Topics 2021**	"Nurture Our Planet" of Sustainability Report.
3-3	How organization manages energy	
302	**Energy 2016**	
302-1	Energy consumption within the organization	
302-2	Energy consumption outside of the organization	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
302-5	Reductions in energy requirements of products and services	
Material Issue: Water		
3	**Material Topics 2021**	"Nurture Our Planet" of Sustainability Report.
3-3	How organization manages water	
303	**Water and Effluents 2018**	
303-1	Interactions with water as a shared resource	
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
303-4	Water discharge	
303-5	Water consumption	
Material Issue: Emissions		
3	**Material Topics 2021**	"Nurture Our Planet" of Sustainability Report.
3-3	How organization manages emissions	
305	**Emissions 2016**	
305-1	Direct (Scope 1) GHG emissions	
305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
Material Issue: Waste		
3	**Material Topics 2021**	"Nurture Our Planet" of Sustainability Report.
3-3	How organization manages waste	
306	**Waste 2020**	
306-1	Waste generation and significant waste-related impacts	
306-2	Management of significant waste-related impacts	
306-3	Waste generated	
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
Material Issue: Employment		
3	**Material Topics 2021**	"Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages employment	
401	**Employment 2015**	
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3	Parental leave	

SUSTAINABILITY AT TUAN SING

GRI Standard		Page Reference and Remarks
TOPIC MANAGEMENT DISCLOSURES (continued)		
Material Issue: Occupational Health and Safety		
3	**Material Topics 2021**	"Board Statement and Commitment Towards Sustainability", "Value Creation and Approaches" and "Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages occupational health and safety	
403	**Occupational Health and Safety 2018**	
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment, and incident investigation	
403-3	Occupational health services	
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	"Board Statement and Commitment Towards Sustainability", "Value Creation and Approaches" and "Social Responsibility and Human Assets" of Sustainability Report.
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Board Statement and Commitment Towards Sustainability", "Value Creation and Approaches" and "Social Responsibility and Human Assets" of Sustainability Report.
403-8	Workers covered by an occupational health and safety management system	
403-9	Work-related injuries	
403-10	Work-related ill health	
Material Issue: Training and Education		
3	**Material Topics 2021**	"Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages training and education	
404	**Training and Education 2016**	
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
Material Issue: Diversity and Equal Opportunity		
3	**Material Topics 2021**	"Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages diversity and equal opportunity	
405	**Diversity and Equal Opportunity 2016**	
405-1	Diversity of governance bodies and employees	
405-2	Ratio of basic salary and remuneration of women to men	
Material Issue: Local Communities		
3	**Material Topics 2021**	"Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages local community	
413	**Local Communities 2016**	
413-1	Operations with local community engagement, impact assessments, and development programs	
413-2	Operations with significant actual and potential negative impacts on local communities	
Material Issue: Customer Satisfaction		
3	**Material Topics 2021**	"Social Responsibility and Human Assets" of Sustainability Report.
3-3	How organization manages local community	
416	**Customer Health and Safety 2016**	
416-1	Assessment of the health and safety impacts of product and service categories	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

The directors of the Company ("**Directors**" or "**Board**") and the Company's management ("**Management**") believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance. The Board has established policies and procedures to enhance corporate performance and accountability of the Group.

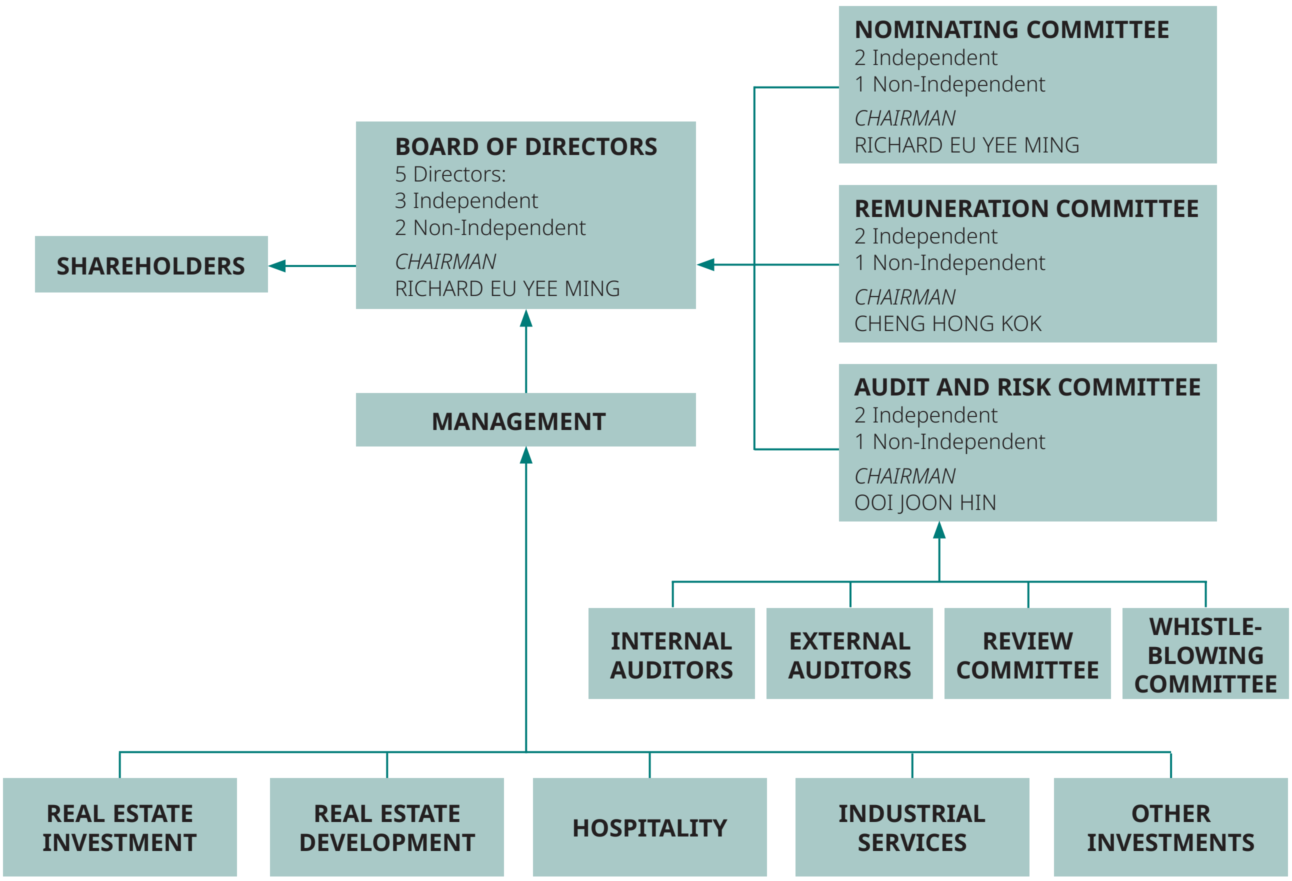
In 2022, the Company continued to fare well in its governance achievements and was ranked 17th (2021: Ranked 23rd) in The Singapore Governance and Transparency Index (SGTI) 2022 (General Category) out of 489 Singapore-listed companies. The Company has been named a SGX FastTrack Issuer since 2018. It is noted that the SGX Fast Track Programme recognises the efforts of listed issuers which have upheld high corporate governance standards and maintained good compliance track record.

Welcome to the Corporate Governance section of our Annual Report

This report sets out the Company's corporate governance processes, practices and activities in the financial year ended 31 December 2022 ("**FY2022**") with specific reference to the Code of Corporate Governance 2018 ("**Code**").

Unless otherwise elaborated, the Board is pleased to report that the Company has complied, in all material aspects, with the principles and provisions set out in the Code.

Corporate Governance Framework as at 24 March 2023[1]



Annotation
[1] Date of the Audited Financial Statements and Directors' Statement for FY2022.

CORPORATE GOVERNANCE REPORT

I. BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Effective Board leadership and organisation, working with Management for the long-term success of the Company

The Board works with the Management to achieve the long-term success of the Company and value-creation for our shareholders.

Provisions 1.1 and 1.2
Board roles and Directors' duties

The Board oversees the strategic direction, performance and business affairs of the Group and provides overall guidance to Management. The duties and power of the Board include:

i. providing entrepreneurial leadership, setting corporate strategies and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

ii. reviewing and approving the Group's annual business plan, including the annual budget, operational and capital expenditure plans as well as constructively challenging Management on the strategic options and planning process;

iii. reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational, compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;

iv. effectively monitoring and managing risks, achieving appropriate balance between risks and the Company's performance;

v. overseeing the long-term succession planning for Management and ensuring that Management observes the code of conduct as applied to them;

vi. ensuring that policies are in place to ensure compliance with legislative and regulatory requirements;

vii. monitoring the Group's performance, position and prospects and reviewing the performance of Management against agreed goals and objectives and satisfying themselves that the Group's businesses are properly managed;

viii. reviewing and approving the release of the Group's half-year and full-year financial results and a variety of other strategic initiatives tabled by Management; and

ix. ensuring transparency and accountability to key stakeholder groups.

In carrying out its roles, the Board will appropriately focus on value creation, innovation and sustainability.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group. It also relies on the skills, commitment and due diligence of its Management and its external advisors to make objective decisions in the best interests of the Group while maximising value for shareholders. In addition, the Board sets the tone for the entire organisation where ethics and values are concerned.

The Board is supported by three Board committees, namely the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (each, a "**Board Committee**" and collectively, the "**Board Committees**"). Each Board Committee, with specific area of responsibilities delegated by the Board, facilitates the Board's discharge of its functions.

Conflict of interest

Internal guidelines requiring all Board members who have a potential conflict of interest in a particular agenda item to abstain from participating in the relevant Board discussion have been implemented. This policy also applies to all the Board Committees.

Directors' competencies

Directors are provided with opportunities to undergo relevant trainings and to continually improve the Board and Board Committees' performance. The Company will fund Directors' participation at industry conferences, seminars, or any training programmes in connection with their duties as Directors. The Company also updates the Directors on statutory and regulatory changes that affect their obligations as Directors where relevant.

The Company encouraged Directors to participate in seminars such as those organised by the Singapore Institute of Directors ("**SID**") and SGX. The Directors continued to keep themselves abreast of changes and developments in the business environment. All Directors have attended and completed the mandatory sustainability training by 31 December 2022. The Management organises an offsite strategy meeting at interval of between one to three years. At each strategy meeting, the Board and Management meet to discuss and review the Company's strategic plans. The last strategy meeting was held in December 2021.

In addition, site visits to the Group's overseas projects are arranged to provide the Directors an opportunity to understand these projects better. There was no site visit in FY2022 due to the COVID-19 travel restrictions, and site visits are expected to resume in year 2023 following the reopening of international borders.

News articles and reports (including industry news and analyst reports) relevant to the Group's business are circulated to the Directors on a regular basis. It is also the Company's standard practice for other updates including changes in laws and regulations, code of corporate governance and financial reporting standards to be shared at Board meetings or circulated via email to the Directors.

Upon appointment to the Board, a new Director will receive a formal letter of appointment together with a thumb drive containing information which include the Directors' duties and responsibilities, Board and Board Committees' meeting schedule, the Company's latest annual report, Constitution, terms of references of the Board and its Committees, Directors' remuneration framework and the Group's Policies and Procedures Manual as approved by the Board. A Director's onboarding programme is also organised for the new Director which includes a presentation session by senior management on an overview of the Group's business activities and site visits to the Group's key investment properties and projects.

CORPORATE GOVERNANCE REPORT

For a new Director without prior board experience in companies listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or has not attended training on sustainability matters, the Company will also arrange for the new Director to undergo prescribed training programme conducted by the SID and/or Singapore Exchange Regulation ("**SGX RegCo**") in accordance with SGX-ST Listing Rules 210(5) and 720(7). The Company did not appoint new directors in 2022 and all directors have attended sustainability training courses to equip themselves with knowledge on sustainability matters in 2022.

Provision 1.3
Internal guidelines on matters requiring Board's approval

The Company has established guidelines governing matters that require the Board's approval. A Delegation of Authority Matrix, which forms part of the Company's Policies and Procedures Manual, provides clear direction to Management on matters requiring the Board's specific approval, which include:

i. business plans and budgets/forecasts

ii. material acquisition and disposal of land/assets/investments

iii. corporate/financial restructuring/corporate exercises

iv. financial results announcements and press releases

v. declaration of dividends

vi. delegation of authority matrix, significant policies and procedures

vii. material financial/funding arrangements and provision of corporate guarantees

viii. interested person transactions ("**IPTs**") above certain threshold

The Delegation of Authority Matrix is reviewed and revised periodically. The Matrix was last reviewed in August 2021.

Key Activities of the Board – FY2022

Standard agenda:

- Reports of the ARC, NC and RC
- Group Chief Executive Officer ("**CEO**")'s monthly management report and periodic updates (quarterly or half-yearly as appropriate) on:
  - businesses including risk profiles
  - development/operations in Australia, China and Indonesia
  - Group's borrowing profile
  - Group's cash flow projection
  - litigation cases
- Review and approval of all announcements including those for half-year and full-year financial statements
- IPT Register
- Whistle-blowing Register
- Disclosure of Directors' interests pursuant to Section 156 of the Companies Act 1967 ("**Companies Act**")

Other key items deliberated during FY2022:

- Proposed acquisitions and divestments
- Medium Term Note ("**MTN**") Programme
- Business strategies
- Developments/updates relating to accounting, legal, regulatory and/or corporate governance
- Formation of joint ventures

Matters reserved for specific Board approval:

i. Documents for distribution to shareholders, annual report and financial statements

ii. Annual budgets and business plans

iii. Dividend pay-out

iv. CEO's Key Performance Indicators ("**KPIs**") and performance review

The Board is also responsible for the succession planning, appointment and replacement of Directors, appointment of key management personnel ("**KMP**") and the determination of their remuneration. The Company's KMP has been identified as the CEO, the Group Chief Financial Officer ("**CFO**") and the General Counsel.

Board organisation and support
Provision 1.4
Delegation to Board Committees

To assist the Board in discharging its functions and to optimise operational efficiency, the Board has delegated certain of its functions to the Board Committees, namely the ARC, NC, and RC. Each Board Committee has its specific written terms of reference setting out the scope of its duties and responsibilities, and procedures governing the manner in which it is to operate and how decisions are to be taken. Any amendment to the terms of reference for any Board Committee requires the approval of the Board. Further information on the Board Committees is set out in the respective sections concerning Board Committees in this Annual Report.

Provision 1.5
Board and Board Committee meetings and attendance records

Meetings of the Board, Board Committees and shareholders of the Company ("**Shareholders**") are scheduled in advance of each financial year in consultation with the Directors to ensure optimal participation. Ad-hoc meetings of the Board and Board Committees may be called where necessary or warranted by particular circumstances. On occasions when Directors are unable to attend meetings in person, telephonic or video conference participation is permitted in accordance with the Constitution of the Company. In FY2022, the Directors were given the option to attend virtual meetings via video conferencing facilities such as Zoom and Teams.

CORPORATE GOVERNANCE REPORT

In line with our commitment to sustainability, the Company has since 2014, issued each Director with an electronic tablet device to enable them to access and read meeting papers electronically in place of hard-copy printouts. This initiative also enhances information security as the documents are passcode-secured for Directors to download to their tablet devices.

The attendance record (includes both physical and virtual meetings) of the Directors in FY2022 is set out below:

	Board	ARC	NC	RC	Ad-hoc Committee Meeting[(1)]	General Meeting
Total Number of Meetings held	4	4	1	1	2	1
	Total Number of Meetings attended					
Executive Director						
William Nursalim alias William Liem	4	N.A.	N.A.	N.A.	N.A.	1
Non-Executive Directors						
Michelle Liem Mei Fung	2	2	1	1	N.A.	1
Cheng Hong Kok	4	1[(2)]	1	1	N.A.	1
Richard Eu Yee Ming	4	4	1	1	2	1
Ooi Joon Hin	4	4	N.A.	N.A.	2	1

Annotations:
(1) Verification meeting for privatisation of SP Corporation Limited
(2) As an observer

Provision 1.6
Access to information

To enable the Board to make informed decisions and to fulfill its responsibilities, Management provides complete, accurate and adequate information in a timely manner.

The Board, Board Committees and Directors have separate and independent access to Management and are free to request for additional information as needed to make informed decisions. Agendas of the Board and Board Committee meetings are to be circulated to the Directors together with meeting materials at least one week ahead of the meetings.

In addition to the annual budget and business plans submitted to the Board for approval, the Board is provided with monthly management reports analysing the operational performance. The reports also detail the variances between the achieved results and those of the corresponding period of the previous year, as well as that of the budget, complete with appropriate explanations. Further, reports on cash flow forecast, performance forecast, risks assessment, scenarios analysis, share price movements, utilisation of bank facilities, benchmarking against market indexes and peer entities, Board memorandums and related materials are circulated to the Board from time to time. All Internal Auditors' reports are sent directly to members of ARC for review. Detailed qualitative and financial analysis, cash flow forecasts and financing requirements of each bid or project are formalised in proposals, and sent to the Board for approval before any bid for land or properties or engagement in new projects.

Provision 1.7
Independent professional advice/Company Secretary

The Company provides for Directors, individually or as a group, to have separate and independent access to the Management, the Company Secretary(ies) and to seek external professional advice, where necessary, at the expense of the Company, in the furtherance of their duties and after consultation with the Chairman of the Board.

The role of the Company Secretary(ies) has been clearly defined and includes, *inter alia*, advising the Board on all matters regarding the proper function of the Board, compliance with the Company's Constitution and applicable regulations, requirements of the Companies Act, the Securities and Futures Act 2001 and the SGX-ST Listing Manual.

The Company Secretary(ies) report to the General Counsel and seek her counsel when carrying out their functions. In consultation with the General Counsel, the Company Secretary(ies) assist the Board in implementing and strengthening corporate governance policies and procedures. The external company secretarial service provider(s) engaged by the Company provides further support to the Company's in-house company secretarial team by sharing the regulatory updates on various corporate governance related topics during FY2022 for the Company's attention and deliberation, such as the requirements on real-time remote voting and communications for general meetings, cyber incident response guide etc.

Under the direction of the Chairman and guidance of the General Counsel, the Company Secretary(ies) ensure good information flow to and within the Board and the Board Committees and between Management and Non-Executive Directors. Meeting materials and minutes of meetings are circulated to all members of the Board and Board Committees in a timely manner. The appointment and removal of the Company Secretary(ies) are subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2: Appropriate level of independence and diversity of the Board, enabling it to make decisions in the best interests of the Company

Board Composition at a glance

The Board consists of members who have the appropriate level of independence and diversity of thought and background. Collectively, their established track record in real estate, business, finance, accounting, legal, strategic planning and management, have enabled the Board to make decisions in the best interests of the Company. The Directors' Profiles can be found on pages 8 to 9 of this Annual Report.

Board composition as at 24 March 2023[1]

Non-Executive and Independent Directors

1. Cheng Hong Kok
2. Ooi Joon Hin
3. Richard Eu Yee Ming

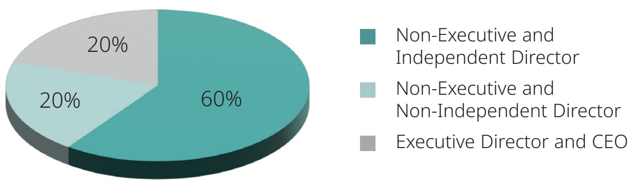
Non-Executive and Non-Independent Director

Michelle Liem Mei Fung

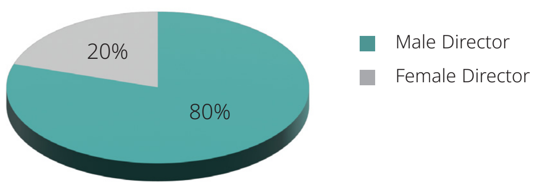
Executive Director and CEO

William Nursalim alias William Liem

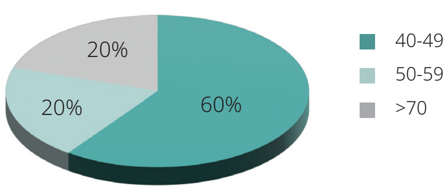
Independence



Gender Diversity



Age Group of Our Directors



Annotation:
[1] Date of the Audited Financial Statements and Directors' Statement for FY2022.

Provision 2.1
Independence of Directors

As at the date of this Annual Report, the Board comprised five Board members, of whom four are Non-Executive Directors (including three Independent Directors). Other than the CEO, all Directors are non-executive.

An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers who can interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement to the best interests of the Company.

The NC and the Board take into account the existence of relationships or circumstances, including those identified by the SGX-ST Listing Manual and the Code's Practice Guidance 2018 ("**Practice Guidance**") that are relevant in determining as to whether a Director is independent.

Each Director is required to declare his independence and complete an annual declaration in the form of a self-assessment questionnaire which sets out the circumstances where a Director is deemed not to be independent, and submit it to the NC for review. The results are collated by the Company Secretaries and reported to the Board.

In FY2022, the NC conducted its annual review of the Directors' independence and was satisfied that the Company had complied with Provision 2.1 of the Code, the Practice Guidance and SGX-ST Listing Rule 210(5)(d)(i) and (ii).

On 11 January 2023, SGX RegCo has announced a hard tenure limit of nine (9) years for an Independent Director, beyond which such Director will no longer be considered as independent. No Director on the Board is subjected to the aforesaid tenure limit at the forthcoming annual general meeting ("**2023 AGM**").

For FY2022, the NC noted Mr Cheng Hong Kok's directorship in the Company's subsidiary, SP Corporation Limited ("**SP Corporation**"). Mr Cheng's appointment was solely for board service and he was neither employed by the Company nor SP Corporation. SP Corporation was delisted from the SGX-ST on 23 December 2022.

For FY2022, the NC and the Board had assessed the independence of Messrs Ooi Joon Hin, Cheng Hong Kok and Richard Eu Yee Ming, and were satisfied that there was no relationship (based on the aforesaid assessments) or other factors such as gifts or financial assistance, past or present association, business dealings, representative of shareholder, financial dependence, relationship with the Group or the Group's management which would impair their independent judgement. During the process, each Independent Director had recused himself in the determination of his own independence.

Provision 2.2
Composition of Independent Directors on the Board

Provision 2.2 of the Code requires the Independent Directors to make up a majority of the Board where the Chairman of the Board is not independent. The Board Chairman, Mr Richard Eu Yee Ming is an Independent Director.

CORPORATE GOVERNANCE REPORT

The composition of the Board's Independent Directors has complied with Provision 2.2. of the Code with the Independent Directors constituting a majority (3 out of 5 Directors) of the Board. The composition also satisfies the SGX-ST Listing Rule 210(5)(c) requirement wherein Independent Directors shall comprise one- third of the Board. Rule 210(5)(c) became effective on 1 January 2022.

For FY2022, the NC reviewed the composition of the Board and its Committees, and was of the view that the current Board size of five Directors was adequate to facilitate effective decision making for the current needs and demands of the Group's businesses. The Board concurred with the NC's assessment and recommendation.

Each Director participates in the Board's decision-making process, which are made collectively without any individual or small group of individuals influencing or dominating the decision-making process.

Provision 2.3
Proportion of Non-Executive Directors

Throughout FY2022, Non-Executive Directors constituted a majority of the Board and as such the Company had complied with Provision 2.3 of the Code.

The Non-Executive Directors help Management in setting strategies and goals and where necessary, challenge the underlying assumptions of Management's proposals. They also set the CEO's KPIs. During the year, Non-Executive Directors reviewed the monthly operation reports submitted by Management and monitored Management's performance in meeting KPIs and long-term strategies.

Provision 2.4
Board composition and size

For FY2022, the NC conducted its annual review on the composition and size of the Board and concluded that they were appropriate, taking into account the scope and nature of the operations of the Group. The NC also noted that there was adequate diversity in that the Board comprised members of both genders and from different backgrounds whose core competencies, qualifications, skills and experience met with the requirements of the Group.

As part of the annual assessment process, the NC reviewed the competency matrix of the Directors, taking into account their respective areas of specialisation and expertise, and was satisfied that members of the Board as a whole possess the relevant core competencies in areas such as accounting, finance, legal, property, strategic planning, business and management experience. The Executive Director has excellent industry knowledge while the Non-Executive Directors, who are professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences, and provide independent judgement during Board deliberations. The Board concurred with the NC's assessment and satisfied with the current Board composition in terms of competency and size to discharge the Board's obligations.

Board diversity policy

The Company recognises and embraces the benefits of diversity of experience, age, skill sets, gender and ethnics on the Board ("**Board Diversity**"). The Board views Board Diversity as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board had adopted a written Board Diversity Policy (the "**Diversity Policy**") at the recommendation of the NC in FY2021, details of which can be found at the Company's website at: https://tuansing.com/board-diversity-policy/. The Diversity Policy sets out certain quantitative and qualitative objectives. Among others, the Board has set diversity as a key criterion for any search process for the Board and KMP.

The Board has also set its gender diversity objectives of (i) having at least one female Director on the Board and at least one female KMP; (ii) having at least one female candidate in any search process for Directors and KMP; and (iii) to endeavour to align with the target set by the national diversity body (e.g. Council for Board Diversity ("**CBD**")) for female board representation as much as possible. Nevertheless, gender is but one aspect of diversity and new Directors will continue to be selected based on their merits and the potential contributions which they can bring to the Board. The Board has also set skills diversity objectives which include (i) experience in public appointments; (ii) experience as director of listed companies; (iii) sector experiences – knowledge of countries where the Company primarily operates; (iv) sector knowledge of Group's principal business activities; and (v) functional experience of the Directors. The Board, through the NC, will assess this Board competency matrix whenever the NC reviews board diversity.

The current Board has one female Director (constituting 20% of the Board), namely Ms Michelle Liem Mei Fung and meets the target set by the CBD for 2022. Ms Liem has been a Board member since 2001 and the Company continues to benefit from her membership in terms of improved discussions, debates and decision-making at the Board level.

In determining the diverse skillset needs of the Board, the Board will continue to leverage on its established "Board of Directors' Competency Matrix" to identify any gap in the Board's collective skills.

Provision 2.5
Regular meetings of Non-Executive Directors

In FY2022, the Non-Executive Directors met during the periodic meetings of the Board and Board Committees. In addition, the Non-Executive Directors met informally (online or offline) with the KMP and other senior management of the Group from time to time to discuss matters relating to the Group. After the meetings, they provided feedback to Management to review and resolve specific issues and matters discussed during the meetings. The Company has benefitted from Management's ready access to the Non-Executive Directors for guidance and exchange of views, both within and outside of Board and Board Committee meetings in 2022.

The Non-Executive Directors meet to discuss, inter alia, Management's performance without the presence of Management at least once a year.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Division of responsibilities between Board and Management, and avoidance of a single individual influence on decision-making

Provisions 3.1 and 3.2
Separation of the role of Chairman and CEO

In FY2022, the Board Chairmanship was helmed by Mr Richard Eu Yee Ming (Non-Executive Independent Director).

The roles of the Chairman and the CEO of the Company remain distinct through a clear division of responsibilities which have been established in the written terms of reference of the Board.

The Chairman leads the Board with the highest standard of integrity and governance. He promotes effective communication and contributions by each Director. The Chairman manages the business of the Board by setting agendas for meetings, which he leads to ensure full discussion of all agenda items.

The CEO translates the Board's decisions into executive actions and is accountable to the Board. He provides clear and decisive leadership and guidance to the Company's employees. The CEO runs the Company's business with a clear vision and missions set by the Board.

There is no familial relationship between the CEO, Mr William Nursalim alias William Liem and the Board Chairman, Mr Richard Eu Yee Ming.

The Chairman is responsible for ensuring the effective functioning of the Board to act in the best interests of the Company and Shareholders. He leads the Board; encourages interaction between the Board and Management; facilitates effective contribution of Non-Executive Directors; encourages constructive relations among the Directors; and promotes good corporate governance.

Prior to each Board meeting, the Chairman, in consultation with Management and the Company Secretary(ies) with the support of external company secretarial service provider, reviews and sets the agenda for the meeting and ensures that Board members are provided with adequate and timely information. As a general rule, meeting papers are sent to Directors at least one week in advance, in order for Directors to be adequately prepared for the meeting. The Chairman leads the meetings and ensures full discussion of each agenda and that the Board members are able to engage the Management in constructive debate and open discussions on various matters including strategic issues. Members of the Management team with proposals, or who can provide insights into these discussion matters, are invited to participate in the meetings.

At each general meeting of Shareholders, the Chairman plays a pivotal role in fostering constructive dialogue between the Shareholders and the Board.

Provision 3.3
Lead Independent Director

The Code provides for a Lead Independent Director to be appointed by the Board in situations where the Chairman is conflicted and when the Chairman is not independent. For FY2022, the NC and the Board, having taken into consideration the Company's current business operations and current Board size were of the view that the appointment of a Lead Independent Director was not necessary.

Although no Lead Independent Director has been appointed, the Company's Independent Directors set aside time to meet (without the presence of other Directors). They provide their feedback to the Chairman of the Board. The Independent Directors also meet regularly with, and have unrestricted access to the CEO, other KMP and senior management members, as well as other Non-Executive Directors to discuss matters relating to the Group.

Directors and Management are also accessible to the Company's Shareholders, and the Company has always responded to queries raised by its Shareholders. The absence of a Lead Independent Director has not impacted, and is unlikely to impact, the efficient communication between the Board and the Shareholders or other stakeholders of the Company.

The Board Chairman, Mr Richard Eu Yee Ming, is an Independent Director. As such, the appointment of a Lead Independent Director is not necessary. Nevertheless, the Board will, on an annual basis, examine the need for the appointment of a Lead Independent Director.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment/re-appointment and progressive renewal of the Board

Provisions 4.1 and 4.2
NC membership and key terms of reference

As at the date of this report, the NC consists of the following three members with the majority, including the Chairman, being independent:

- Mr Richard Eu Yee Ming, Chairman
  (Non-Executive and Independent)
- Mr Cheng Hong Kok
  (Non-Executive and Independent)
- Ms Michelle Liem Mei Fung
  (Non-Executive and Non-Independent)

The NC is guided by its written terms of reference which stipulate its principal roles as follows:

i. review the nomination, appointment and re-appointment of Directors to the Board;

ii. review annually the independence of Directors;

iii. determine a suitable size of the Board;

CORPORATE GOVERNANCE REPORT

iv. develop and maintain internal guidelines to assess a Director's ability and his/her performance in carrying out his/her duties as Director of the Company;

v. review the Directors' mix of skills, attributes/qualities, experiences and diversity that the Board requires;

vi. recommend to the Board on internal guidelines to address the competing time commitments faced by Directors serving on multiple boards;

vii. develop and maintain, as appropriate, a formal assessment process and criteria to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board;

viii. review, as appropriate, the independence of any Director who has served on the Board beyond nine years from the date of his/her first appointment; and

ix. review the succession plans for Directors, appointment and/ or replacement of the Chairman, the CEO, and other KMP for recommendation to the Board.

Upon request of the Board and/or the CEO, the NC shall also review any other senior management appointments within the Group, save for any entity listed on a stock exchange and has its own nominating committee, and those that are jointly controlled of which the Company's influence is balanced by other joint venture party(ies).

Other than as stated above, the NC is also involved in the review of training and professional development programmes for the Board. For FY2022, the task of this review was assisted by the in-house Company Secretary(ies). When necessary or once the NC has identified training needs on certain topics, the in-house Company Secretary(ies) will assist to collate and circulate training options available, such as the yearly training calendar available from SID's website to the Directors, and assist the Directors to sign up for relevant training at the Company's expense.

When making decisions on the appointment of new Directors to the Board, the NC and the Board consider several criteria which include the relevant expertise and experience that are required on the Board and the Board Committees. Other determining factors include diversity, independence, conflict of interest and time commitments.

In discharging its key responsibilities, the NC reviewed the followings in FY2022:

i. the independence of Directors, particularly any Director who has served more than nine years;

ii. the size of the Board and its composition;

iii. the commitment of Directors serving on multiple boards;

iv. the performance of the Board as a whole and the Board Committees;

v. contribution by each individual Director to the effectiveness of the Board;

vi. the Directors' continued training and professional development;

vii. the disclosure of Board matters in the annual report; and

viii. Board succession and renewal plans.

An NC report is submitted to the Board at the end of each financial year and the minutes of NC meetings are tabled to the Board to keep Board members apprised.

Provision 4.3
Selection, appointment and re-appointment of Directors

The NC is responsible for recommending identified candidates to the Board to fill vacancies arising from resignation or retirement, or if there is a need to appoint additional Directors to fill a competency gap in the Board, or for any other reasons as identified by the NC. The potential candidate may be proposed by existing Directors, the Management or through third-party referrals.

The Company has in place a process for selecting and appointing new Directors. This process includes, *inter alia*, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board. The NC may have recourse to both internal sources as well as external sources to draw up a list of potential candidates. Shortlisted candidates will be required to furnish their curriculum vitae, stating in detail their qualifications, working experience and employment history, and to complete certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines.

The NC also ensures compliance with the Company's Constitution which stipulates that at each AGM, one-third of the Board (inclusive of the Chairman and CEO), shall retire from office by rotation and be eligible for re-election. Further, all Directors (including the Chairman and CEO) shall submit themselves for re-nomination and re-appointment at least once every three years pursuant to SGX-ST Listing Rule 720(5) and the Company's Constitution.

In line with the SGX-ST Listing Rule 720(5) and the Company's Constitution, the Company's CEO who is an Executive Director, is subject to the same provisions on retirement by rotation, resignation and removal as other Directors of the Company as part of the Board renewal process.

In addition, the Constitution of the Company stipulates that new Directors appointed by the Board during the financial year without Shareholders' approval be re-elected at the next AGM following their appointment.

Eligibility of Directors for re-election/re-appointment has been reviewed annually by the NC and the Board based on the individual Director's performance. The NC recognises the importance of Board renewal, succession planning for its Directors and that the Board's needs and requirements are subject to change over time and will periodically review the appointment of new directors or reappointment of existing directors. The NC notes that three Independent Directors had been appointed to the Board in August 2017, August 2019 and May 2021 respectively. In terms of Management team succession planning, the Company had stepped up with its plans of recruiting well-experience and suitable candidates over the years and has implemented a shadowing strategy where a shortlisted candidate would shadow and work alongside the incumbent for a reasonable period of time before assuming the role formally.

CORPORATE GOVERNANCE REPORT

Provision 4.4
Continuous review of Directors' independence

For FY2022, the NC had conducted, inter alia, an annual review of the independence of the Directors based on their declaration which was drawn up in accordance with the guidelines provided under the Code, its Practice Guidance and relevant SGX-ST listing rules, and had determined, having regard to the circumstances set forth in Provision 2.1 of the Code, the independence of each Director. Please refer to Provision 2.1 of this Corporate Governance Report on the process and details of the NC's review of Directors' independence. The NC is also committed to reassess the independence of each Independent Director as and when warranted.

Provision 4.5
Multiple directorships

Information on the directorships and principal commitment(s) of each Director is furnished under the "Directors' Profile" section of this Annual Report and on the Company's website.

There are internal guidelines to assist the NC to determine whether Directors who sit on multiple boards have committed adequate time to discharge their responsibilities towards the Company's affairs. In this respect, the Company's current policy stipulates that if a Director is an executive director or key management personnel of another listed company or a major corporation, he/she should preferably not hold more than three other non-executive directorships on unrelated listed companies and/or major corporations ("**Internal Guideline Limit**").

For FY2022, there were no Directors who exceeded the Internal Guideline Limit. The NC and the Board were satisfied that all the Directors had discharged their duties adequately and satisfactorily.

BOARD PERFORMANCE

Principle 5: Formal annual assessment of the effectiveness of the Board, its Board committees and individual directors

Provisions 5.1 and 5.2
Board evaluation process, Board performance criteria and individual Director evaluation

The Company has implemented a formal process to evaluate (i) the performance and effectiveness of the Board as a whole and of its Board Committees; and (ii) the contribution by the Chairman and each individual Director to the Board.

The performance criteria were recommended by the NC and approved by the Board.

For FY2022 and as in previous years, the Board conducted an annual evaluation of the performance of the Board and individual Directors by having each Director complete a questionnaire for "Board Performance Assessment" with comments where necessary.

The "Board Performance Assessment" encompasses the performance evaluation for the Board Committees. The NC and the Board were of the view that this streamlined process was adequate and effective.

In evaluating the Board's performance, the following areas were assessed:

(a) Board structure including independent element on the Board, working partnership between the Board and Management, Board size, and contribution by the Chairman and each Director to the Board;

(b) conduct of meetings including their regularity, adequacy of notice, leadership of the chair, quality of discussion and consensus of decision;

(c) corporate strategy and planning including provision of entrepreneurial leadership to the Management, resources allocation and approval of annual business plan;

(d) risk management and internal controls including its framework and a review of their implementation effectiveness;

(e) measuring and monitoring Management's performance, including conducting reviews in comparison with the previous year's performance and budget;

(f) recruitment, evaluation and compensation, including approval for KMP appointments, remuneration framework, annual compensation and bonus for the KMP;

(g) succession planning for the Board and Management;

(h) financial reporting including the integrity of financial statements, principles applied and approval for announcements; and

(i) communication with Shareholders.

In evaluating the Board's performance, the NC also considered the Company's share price performance (one-year and five-year period) against certain market indexes, five-year financial indicators such as return on assets, return on equity, and the economic value add of the Group.

In addition, the NC used the data obtained from the "Real Estate Development & Holding Company – market capitalisation of $300 million - $3 billion" (source: Bloomberg) as a benchmark to assess the Company's past year performance. Where there was material divergence, underlying reasons were sought and recorded, and action was taken where necessary.

In the assessment of individual Directors, a Board competency matrix is used to assess the Directors' respective areas of specialisation and expertise, as well as other factors as provided under the Code's guidelines. The Board will then act on the results where appropriate.

The evaluation of each individual Director's performance is a continuous process. The evaluation criteria include the Director's attendance at meetings of the Board, Board Committees and at general meetings, his/her ability to devote sufficient time and attention to the Company's affairs, participation in discussions at meetings, knowledge of and contacts in the regions where the Group operates, his/her functional expertise and commitment of time to the Company.

CORPORATE GOVERNANCE REPORT

Further, the Executive Director/CEO is evaluated each year by the Non-Executive Directors, inter alia, through assessment of his performance against certain KPIs set by the Board in the early part of the year. The KPIs include both financial and non-financial criteria and short-term to medium-term goals.

To ensure confidentiality, completed evaluation forms by all Directors were submitted to the Company Secretary(ies) for collation. The results of the evaluation were collectively presented first to the NC for review and discussion, and thereafter to the Board for a further discussion.

The Board was satisfied with the results of the annual evaluation of the performance of the Board, its Board Committees and individual Directors' assessment for FY2022.

The results of the performance evaluation exercise are used as a reference by the Chairman to review, where appropriate, the composition of the Board and its Board Committees, and in consultation with the NC, to support its proposals for Board renewal, so as to improve the effectiveness of the Board's oversight of the Company. Comments received from the NC are compiled and presented to the Board in due course.

The Board did not engage any independent external consultant to facilitate the annual review of the performance of the Board, the Board Committees and the individual Directors for FY2022. However, the NC and the Board are open to the idea should such a need arise to enhance or enliven the Board performance evaluation process.

II. REMUNERATION MATTERS

Matters concerning remuneration of the Directors, KMP and other senior management are under the purview of the RC, whose primary function is to establish formal and transparent policies on remuneration matters in the Company.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this report and in the notes to the financial statements of the Company and of the Group.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: Formal and transparent procedure for developing director and executive remuneration

Provisions 6.1 and 6.2
Remuneration Committee composition and terms of reference

The RC comprises the following Directors, all of whom are non-executive and the majority, including the Chairman, being independent:

- Mr Cheng Hong Kok, Chairman
  (Non-Executive and Independent)
- Mr Richard Eu Yee Ming
  (Non-Executive and Independent)
- Ms Michelle Liem Mei Fung
  (Non-Executive and Non-Independent)

The RC is guided by its written terms of reference, which stipulate its principal responsibilities as follows:

i. offers an independent perspective in assisting the Board to establish a formal and transparent procedure for developing a remuneration policy for Directors and KMP (or executives of equivalent rank) of the Company;

ii. establishes an appropriate remuneration framework to motivate and retain Directors and KMP (or executives of equivalent rank), and ensure that the Company is able to attract appropriate talent from the market in order to maximise value for Shareholders;

iii. develops a remuneration policy for the Executive Director and KMP (or executives of equivalent rank), structuring it to link rewards to corporate and individual performance;

iv. determines specific remuneration packages for the Executive Director and KMP (or executives of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company;

v. reviews and approves the compensation of the KMP (or executives of equivalent rank); and

vi. reviews the appropriateness and transparency of remuneration matters for disclosure to Shareholders.

The RC has explicit authority to investigate any matter within its terms of reference including seeking expert advice within and/or outside the Company.

An RC report is submitted to the Board at the end of each financial year and the minutes of the RC meetings are tabled to the Board to keep Board members apprised.

Provision 6.3
Developing remuneration framework

The RC, with the endorsement of the Board, has established an appropriate remuneration framework to attract, retain and motivate Directors and KMP (or executives of equivalent rank) of the Company as well as specific remuneration packages for each Director, the KMP (or executives of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company. The framework is being reviewed periodically to ensure that they remain relevant and effective.

The RC's remit is to make recommendations to the Board. Determining the remuneration of the Directors is the purview of the Board as a whole, and individual Directors do not participate in discussions regarding their own remuneration.

For FY2022, the RC reviewed and recommended to the Board the remuneration package of the Executive Director/CEO and the KMP (or executives of equivalent rank). In addition, the RC also reviewed the performance of the Group's other heads of department ("**HOD**") (excluding those employed by the listed subsidiary which has its own remuneration committee), after taking into consideration the CEO's assessment of, and recommendation for, bonus and remuneration. The RC also reviewed and endorsed the Management's recommendation of other employees' bonuses for 2022 and salary increments for 2023.

CORPORATE GOVERNANCE REPORT

The Company's obligations in the event of termination of service of the Executive Director and the KMP are enumerated in their respective employment letters. The RC is satisfied that the termination clauses therein were fair and reasonable to the respective employment class and were not overly generous.

Provision 6.4
RC's access to advice on remuneration matters

The RC has direct access to the Company's Director of Human Resources, should they have any queries on human resource matters. The RC has explicit authority to investigate any matter within its terms of reference and to seek external expert advice should such a need arise at the Company's expense. In this regard, the RC draws on a pool of independent consultants for diversified views and specific expertise to ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

LEVEL AND MIX OF REMUNERATION

Principle 7: Level and structure of remuneration are appropriate and proportionate to the sustained performance, value creation and strategic objectives of the Company

Provisions 7.1, 7.2 and 7.3
Remuneration of Directors and KMP

The Company's remuneration structure for the Executive Director/CEO and KMP (or executives of equivalent rank) has been benchmarked against entities of a comparable size and in similar industries. It consists of both fixed and variable portions with the aim to attract, retain and motivate appropriate talents on a sustainable basis. The fixed compensation comprises a base salary and fixed allowances. The variable component, on the other hand, is a cash-based, short-term incentive that is performance-related and is linked to the Company and the individual's performance. This is designed to align the employees' remuneration with the interests of Shareholders and to link rewards to corporate and individual performance so as to promote the long- term success of the Group.

Throughout FY2022, the Board had only one Executive Director, namely the CEO. As stipulated in the Company's remuneration framework, the Executive Director and KMP of the Group do not receive Director's fees from the Company or from its subsidiaries/ associated entities if they are nominated and appointed to these boards.

For the purpose of assessing the performance of the Executive Director/CEO and KMP (or executives with equivalent rank), KPIs with both financial and non-financial targets are clearly set out at the start of the financial year. Financial targets may include net profit, return on total assets, return on shareholders' equity and total shareholder's return (i.e. dividend plus share price movement over the year). Non-financial targets may be related to reputation, customers, employees, environment, community and sustainable future. Such KPIs comprise both quantitative and qualitative factors as well as short and medium-term targets. The RC believes that the KPIs enable the Company to monitor its success in achieving its strategy and the progress of the Group in delivering high-quality sustainable growth. The RC will also take into account the emerging business environment and incorporate Environmental, Social and Governance factors into remuneration consideration.

Each year, the RC reviews and approves the remuneration packages of the Executive Director/CEO and the KMP (or executives of equivalent rank) for recommendation to the Board. This includes the review of their basic salary, allowance, benefits and bonus. In the process, the RC takes into account the KPI performance of each individual for the financial year under review.

For FY2022, the RC was satisfied that the adjustments made to the salaries as well as the performance-related bonuses granted to the Executive Director/CEO and KMP were reflective of their performance and contributions made by them taking into account the extent to which their KPIs were met.

Currently, the Company does not have any long-term incentive scheme or schemes involving the offer of shares or grant of options or any other forms of deferred remuneration.

Remuneration framework for Non-Executive Directors

Non-Executive Directors have no service contracts (except for the letter of appointment) with the Company and their terms in office are specified in the Constitution. The remuneration packages of Non-Executive Directors consist of Directors' fees and attendance fees, which are computed based on a fees scale covering basic retainer fees as Director; additional fees for serving on any of the Board Committees; and attendance fees for participation in meetings of the Board and the Board Committees.

The RC takes into consideration factors such as the frequency of meetings, the time spent and responsibilities of Non-Executive Directors, as well as the need to stay competitive with industry practices when determining the appropriate level of Directors' fees.

The RC also considers the nature and responsibilities of the Chairman and members of the ARC who receive higher additional fees which are commensurate with their roles and responsibilities.

The framework for Non-Executive Directors' fees (on a per-annum basis unless otherwise indicated), which was last revised in FY2018, is as follows:

Roles	Members (per annum)	Chairman (per annum)
Board of Directors	$50,000	Additional $50,000
Audit and Risk Committee	$20,000	Additional $20,000
Other Committees	$7,500	Additional $7,500
Attendance Fee	$1,000 per meeting	
Overseas Engagement Fee	$2,000 per trip	
Special or *Ad hoc* Project(s)	Appropriate sum depending on complexity and time involved, as recommended by the Board after the completion of the projects and approved by Shareholders in a general meeting	

CORPORATE GOVERNANCE REPORT

The remuneration framework for Non-Executive Directors was last reviewed in FY2018, using data obtained from a survey of such fees disclosed by comparable peers in property companies listed in Singapore in their annual reports and the Company did not engage external remuneration consultant for FY2022. The RC and the Board were of the opinion that the current framework remains relevant. The Board concurs with the RC's proposal for Non-Executive Directors' fees for FY2022 which are computed in accordance with the current framework. The RC and the Board will accordingly table the Non-Executive Directors' fees for FY2022 for Shareholders' approval at the 2023 AGM. The Chairman and Non-Executive Directors will abstain from voting in respect of the resolution.

The RC and the Board are collectively of the view that the remuneration for FY2022 is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company, and for KMP to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

Principle 8: Transparency on remuneration policies, procedure, level and mix, and relationship between remuneration, performance and value creation

Provision 8.1
Remuneration report

Details on the remuneration of Directors and the KMP for FY2022 are reported below. During FY2022, there were no termination, retirement or post-employment benefits granted to any of them.

The remuneration of the Executive Director/CEO and Non-Executive Directors for FY2022 is set out in Table A below:

TABLE A

Name of Directors	Directors' Fees[(1)] $	Salary[(2)] $	Benefits[(3)] $	Variable Bonus $	Total $
Executive Director					
William Nursalim alias William Liem[(4)]	–	1,150,080	48,026	766,720	1,964,826
Non-Executive Directors					
Richard Eu Yee Ming	154,500	–	–	–	154,500
Michelle Liem Mei Fung	91,000	–	–	–	91,000
Cheng Hong Kok	79,500	–	–	–	79,500
Ooi Joon Hin	100,000	–	–	–	100,000
Total Directors' Remuneration	**425,000 (18%)**	**1,150,080 (48%)**	**48,026 (2%)**	**766,720 (32%)**	**2,389,826 (100%)**

Annotations:
(1) If approved, the aggregate amount of Directors' fees of $425,000 will be paid to the Non-Executive Directors upon approval by Shareholders at the forthcoming AGM.
(2) Salary refers to basic salary (CPF contribution is not applicable).
(3) Benefits refer to car and handphone benefits.
(4) As an Executive Director, Mr William Nursalim alias William Liem does not receive Director's fees.

For FY2022, there was no change in the fee structure for Directors.

The total proposed Directors' Fees for FY2022 is $425,000 which is 4.5% higher than FY2021 (FY2021: $406,693) reflecting mainly the increased number of Directors serving a full year in FY2022.

CORPORATE GOVERNANCE REPORT

The range of gross remuneration of the top five management personnel including the KMP, excluding the Executive Director/CEO of the Group is set out in Table B below:

TABLE B

Name of Top 5 Management Personnel including KMP	Designation	Breakdown of Remuneration by Percentage (%)				Total Remuneration in Compensation Bands of $250,000
		Salary[1]	Benefits[2]	Incentives[3]	Total	
Alexander Loh	Director, Group Human Resources	70%	1%	29%	100%	$250,000 - $499,999
Nick Ng	SVP, Business Development	79%	1%	20%	100%	$250,000 - $499,999
Patrick Tan	Head, Asset & Fund Management	60%	1%	39%	100%	$500,000 - $749,999
Peggy Wong	General Counsel	66%	1%	33%	100%	$500,000 - $749,999
Tan Choong Kiak	Group Chief Financial Officer	60%	1%	39%	100%	$500,000 - $749,999
Total Remuneration of Top 5 Management Personnel including the KMP		**1,846,140 66%**	**12,000 1%**	**937,420 33%**	**2,795,560 100%**	

Annotations:
(1) Salary refers to basic salary, allowance and employer's provident fund or equivalent contribution thereof.
(2) Benefits refer to handphone benefits.
(3) Bonus refers to variable bonus and employer's provident fund or equivalent contribution thereof.
(4) The KMP of the Company are the CEO, the CFO and the General Counsel. The CEO's compensation is disclosed in Table A above.

The aggregate remuneration paid to the above top five management personnel including the KMP (excluding the Executive Director/CEO of the Group) for FY2022 was $2,795,560.

The new rule announced by SGX RegCo on 11 January 2023 on enhancing the remuneration disclosures which will take effect for annual report prepared for the financial years ending on or after 31 December 2024, requires companies to disclose remuneration paid to individual directors and CEO by the Company and its subsidiaries. Information to be disclosed must include base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. The Company has taken the step ahead of the said requirement to disclose the exact amount and breakdown of the remuneration paid to individual Directors and CEO.

Provision 8.2
Employee who is a Substantial Shareholder or is an immediate family member of a Director, CEO or Substantial Shareholder

Except for the Executive Director/CEO, Mr William Nursalim alias William Liem, whose remuneration is disclosed in Table A above, there is no other employee who is a substantial shareholder or is an immediate family member of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds $100,000 for FY2022.

Provision 8.3
Details of all forms of remuneration and other payments and benefits paid to Directors and KMP

Please refer to Table A and Table B above on the breakdown of remuneration and other payments and benefits paid to the Directors and KMP.

The information on the link between remuneration paid to the Executive Director/CEO and KMP and their performance is set out under Principle 7 above.

The Company has no employee share/stock options scheme or long-term incentive scheme.

III. ACCOUNTABILITY AND AUDIT

The Board and the ARC are responsible for the governance of risks, and ensure that the Company maintains a sound system of risk management and internal controls over financial reporting, operational risks and compliance risks (including information technology controls and risk management systems), to safeguard the interests of the Company and its Shareholders. All areas of weaknesses identified in internal audit reports are properly dealt with in a timely manner.

During FY2022, the half-year and full-year results of the Group were announced within the prescribed timeline after the end of each period.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT & INTERNAL CONTROLS

Principle 9: Board's governance of Risk Management System and Internal Controls

In October 2014, the Audit Committee was renamed as Audit and Risk Committee. The responsibility of overseeing the Company's risk management framework and policies is under taken by the ARC with the assistance of the Internal Auditors. Having considered the Company's business and operations as well as its existing internal control and risk management systems, the Board is of the view that a separate Risk Committee is not required for the time being.

Provision 9.1
Significant risks, objectives and value creation

The ARC reviews the Group's risk management framework and key risk categories on an annual basis to ensure that the activities of the business remain within the Group's risk appetite.

During FY2022 and as in the previous years, the ARC assisted the Board in the identification of risks and oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management systems and internal controls. The ARC reported to the Board on risks facing the Group; suggested level of risk tolerance for the Company to achieve its strategic objectives and value creation; and its review of updated risk policies.

A detailed Group Risks Management Report is prepared by Management and reviewed by the ARC and recommended to the Board for approval each year. For FY2022, the Report which identified twenty-eight risks and ways to manage them, has been endorsed by the Board. A summary of the contents may be referred to under "Business Dynamics and Risk Factors Statement" section of this Annual Report.

The Group's risks management process is based on the Group's Enterprise Risks Management framework, which is in turn designed to be in line with ISO 31000 – "Risk Management Principles and Guidelines" and the recommended practice under "Risk Governance Guidance for Listed Boards" issued by the Corporate Governance Council in 2012.

The framework takes into account changes in the business and operation environments as well as evolving corporate governance requirements. The framework outlines the principles, process, tools, risk categories and types, key responsibilities, reporting requirements and communication timelines within the Group, and intends to provide reasonable assurance that the Group's objectives can be achieved and that its obligations to stakeholders - customers, shareholders, employees and community can be met.

Risks that affect the achievement of the business objectives and financial performance of the Group over a short-to-medium term are summarised in the Group Risks Register by each business unit. The identified risks have been grouped in two dimensions: one based on the risk exposure and appetite, and the other based on the likelihood of happening. From there, a "Risk Matrix Table" is then charted to aid the Board's deliberation. The Group's risks have also been classified into four main categories, namely, Business & Strategy Risks, Financial Risks, Operational Risks and Compliance Risks including information technology controls and risk management systems.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The risk management system has become an essential part of the Group's business planning and monitoring process. On an annual basis, Management submits to ARC and the Board the "Group Risks Management Report" detailing the Group's risk profile, evaluating their potential impact and proposing countermeasures to mitigate or to transfer identified risks so as to bring them to an acceptable level.

The ARC also reviews reports submitted by the Internal Auditors on pre-selected areas of the operations of the Group. The selection process follows a cycle of a few years so that all key operations/units of the Group will be subjected to an internal audit by cycle.

In order to mitigate the risk of fraud, corruption and misconduct by employees, the Group has implemented various corporate governance policies and practices such as Employees' Code of Conduct and Practices, Dealing in Securities, Interested Person Transactions Policy and Procedure, and Whistle-blowing Policy, all of which are set out in the "Other Corporate Governance Matters" section of this Annual Report. In addition, the following policies have been developed and put in place:

i. Information Security Policy

This policy provides guidelines to employees on the proper use of the Company's information systems and to ensure that the confidentiality of proprietary information is protected. It also supports the Company's business objectives of ensuring that the security, integrity and availability of information technology systems are balanced against the need for staff to access systems and services that are necessary for their job, within the limits imposed by this policy.

The Company will be implementing a Cyber Security Incident Response programme that puts in place the prevention, detection, response, resolution and engagement measures to minimise the impact of adverse business interruptions or unforeseen events on the Company's operations and also has in place a Business Continuity Plan ("**BCP**"). Under the BCP, Senior Management has identified the critical business functions, processes and resources. As part of the BCP, periodic tabletop exercises and scenario plannings are simulated to test the effectiveness of the processes, procedures and the escalation protocols. This approach under the BCP serves to ensure organisational and staff preparedness and readiness to handle business disruptions such as cyber security attacks, data breaches and pandemics situations. The objective is to minimise financial loss and allow the Company to continue to function and mitigate any negative effects that the disruptions could have on the Company's reputation, operations and ability to remain in compliance with the relevant laws and regulations.

CORPORATE GOVERNANCE REPORT

ii. Personal Data Protection Policy

This policy aims to ensure that employees are aware of the legal obligations of the Company under the Personal Data Protection Act 2012, Singapore, or similar legislation in countries which the Group operates so as to protect the security and confidentiality of third-party data obtained during its operations.

iii. Anti-bribery and Anti-corruption Policy

This policy sets out guidelines to ensure that the Company and its Directors, officers, employees and agents conduct their activities in an honest and ethical manner, and that they comply with the applicable anti-bribery or anti-corruption laws and regulatory requirements in the various jurisdictions in which the Company operates.

iv. Sustainability Policy

This policy codifies the Company's commitment to reducing the impact of our business operations on the environment by ensuring that sustainability and ecological awareness are incorporated into our business practices, processes and operations.

In accordance with the SGX-ST Listing Rules 711A and 711B, the Board has reviewed the Company's Sustainability Report and approved its inclusion in the Annual Report. For more details, please refer to pages 40 to 68 of this Annual Report.

As part of the Group's continuous efforts to ensure that its risk management systems and internal controls are adequate and effective, the Company is not only working towards strengthening the existing policies by conducting regular reviews to ensure that they remain relevant, but is also implementing new ones where necessary so as to meet challenges brought on by a changing business environment.

Provision 9.2
Assurance from CEO, CFO and other responsible KMP

The CEO and the CFO have provided assurances to the Board that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company and the Group's operations and finances for the year ended 31 December 2022.

The Company has adopted an internal annual compliance checklist on internal controls and risk management systems of the Group ("**Compliance Checklist**") which is completed and confirmed by the relevant HOD within the Group each year. The Compliance Checklist assists the Company in monitoring the compliance of the Group's internal controls (including regulatory compliance, financial, operational and information technology controls) and risk management systems.

Based on the Compliance Checklists that were confirmed and signed off by the relevant HOD within the Group, the CEO and the relevant HOD have provided assurances that the Company's risk management and internal control systems were adequate and effective as at 31 December 2022.

Board's commentary, with the concurrence of the ARC, on the adequacy and effectiveness of internal controls and risk management systems

Based on internal controls established and maintained by the Group, work performed by the Company's internal auditors ("**Internal Auditors**") and external auditors ("**External Auditors**"), reviews performed by Management, and written representations by the CEO and the CFO and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control framework and systems were adequate and effective as at 31 December 2022 to address financial, operational and compliance risks including information technology controls and risk management systems, which the Group considers relevant and material to its operations.

AUDIT AND RISK COMMITTEE

Principle 10: Establishment of Audit & Risk Committee which discharges its duties objectively

Provisions 10.1, 10.2 and 10.3
Composition, roles and expertise of the ARC

As at 31 December 2022, the ARC comprises the following Directors, all of whom are non-executive and the majority, including its Chairman, are independent:

- Mr Ooi Joon Hin, Chairman
  (Non-Executive and Independent)
- Mr Richard Eu Yee Ming
  (Non-Executive and Independent)
- Ms Michelle Liem Mei Fung
  (Non-Executive and Non-Independent)

The ARC members collectively bring with them accounting, financial management and legal expertise and experience. The Board, after considering the advice from the NC, believes that members of the ARC are appropriately qualified to discharge the ARC's responsibilities as defined under its terms of reference, which have been approved by the Board.

At least two members of the ARC (including the ARC Chairman) have recent and relevant accounting or related financial management expertise or experience.

The ARC Chairman, Mr Ooi Joon Hin, is an accountant by training and has over 26 years of experience in financial management experience throughout his professional career. Mr Ooi is currently a Managing Director and Co-founder of Millenia Investment Management Pte Ltd, a registered fund management company in Singapore. He was previously with Ivory Capital Group and Lehman Brothers' Investment Banking Division and had served in Lehman Brothers' New York, Hong Kong and Singapore offices.

Mr Richard Eu Yee Ming brings with him extensive corporate expertise and knowledge, having served as Group CEO of Eu Yan Sang International for 30 years, and where he remains as Non-Executive Chairman. With various corporate leadership positions in several other organisations under his belt, Mr Eu has a wide range of experience across a variety of roles that includes corporate finance.

CORPORATE GOVERNANCE REPORT

A successful accomplished businesswoman, Ms Michelle Liem Mei Fung is the managing director of Nuri Holdings (S) Pte Ltd, the Company's controlling shareholder. She has extensive and diverse experience in the investment, property, manufacturing, retail, and trading sectors. Ms Liem possesses wide-ranging expertise in economics, business, finance and management. Ms Liem also possesses a unique blend of private and public service experience, in her capacity as a business leader, honorary consul and community leader.

For FY2022, no former partner or Director of the Company's incumbent auditing firm or its member firms was a member of the ARC.

During FY2022, the ARC met four times, of which three were scheduled meetings and one was ad hoc. The KMP attended all the four meetings. The Internal Auditors and the External Auditors attended two and three scheduled meetings respectively.

The ARC is kept abreast by Management as well as the Company's External Auditors and Internal Auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Duties of the ARC

The roles and responsibilities of the ARC as defined under its terms of reference are summarised below:

i. Reviewing the adequacy and effectiveness of the internal controls over financial, operational, compliance, information technology, and risk management policies and systems established by Management;

ii. Reviewing the assurance from the CEO and the CFO on the Group's financial records and financial statements;

iii. Monitoring compliance with the laws and regulations, the SGX-ST Listing Manual and the Code;

iv. Reviewing the principal business risks and assessing the appropriateness of the mechanisms in place to identify, preventing and minimising these business risks;

v. Reviewing the relevance and consistency of the accounting standards used by the Group, significant financial reporting issues and judgements;

vi. Reviewing the monthly management reports as well as the half-year and full-year financial statements, assessing and challenging where necessary, their correctness, completeness, integrity and consistency before submission to the Board or made public;

vii. Meeting with Management and External Auditors to review the financial statements, the process and the results of the audit and other sections of the annual report including disclosure on corporate governance practices before its release;

viii. Reviewing and recommending for the Board's approval, IPTs as defined under Chapter 9 of the SGX-ST Listing Manual and those that require the ARC's approval as specified in the general mandate approved by Shareholders ("**IPT Mandate**");

ix. Reviewing the Internal Auditors' program with regard to the complementary roles of the internal and external audit functions; ensuring that there are no unjustified restrictions or limitations to the Internal Auditors' work scope; reviewing the Internal Auditors' reports and ensuring timely response by Management;

x. Reviewing and recommending to the Board for approval the Whistle-blowing Policy, by which employees of the Company and/or external parties may, in confidence, raise concerns about suspected improprieties including financial irregularities;

xi. Reviewing the audit representation letters to be issued by the Company before consideration by the Board; reviewing the contents of the External Auditors' management letters, monitoring the responsiveness of Management to the recommendations made, and ensuring that the External Auditors have direct and unrestricted access to officers of the Company and the Chairman of the ARC;

xii. Reviewing audit fees, the terms of the audit, the nature and extent of non-audit services provided by the External Auditors, and making recommendations to the Board on the proposals to Shareholders on the appointment, re-appointment or removal of the External Auditors; and

xiii. Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit functions.

An ARC Report is submitted to the Board at the end of each financial year, and minutes of the ARC meetings are routinely tabled at Board meetings to keep the Board apprised.

Activities of the ARC

In FY2022 and as in past years, the ARC met with the Internal and External Auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the Auditors. Where relevant, the ARC makes reference to best practices and guidance in the Guidebook for Audit Committee in Singapore; practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority ("**ACRA**"); as well as guidance provided by the SGX RegCo via its Regulator's Column and news/notices.

Minutes of the ARC meetings are also routinely tabled at Board meetings for the Directors' information. When considering the IPTs, Directors who are interested in the transactions recused themselves from the deliberation and approval process in both the ARC and the Board meetings.

CORPORATE GOVERNANCE REPORT

The ARC reviewed the External Auditor's audit plan for FY2022 and agreed with the External Auditor's proposed significant areas of focus that impact the financial statements. In the ARC's review of the financial statements of the Group for FY2022, it had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements, and also considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the following key audit matters as reported by the External Auditors for FY2022:

(1) Revenue recognition of development properties in Singapore;

(2) Valuation of development properties; and

(3) Valuation of investment properties, hotels, owner-managed and owner-occupied properties.

("**Key Audit Matters**")

Audit & Risk Committee's commentary on Key Audit Matters

The ARC discussed the Key Audit Matters for FY2022 with Management and the External Auditors, Deloitte & Touche LLP ("**Deloitte**"). The ARC concurred with the basis and conclusions included in the Auditors' report with respect to the Key Audit Matters for FY2022. For more information on the Key Audit Matters, please refer to pages 99 to 100 of this Annual Report.

Following the review, the ARC is satisfied that all the aforesaid Key Audit Matters have been properly dealt with and recommended the Board to approve the financial statements. The Board has on 24 March 2023 approved the Audited Financial Statements.

During periodic meetings, Management reported and discussed with the ARC on changes to the accounting standards and accounting issues which have a direct impact on the financial statements. The Directors are regularly invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

In FY2022, the External Auditors briefed the ARC on (i) significant revised financial reporting standards and new interpretations impacting the Group; and (ii) Revised provisions on Auditor Independence Standards.

Whistle-blowing policy

The Group has in place a "Whistle-blowing Policy" ("**WB Policy**") so as to provide a formal avenue for employees and external parties to raise concerns. The WB Policy offers reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.

A copy of the WB Policy has been posted on the Company's Human Resource Intranet and official website encouraging the report of any behaviour or actions that anyone reasonably believes might be suspicious, against any rules/regulations/accounting standards as well as internal policies. In addition, a Chinese translation of the said policy has been disseminated to the Group's employees in China. A summary of the WB Policy is presented in the "Other Corporate Governance Matters" section of this Annual Report.

The WB Policy details the mechanism for which submission of issues or concerns could be made and the means of communication including a dedicated email address, whistle-blowing@tuansing.com and the two committees handling the submissions, namely, the Whistle-blowing Committee and the ARC. The Company treats all information received confidentially and protects the identity and the interests of all whistle-blowers. Anonymous reporting will also be attended to, and anonymity honoured.

All newly recruited employees are briefed on the existence of the WB Policy, and a reminder is sent to all employees annually in the form of an Annual Declaration by employees requiring them to disclose any instances of conflict of interest or raising any issues or concerns of possible irregularities of the Company or the Group's affairs. A "nil" return is required even if there is nothing to declare.

It has also been a routine item in the agenda of the periodic ARC meetings to review any entries in the register of whistle-blowing incidents, and progress of investigation, if it remains outstanding. The WB Policy and its accompanying procedures are periodically reviewed, updated and approved by the ARC to ensure its relevance.

The ARC has explicit authority to investigate any matter including whistle-blowing within its terms of reference. All whistle-blower complaints were reviewed by the ARC to ensure independent and thorough investigation and adequate follow- up. The Company has maintained a whistle-blowing register to record all the whistle-blowing incidents. The contents, including "nil" returns in the register, are reviewed by the ARC during its periodic meetings.

Evaluation of External Auditors

During FY2022 and as in past years, the ARC reviewed the "Professional Services Planning Memorandum" prepared by Deloitte, the External Auditors, and discussed about the planned audit scope which covered materiality in auditing, group audit scoping, significant risks assessment, areas of audit focus, internal control plans, and use of specialists and data analytics before the commencement of their audit work.

As part of the review of audit quality, the ARC reviewed the following areas: audit hours spent, experience of the team, adequacy of training received by the team, results of internal and external inspections of their work, quality control, staff oversight, and staff attrition rate.

The ARC undertook a review of the independence and objectivity of the External Auditors, their approach of the audit work, their proposed audit fees as well as the non-audit fees awarded to them.

The Code of Professional Conduct and Ethics issued by The Institute of Singapore Chartered Accountants ("**ISCA**") requires the auditor of a Public Interest Entity to communicate with the ARC before providing non-assurance services, to obtain concurrence that the services do not impair the auditor's independence. The Group has in place policies and procedures to facilitate compliance with such requirements.

CORPORATE GOVERNANCE REPORT

The ARC reviewed and concurred with the nature of non-audit work performed and fees charged by Deloitte and its member firms. A breakdown of the fees paid or payable to Deloitte and its member firms are analysed in the table below (excluding fees paid or payable by the Group's associates and joint ventures):

	FY2022		FY2021	
	S$	% of Total Fees	S$	% of Total Fees
Audit fees:				
(i) Audit fees to Deloitte Singapore	**459,000**	**49**	470,000	42
(ii) Audit fees to Deloitte member firms outside Singapore	**281,000**	**30**	294,000	26
Total Audit Fees	**740,000**	**79**	764,000	68
Non-Audit fees:				
(i) Audit related services to Deloitte Singapore	**38,000**	**4**	88,000	8
(ii) Non-Audit related services to Deloitte Singapore	**79,000**	**8**	105,000	10
(iii) Non-Audit related services to Deloitte member firms outside Singapore	**81,000**	**9**	160,000	14
Total Non-Audit Fees	**198,000**	**21**	353,000	32
Total Fees	**938,000**	**100**	1,117,000	100

On the recommendation of the ARC, the Board approved the re-appointment of Deloitte as the independent Auditors of the Group at the forthcoming AGM for Shareholders' approval. In FY2022, the Group's associates and joint ventures also engaged Deloitte and its member firms for the audit work. In view of the aforesaid, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the Company's appointment of auditing firms.

The ARC has full access to, and has the full co-operation of Management and staff. It also has full discretion to invite any Director or any member of Management to attend its meetings.

Provision 10.4
Internal Auditors, reporting line, compliance and function

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal audit. The primary reporting line of the internal audit function, which has been outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PwC**"), is to the ARC, which also decides on the appointment, termination and remuneration of the Internal Auditor. The Internal Auditor has unrestricted access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company. PwC is guided by the International Professional Practices Framework ("**IPPF**") issued by the Institute of Internal Auditors.

Upon the recommendation by ARC, the Board approved the re-engagement of PwC as the Internal Auditor of the Group in the ensuing year. In FY2022 and as in the past years, the ARC assessed the adequacy of the internal audit function through reviewing of PwC's audit plan submitted at the beginning of the year and the quality of its reports during the year.

The Company's internal audit function is independent of the external audit. PwC is a corporate member of the Institute of Internal Auditors Singapore, and is staffed with professionals with relevant qualifications and experience. The Group's engagement with PwC stipulates that its work shall comply with the PricewaterhouseCoopers Global Internal Audit Services Methodology, which is aligned to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

At the beginning of each year, an annual internal audit plan which entails the review of selected functions or business units of the Group is developed and agreed by the ARC. The audit plan has been devised in such a way that all major functions or business units are audited within an internal-audit cycle. The ARC directs the Internal Auditor, as and when deemed necessary and important, to focus on certain aspects of an audit to be conducted as well as to audit any operational/business aspects.

In FY2022, the Internal Auditors audited, *inter alia*, (i) for selected development projects: cash and bank management, procurement, payables and payments, project management, sales and marketing; (ii) for construction business: cash and bank management, revenue, receivables and receipts, human resource and payroll management; (iii) for selected commercial building in Australia: cash and bank management, procurement, payables and payments, commercial centre operations management and carpark management; and (iv) for selected hotel operation: food and beverage operations management, fixed assets management, procurement, payables and payments.

Having reviewed the FY2022 audit plan and concluding audit report of PwC, the ARC is satisfied that the Company's internal audit function is adequately resourced to perform the work for the Group for FY2022.

CORPORATE GOVERNANCE REPORT

ARC's commentary on the independence, adequacy and effectiveness of the internal audit function

For FY2022, the ARC reviewed the adequacy of the internal audit function to ensure that the internal audits were conducted effectively, and that Management provided the necessary co-operation to enable PwC to perform its function. After having reviewed the PwC reports and remedial actions implemented by Management, the ARC was satisfied that the internal audit functions were independent, effective and adequately resourced.

Provision 10.5
Independent meeting with External and Internal Auditors

During FY2022, the Company's External Auditors and Internal Auditors were invited to attend the ARC meetings. The External Auditors also met separately with the ARC without the presence of Management.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

The Company believes in treating all Shareholders fairly and equitably by recognising, protecting and facilitating the exercise of Shareholders' rights. As such, it reviews and updates relevant arrangements regularly and embraces effective and fair communication with its Shareholders. It also encourages Shareholders to raise questions and to participate in discussions at general meetings.

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: Fair and equitable treatment of shareholders, enabling them to exercise shareholder rights and communicate their views. Providing shareholders with balanced and understandable assessment of the Company's performance, position and prospects

Provision 11.1
Providing opportunity for Shareholders to participate and vote at general meetings

Shareholders are entitled to attend the general meetings and are given opportunities to participate effectively in, and vote at, the general meetings of the Company.

Shareholders are informed of annual general meetings at least twenty-one days in advance through reports/circulars/letters or notices published in the newspapers, Company announcements via SGXNet and the Company's website. General meetings are usually held at venues within the central business district and which are easily accessible by Shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll, through which procedures are clearly explained by the scrutineers at the beginning of the voting in such general meetings.

An AGM presentation on the performance, position and prospects of the Group are given to Shareholders at the start of the AGM. In addition, a presentation deck accompanies each financial results announcement to give Shareholders and investors a better understanding of the Group's performance. The presentation documents are also announced via SGXNet and available on the Company's corporate website.

In an attempt to facilitate Shareholders' effective participation at AGMs, the Company has done the followings:

i. posted under the "Investor Centre" section of the Company's website, two documents prepared by SGX, titled "An Investor's Guide to Preparing for Annual General Meetings" and "An Investor's Guide to Reading Annual Reports" (in English and Chinese) so as to assist Shareholders in gaining a more comprehensive understanding of the annual reports read and framing pertinent questions at the AGMs; and

ii. ensured that Shareholders are given notice of AGMs twenty-one days in advance.

Pursuant to the provisions in the Company's Constitution, Shareholders who are not "relevant intermediaries" may appoint up to two proxies to attend, speak, and vote on his/her behalf at general meetings. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board ("**CPF**"), are allowed to appoint more than two proxies. This is to facilitate the participation of indirect Shareholders, including CPF investors, in general meetings. Such indirect Shareholders where so appointed as proxies will have the same rights as direct Shareholders to attend, speak and vote at general meetings.

In order to have a valid registration of a proxy, an instrument appointing a proxy must be deposited at a place or places specified in the notice convening the general meetings at least 72 hours before the time appointed for the general meeting.

The Company has been using electronic poll voting for a number of years so as to promote greater transparency in the voting process. Such process includes:

- Registering electronically Shareholders and proxies attending the meeting, and issuing an electronic token to each of them.
- Reviewing the robustness of the system by an appointed scrutineer who is an independent external party prior to the commencement of the meeting.
- Verifying proxies and poll voting information by the appointed scrutineer, ensuring that the polling process is properly carried out.
- Giving instructions on the use of the electronic token for polling.
- Putting each and every resolution to electronic polling.
- Flashing the results of the voting on the screen including the number and the percentage of votes cast for and against.
- Releasing voting results via SGXNet on the same day after the conclusion of the meeting.

In FY2022, due to the pandemic crisis and in line with the initiatives implemented by the regulatory bodies (i.e. the Joint Guidance issued by the ACRA, the Monetary Authority of Singapore and the SGX RegCo) the Company successfully conducted a virtual AGM via a "live" webcast for the third time.

CORPORATE GOVERNANCE REPORT

The virtual AGM was conducted on 28 April 2022 in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Ministry of Law (the "**Meeting Order**"). The "live" webcast AGM was made available to participating Shareholders who had registered and were assigned a unique link to access the audio and visual streaming.

At the start of the virtual AGM, the CFO gave a presentation on the Group's financial performance for FY2022. This was followed by the Executive Director/CEO's presentation on the Group's businesses. The presentation session ended with a Question & Answer section on replies to address certain substantial questions received from Shareholders before the AGM in accordance with the prescribed guidelines.

The AGM presentation slides together with the results of the poll votes on each resolution tabled at the AGM (including the total number of votes cast for or against each resolution) were announced after the said meeting via SGXNet.

Provision 11.2
Separate resolutions at general meetings

The Board ensures that separate resolutions are proposed for approval on each issue at general meetings. There is no bundling of the resolutions as they are not interdependent nor linked to each other. Detailed explanatory notes on each item of the agenda are also provided to the Notice of AGM in the Annual Report.

Provision 11.3
Attendees at general meetings

In FY2022, due to the COVID-19 safe distancing restrictions continued being imposed by the authorities and the evolving COVID-19 situation, only the Directors and KMP attended the virtual AGM in person. The External Auditors participated by virtual means by accessing the assigned link to the "live" webcast.

The Company had allowed a period of 7 calendar days for Shareholders to submit questions in advance of the AGM held on 28 April 2022 via various means including submission by post, via dedicated email address and via AGM pre-registration website. For the upcoming AGM to be held in April 2023, the Company will continue to allow such avenues to its Shareholders. In addition, the Company will be publishing its responses for AGM's questions no later than 72 hours before the proxy cut-off to enable Shareholders to make sound voting decisions.

Provision 11.4
Absentia voting at general meetings

Provision has been made under Regulation 76 of the Constitution, allowing for Shareholders to vote in absentia. Examples of absentia voting are voting via mail, electronic mail or facsimile at the general meetings. For purpose of the virtual AGM held in 2022 and for AGM to be held in 2023, Shareholders were allowed to send in their votes by mailing the proxy form to the Company's registered office or via electronic mail. Such Shareholders may opt to appoint the Chairman of the meeting as their proxy to vote on their behalf in accordance with the prescribed guidelines.

Provision 11.5
Minutes of general meetings

The Company prepares minutes of general meetings with details of the proceedings, questions raised by Shareholders, and answers given by the Board and Management and the voting results of each resolution. Minutes of the AGM are published via the Company's website.

Following the virtual AGM held in 2022, the minutes of AGM were announced via SGXNet and posted on the Company's website at: https://www.tuansing.com/investor-centre/publications/ within the prescribed timeframe (i.e. within one month of the AGM).

Provision 11.6
Dividend Policy

The Company has established a dividend policy which attempts to balance on one hand, the need to conserve cash for working capital and investment for the future, and on the other hand, Shareholders' desire to receive dividends arising from their investments in the Company. The dividend policy is presented in the "Other Corporate Governance Matters" section of this Annual Report.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: Regular communication with shareholders and facilitation of shareholders' participation at general meetings

Provisions 12.1, 12.2 and 12.3
Communication with Shareholders

The Company has an investor relations section in its corporate website: www.tuansing.com under "Investor Centre". The "Investor Centre" contains information on the Company's announcements and publications. There is also a "Stock Information" page which provides up to date information of the Company's current and historical share prices. Shareholders can also access the FAQs posted at "Investor Centre" for frequently asked information about the Company.

Since November 2015, an Investor Relations Policy ("**IR Policy**") has been established, setting out the principles to provide Shareholders and prospective investors with information necessary to make well-informed investment decisions. This IR Policy is published on the Company's website at www.tuansing.com at the "Investor Centre" section at https://www.tuansing.com/investor-centre/.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Company's announcements are as descriptive, detailed and forthcoming as possible. Hence, the Company's results announcements contain much useful information and analysis. In addition, press releases and presentation slides are provided and posted in the Company's website.

An investor relations contact (ir@tuansing.com) has been provided at "Investor Centre" which stakeholders can use to voice their concerns or feedbacks. In the event that Shareholders or investors make any enquiries to the Company, Management endeavours to respond within two working days.

CORPORATE GOVERNANCE REPORT

The Company's investor relations function is led by its General Counsel and the function is primarily outsourced to August Consulting, a public relations consulting firm. They work closely with the CEO/Executive Director and other senior management to address investor relations enquiries and plan media events and related activities. The Company intends to hold investor relations events in 2023 and will provide further details to Shareholders in due course.

Avenues of communication

The Company communicates with Shareholders and the investment community on a non-selective basis through timely release of announcements to the public via SGXNet and the Company's corporate website. Should an inadvertent disclosure be made to a selected group, the Company will make the same disclosure publicly as soon as is practicable. The Company's website also allows the public to have access to its past years' announcements.

The Company believes in providing forthcoming disclosures, if deemed beneficial to its Shareholders and the general public. In this respect, the Company has been disclosing the Company's broad strategy, business developments and financial performance through appropriate media. For developments that could have a material impact on the share price, the information is despatched as soon as it is available. The Company has been utilising news releases, annual reports, Shareholder circulars, Shareholders' meetings, announcements through SGXNet, webcasts and the Company's website for the purpose of communication.

The planned dates of release of financial results were disclosed twelve months ahead in the annual report of the preceding year. Following the lifting of quarterly financial reporting by the SGX-ST, the Company has continued the adoption of half-yearly reporting for FY2022.

For FY2022, the financial results were announced within the prescribed timeline. The financial results for the half year ended 30 June 2022 were announced on 12 August 2022. The full-year results were released on 24 February 2023. Each results announcement was accompanied by a press release and a PowerPoint presentation. The 2022 Annual Report will be distributed to Shareholders twenty-one days before the AGM scheduled to be held on 26 April 2023.

General meetings have been and are still the principal forum for dialogue with Shareholders. At AGMs, Shareholders are given a PowerPoint presentation by the CEO and the CFO on the Group's past performance and outlook. Shareholders are invited to raise questions, express any concerns or give suggestions at the AGM. Before the voting of each resolution, Shareholders are also given opportunities to raise queries.

The Company noted that the Ministry of Law ("**MinLaw**") has on 15 December 2022 announced that the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) Orders which allow the Company to conduct shareholder meetings through electronic means will cease to be in force from 1 July 2023. The Company will conduct its forthcoming 2023 AGM by "live" webcast with electronic voting. The Company will consider whether to resume physical meetings for all future general meetings after 1 July 2023 in compliance with all the prevailing rules and regulations or such development which may be announced by MinLaw from time to time. For purpose of the "live" webcast AGM, Shareholders are invited to send in their queries before the closing date as set out in the Company's SGXNet announcement of 4 April 2023 (accompanying the release of the Notice of AGM) on the alternative arrangements relating to the 2023 AGM.

Other communication platforms are used to solicit and understand the views of investors and Shareholders. These include analysts and fund managers' briefings, roadshows and investor conferences attended by Management.

To enhance the process of soliciting inputs from Shareholders and members of the investment community, a "Get In Touch" link and "Feedback and Queries" template are made available at "Investor Centre" for Shareholders to communicate with the Company. The Company also attends to Shareholders' queries made via telephone and email with the contact details listed on the corporate website.

V. MANAGING STAKEHOLDER RELATIONSHIPS

The Board believes in adopting an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Company are served.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: Managing stakeholder relationships, balancing the needs and interests of material stakeholders for the Company's best interests

Provisions 13.1, 13.2 and 13.3
Managing stakeholder relationships

The Company has appropriate channels in place to identify and engage with its material stakeholder groups. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business.

The Company's approach to stakeholder engagement and materiality assessment can be found under the "Sustainability Report" section of this Annual Report. The Sustainability Report is also available on the Company's corporate website which serves as an useful platform to communicate and engage with all stakeholders.

OTHER CORPORATE GOVERNANCE MATTERS

To maintain a high standard of corporate governance, the Company has in place various policies and practices to be observed by its Directors and employees.

INTERESTED PERSON TRANSACTIONS
Listing Manual Rule 907

The Company has obtained a Shareholders' mandate pursuant to Rule 920 of the SGX–ST Listing Manual ("**IPT Mandate**") at an extraordinary general meeting held on 24 April 2019. Interested Person Transactions ("**IPTs**") are executed on fair terms and at arm's length regardless of their nature and size. When a potential conflict of interest arises, the Director concerned neither takes part in the discussions nor exercises any influence over other members of the Board. The Board last revised the IPT policy and procedures in 2019. A Review Committee has been tasked by the Board to assist the ARC in reviewing and approving IPTs exceeding $100,000 but below 3% of the Group's latest audited net tangible assets. For clarity, a separate register of IPTs carried out pursuant to the IPT Mandate is maintained for such purpose. Minutes of the Review Committee meetings are also circulated to the ARC and Board for their information.

CORPORATE GOVERNANCE REPORT

For IPTs outside the ambit of the IPT Mandate, a list of IPTs including those less than $100,000 and their aggregate is submitted quarterly/half-yearly to the ARC for its review. For any IPT exceeding $100,000, the ARC's recommendation and the Board's approval must be sought before it is entered into. Where an IPT or its aggregate reached 3% of the Group's latest audited net tangible assets, an immediate announcement is made after the Board's approval. Where an IPT or its aggregate reached 5% of the Group's latest audited net tangible assets, Shareholders' approval will be sought through a general meeting, while the interested Shareholder (and any associate) will abstain from voting. In FY2022, the aforesaid 3% and 5% thresholds were about $37.5 million and $62.5 million respectively based on the Company's audited consolidated balance sheet as at 31 December 2021.

Details of IPTs for FY2022 and FY2021 are presented in the "SGX-ST Listing Manual Requirements" section of this Annual Report.

DEALINGS IN SECURITIES

Listing Manual Rule 1207(19)

The Company has a formal insider trading policy whereby all Directors and employees of the Group are prohibited from dealing in the securities of the Company and its previously listed subsidiary (i.e. SP Corporation) (collectively the "**listed entities**") while in possession of price-sensitive information and during the period commencing one month before the announcement of the listed entities' full-year results, and two weeks before the announcement of the first three quarters financial results till the day of such announcements. In line with the discontinuation of quarterly reporting, a window closing period of one month before the Company's half-year and full-year financial result announcements applies ("**Window Period**"). This policy discourages all Directors and employees of the Group from dealing in the listed entities' securities for short-term considerations and reminds them of their obligations under insider trading laws. The Company will circulate a notice via email to all Directors and employees in advance on prohibition in dealing with the Company's securities before the commencement of Window Period.

CODE OF CONDUCT AND PRACTICES

The Group recognises the importance of maintaining a high level of integrity and professionalism by its Directors and officers in the conduct of the Group's business. Hence, the Company's code of conduct and practices is entailed in the Employees' Handbook. The Handbook is stored electronically in the Company's Intranet and is introduced to all new employees during their induction.

This code enumerates, at the employee level, the standard of acceptable and unacceptable behaviour as well as issues of workplace harassment. On the business front, the code addresses the standard of business behaviour pertaining to the offering and receiving of business courtesies as well as issues of conflict of interest.

The code of conduct has been strengthened since 2016 with the implementation of the Information Security Policy, Personal Data Protection Policy as well as the Anti-bribery and Anti-corruption Policy.

WHISTLE-BLOWING POLICY

The Company is committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and any legislation relating thereto. In line with this commitment, the WB Policy aims to provide an avenue for employees and external parties to raise concerns and offer assurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

While the WB Policy is meant to protect genuine whistle-blowers from any unfair treatment as a result of their report, it strictly prohibits frivolous and bogus complaints. The policy is also not a route for taking up personal grievances.

There may be circumstances where there is insufficient evidence for the Whistle-blowing Committee ("**WBC**") to proceed with the investigation, particularly in situations of anonymous reporting or in cases where the reliability and/or credibility of the reported concern is questionable.

A mechanism for the submission of issues/concerns has been established. This includes a dedicated email address allowing whistle-blowers to contact the WBC and the ARC Chairman directly, and in confidence so that his/her identity will be protected from reprisals within the limits of the law. The WB Policy also requires that the identity of the whistle-blower is kept confidential at all times. Where the whistle-blower has disclosed his/her identity, such disclosure and/or the issues submitted by the whistle-blower will be kept confidential and within the knowledge of the WBC and/or the ARC only (as the case maybe). In addition, there may be exceptional circumstances where the identity of the whistle-blower(s) or the issues raised could/ would not be kept confidential and will need to be disclosed. In such circumstances, the WBC and/or ARC will endeavour to discuss the need for such disclosures with the whistle-blower(s) first, if it is appropriate to do so. More information on the WB Policy may be found on the Company's website at the following URL: https://www.tuansing.com/whistle-blowing-policy/.

Assisted by the WBC, the ARC addresses issues/concerns raised and arranges for investigation and/or follow-up of appropriate action and reports to the Board accordingly. Should the ARC or WBC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to appropriate external professional advice. Where appropriate or required, a report will be made to the relevant governmental authorities for further investigation.

➢ ***Whistle-blowing Committee***

The WBC consists of:

- CEO;
- CFO;
- General Counsel; and
- Director, Group Human Resources

The Board believes that the earlier an issue/concern is raised, the easier it would be for the Group to take the necessary action as appropriate.

During FY2022, there was no incident reported to the WBC.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company's priority is to achieve long-term capital growth for the benefit of Shareholders. Most of its profits, when made, shall therefore be retained for investment into the future.

Tuan Sing recognises, however, the desire of some of our Shareholders to receive income out of their investments in the Company. Tuan Sing therefore strives to distribute, year after year and when its cash flow permits, an appropriate sum of dividend so that its medium-term dividend yield would be better than the first quartile of the benchmarked group of Real Estate Development and Holding Companies. For the avoidance of doubt, the first quartile is defined as the middle number between the smallest number and the median of the data set.

The actual dividend payout shall be recommended by the Board at the end of each year, and tabled at the AGM of the Company for Shareholders' approval. The Board may, at its absolute discretion, consider recommending a special dividend to commemorate the Company having achieved exceptional operational performance in a particular year or in a major investment sale.

The Tuan Sing Holdings Limited Scrip Dividend Scheme (the "**Scheme**") shall be an integral and important component of the dividend policy, so that Shareholders who opt for it may grow with the Company.

The Scheme was announced on 18 December 2009, and allows Shareholders of the Company who are entitled to dividends to elect to receive either cash or an allotment of ordinary shares in the Company credited as fully-paid, in lieu of the cash amount of the dividend to which the Scheme applies. The Scheme will provide Shareholders with greater flexibility in meeting their investment objectives.

No transaction costs will be incurred by Shareholders when electing to invest in the Company through the Scheme. Through the issuance of ordinary shares pursuant to the Scheme, the Company benefits from greater share liquidity in the market and conservation of cash, which could be used to strengthen the Company's working capital.

Full details of the Tuan Sing Holdings Limited Scrip Dividend Scheme Statement are available on the Company's website at www.tuansing.com.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The information required under Rule 720(6) and Appendix 7.4.1 of the SGX-ST Listing Manual in respect of the Directors seeking re-election at the 53rd Annual General Meeting is set out below.

Name of Director and appointment	**RICHARD EU YEE MING** **Chairman, Non-Executive & Independent Director**
Date of appointment	19 August 2019
Date of last re-appointment (if applicable)	22 April 2020
Age	75
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the Nominating Committee's recommendation for the re-appointment of Mr Richard Eu Yee Ming.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	Chairman of the Board Nominating Committee Chairman Audit and Risk Committee Member Remuneration Committee Member
Professional qualifications	Refer to Directors' Profile on page 8 of this Annual Report.
Working experience and occupation(s) during the past 10 years	Refer to Directors' Profile on page 8 of this Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer.	Yes
Other Principal Commitments including directorships ● Past (for the last 5 years)	● Eu Yan Sang International Limited (Non-Executive Group Chairman, Non-Executive Director) ● Broadway Industrial Group Limited ● Vanda Global Capital Pte. Ltd. (Executive Director) ● Dragonfly Education Group Pte. Ltd (Director) ● Thye Hwa Kuan Moral Charities Limited (Director) ● Nippon Life India Asset Management (Singapore) Pte. Ltd. (Director) ● Singapore University of Social Sciences (Pro-Chancellor)
Other Principal Commitments including directorships ● Present	Refer to Directors' Profile on page 8 of this Annual Report.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Mr Richard Eu Yee Ming's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director and appointment	**Michelle Liem Mei Fung** **Non-Executive & Non-Independent Director**
Date of appointment	5 April 2001
Date of last re-appointment (if applicable)	22 April 2020
Age	57
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the Nominating Committee's recommendation for the re-appointment of Ms Michelle Liem Mei Fung.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	Audit and Risk Committee Member Nominating Committee Member Remuneration Committee Member
Professional qualifications	Refer to Directors' Profile on page 9 of this Annual Report.
Working experience and occupation(s) during the past 10 years	Refer to Directors' Profile on page 9 of this Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Ms Michelle Liem Mei Fung is deemed interested in (1) 651,772,446 shares held by Nuri Holdings (S) Pte Ltd and (2) 250,000 shares held under the estate of Mr David Lee Kay Tuan (Deceased).
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Michelle Liem Mei Fung is the sister of the Chief Executive Officer, Mr William Nursalim Alias William Liem, who is also deemed to be a substantial shareholder of the Company by virtue of his interests in Nuri Holdings (S) Pte Ltd.
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer.	Yes
Other Principal Commitments including directorships • Past (for the last 5 years)	• Nuri Holdings (S) Pte Ltd (Managing Director) • Habitat Properties Pte Ltd (Managing Director) • Giti Tire Pte. Ltd. (Director) • GT Asia Pacific Holdings Pte Ltd (Director) • Consulate of the Grand Duchy of Luxembourg in Singapore (Honorary Consul)
Other Principal Commitments including directorships • Present	Refer to Directors' Profile on page 9 of this Annual Report.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Ms Michelle Liem Mei Fung's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

STATUTORY REPORTS AND ACCOUNTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2022.

In the opinion of the Directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 103 to 184 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 financial year then ended; and

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

1 Directors

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

Richard Eu Yee Ming	(Chairman, Non-Executive and Independent Director)
William Nursalim alias William Liem	(Executive Director and Chief Executive Officer)
Cheng Hong Kok	
Ooi Joon Hin	
Michelle Liem Mei Fung	

2 Arrangements to enable Directors to acquire benefits by means of the acquisition of shares and debentures

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

3 Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

Names of Directors and companies in which interests are held	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	As at 1 January 2022	As at 31 December 2022	As at 1 January 2022	As at 31 December 2022
The Company (Ordinary Shares)				
Michelle Liem Mei Fung	–	**–**	639,206,697[(1)(2)]	**652,022,446[(1)(2)]**
William Nursalim alias William Liem	–	**–**	638,956,697[(1)]	**651,772,446[(1)]**
The Company				
S$200 million 3-year 6.90% per annum Notes due 2024 pursuant to the S$900,000,000 Multicurrency Medium Term Note Programme ("**MTN Programme**")[(3)]				
Michelle Liem Mei Fung	–	**–**	$5,000,000[(4)]	**$5,000,000[(4)]**
William Nursalim alias William Liem	$1,000,000	**$1,000,000**	$5,000,000[(4)]	**$5,000,000[(4)]**
Subsidiary				
SP Corporation Pte. Ltd. (formerly known as SP Corporation Limited) (Ordinary Shares)				
Michelle Liem Mei Fung	–	**–**	28,146,319[(1)]	**35,099,132[(1)(5)]**
William Nursalim alias William Liem	–	**–**	28,146,319[(1)]	**35,099,132[(1)(5)]**

Note

(1) By virtue of interest in Nuri Holdings (S) Pte Ltd.
(2) Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.
(3) The S$200 million 3-year 6.90% per annum Notes due 2024 pursuant to the MTN Programme were issued on 18 October 2021.
(4) By virtue of interest in Ardent Investment Partners Pte Ltd.
(5) During the year, the Company acquired all of the shares in the share capital of SP Corporation Limited held by shareholders other than the Company, by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 and the Singapore Code on Take-overs and Mergers. SP Corporation Limited was subsequently delisted from the Official List of the SGX-ST on 23 December 2022, and converted from a public company to a private company on 27 December 2022 under the new name SP Corporation Pte. Ltd.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3 Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Companies Act 1967, Michelle Liem Mei Fung and William Nursalim alias William Liem are deemed to have an interest in the Company and in all the related corporations of the Company.

There was no change in any of the above-mentioned Directors' interests between the end of the financial year and 21 January 2023.

4 Share options

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under option

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

5 Audit and Risk Committee

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

Ooi Joon Hin	(Chairman, Non-Executive and Independent Director)
Richard Eu Yee Ming	(Non-Executive and Independent Director)
Michelle Liem Mei Fung	(Non-Executive and Non-Independent Director)

The Audit and Risk Committee performed functions specified in Section 201B (5) of the Companies Act 1967, the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Code of Corporate Governance.

The Audit and Risk Committee met four times during the financial year ended 31 December 2022 and had reviewed, *inter alia*, the following with the executive Director, external and internal auditors of the Company where relevant:

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

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

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

(d) the half-yearly and annual announcements as well as the related press releases on the results and financial positions of the Company and the Group;

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

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

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

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

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6 External auditors

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

On Behalf of the Directors

Richard Eu Yee Ming
Chairman

William Nursalim alias William Liem
Executive Director/Chief Executive Officer

24 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tuan Sing Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 103 to184.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition of development properties in Singapore

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

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

Our audit performed and responses thereon

We read the sales and purchase agreements of development properties and discussed with management to understand the relevant terms of the contracts and the basis of management's identification of the performance obligations. We performed procedures to evaluate the design and implementation and operating effectiveness of the relevant controls put in place by the Group in respect of revenue recognition from the development properties in Singapore.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Key Audit Matters (cont'd)

Valuation of development properties

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

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

Our audit performed and responses thereon

We discussed with and evaluated management's basis used in their assessment in determining the net realisable value of the Group's properties under development and completed properties for sale and the amount of write-down to net realisable value to be recorded if any, based on the Group's estimated selling prices of these properties, by comparing where available, to recently transacted prices for the same project and prices of past sales of comparable properties in the vicinity. In addition, we obtained valuations performed by external independent professional valuers engaged by the Group and held discussions with them on the appropriateness of comparables used and adjustments applied. We also considered the adequacy of the disclosures in respect of the write-downs, if any, presented in the financial statements for these properties.

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

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

Valuation of investment properties, hotels, owner-managed and owner-occupied properties

The Group has investment properties, hotels, owner-managed and owner-occupied properties stated at fair value, determined based on external independent professional valuers ("external valuers") engaged by the Group.

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

Our audit performed and responses thereon

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

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

Some of the external valuers highlighted that that the potential for new COVID-19 variants, geopolitical conflicts, increasing interest rates and inflation may lead to an increased uncertainty, hence they recommended to keep the valuation of these properties under frequent review.

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

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

Further disclosures on the investment properties, hotels, owner-managed and owner-occupied properties are found in Notes 14 and 12 to the financial statements respectively.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

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

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

24 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
ASSETS					
Current assets					
Cash and cash equivalents	5	**251,988**	405,044	**62,927**	190,661
Trade and other receivables	6	**28,277**	36,304	**447,061**	402,006
Contract assets	7	**79,327**	57,059	**–**	–
Contract costs	8	**3,045**	2,843	**–**	–
Inventories	9	**2,144**	2,129	**–**	–
Development properties	10	**209,739**	241,611	**–**	–
		574,520	744,990	**509,988**	592,667
Assets classified as held for sale	11	**1,542**	1,542	**–**	–
Total current assets		**576,062**	746,532	**509,988**	592,667
Non-current assets					
Property, plant and equipment	12	**473,774**	496,056	**849**	2,429
Right-of-use assets	13	**187**	239	**239**	9,004
Investment properties	14	**1,395,151**	1,342,245	**763**	811
Investments in subsidiaries	15	**–**	–	**763,829**	765,853
Investments in equity accounted investees	16	**166,196**	143,840	**–**	–
Investment in financial asset	17	**26,192**	29,639	**–**	–
Deferred tax assets	18	**1,566**	172	**–**	–
Trade and other receivables	6	**17,868**	5,605	**–**	–
Total non-current assets		**2,080,934**	2,017,796	**765,680**	778,097
Total assets		**2,656,996**	2,764,328	**1,275,668**	1,370,764
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	19	**332,133**	558,506	**–**	–
Lease liabilities	13	**34**	54	**195**	2,900
Trade and other payables	20	**99,874**	89,761	**550,695**	577,624
Contract liabilities	23	**1,317**	3,889	**–**	–
Income tax payable		**7,209**	7,642	**–**	–
Total current liabilities		**440,567**	659,852	**550,890**	580,524
Non-current liabilities					
Loans and borrowings	19	**946,028**	794,222	**139,610**	196,668
Lease liabilities	13	**38**	60	**17**	5,912
Deferred tax liabilities	18	**45,198**	45,377	**–**	–
Other non-current liabilities	20	**338**	400	**–**	–
Total non-current liabilities		**991,602**	840,059	**139,627**	202,580
Capital, reserves and non-controlling interests					
Share capital	24	**187,625**	181,695	**187,625**	181,695
Treasury shares	25	**(4,369)**	(4,167)	**(4,369)**	(4,167)
Reserves	26	**1,040,030**	1,072,672	**401,895**	410,132
Equity attributable to owners of the Company		**1,223,286**	1,250,200	**585,151**	587,660
Non-controlling interests		**1,541**	14,217	**–**	–
Total equity		**1,224,827**	1,264,417	**585,151**	587,660
Total liabilities and equity		**2,656,996**	2,764,328	**1,275,668**	1,370,764

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022	**2021**
		$'000	**$'000**
Revenue	28	**225,297**	248,714
Cost of sales		**(138,432)**	(178,591)
Gross profit		**86,865**	70,123
Other net operating (expenses)/income	29	**(5,130)**	92,831
Distribution costs		**(10,188)**	(12,268)
Administrative expenses		**(54,820)**	(49,861)
Share of results of equity accounted investees	16	**29,924**	28,332
Interest income	30	**4,530**	2,356
Finance costs	31	**(50,753)**	(43,964)
Profit before tax and fair value adjustments		**428**	87,549
Fair value adjustments	32	**306**	(3,434)
Profit before tax	33	**734**	84,115
Income tax credit/(expense)	34	**2,116**	(2,295)
Profit for the year		**2,850**	81,820
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties		**20,264**	6,912
Income tax relating to components of other comprehensive income that will not be reclassified subsequently		**(5,462)**	(1,997)
Fair value (loss)/gain on investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")		**(3,447)**	296
		11,355	5,211
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(34,975)**	(3,301)
Share of exchange differences on translation of equity accounted investees		**(5,333)**	2,752
Cash flow hedges		**–**	1,986
Income tax relating to components of other comprehensive income that may be reclassified subsequently		**–**	(596)
		(40,308)	841
Other comprehensive (loss)/income for the year, net of tax	35	**(28,953)**	6,052
Total comprehensive (loss)/income for the year		**(26,103)**	87,872
Profit attributable to:			
Owners of the Company		**4,591**	83,662
Non-controlling interests		**(1,741)**	(1,842)
		2,850	81,820
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(24,445)**	89,650
Non-controlling interests		**(1,658)**	(1,778)
		(26,103)	87,872
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	36	**0.4**	7.0
Excluding fair value adjustments	36	**0.1**	7.5

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022 $'000	2021 $'000
Operating activities			
Profit before tax		**734**	84,115
Adjustments for:			
Fair value (gain)/loss	32	**(306)**	3,434
Share of results of equity accounted investees	16	**(29,924)**	(28,332)
Allowance/(Write-back of allowance) for diminution in value for development properties, net	10	**450**	(499)
Depreciation of property, plant and equipment	12	**6,686**	9,422
Depreciation of right-of-use assets	13	**35**	54
Amortisation of contract costs	8	**3,784**	4,205
(Write back of allowance)/Allowance for doubtful trade and other receivables, net	6	**(126)**	914
Bad debts written off	29	**145**	104
Net gain on disposal of property, plant and equipment	33	**(9)**	(3)
Property, plant and equipment written off		**993**	260
Net gain on disposal of a subsidiary	38	**–**	(88,953)
Interest income	30	**(4,530)**	(2,356)
Finance costs	31	**50,753**	43,964
Unrealised foreign currency translation loss/(gain)		**844**	(4,498)
Operating cash flows before movements in working capital		**29,529**	21,831
Development properties		**29,365**	62,662
Inventories		**(144)**	(17)
Trade and other receivables		**7,521**	22,434
Contract costs		**(3,986)**	(4,194)
Contract assets		**(22,400)**	(10,093)
Contract liabilities		**(2,294)**	3,889
Trade and other payables		**15,148**	(23,891)
Cash generated from operations		**52,739**	72,621
Interest received		**3,405**	2,419
Income tax (paid)/refunded		**(1,233)**	54
Net cash from operating activities		**54,911**	75,094
Investing activities			
Purchase of property, plant and equipment	12	**(2,009)**	(943)
Proceeds from disposal of property, plant and equipment		**34**	3
Additions to investment properties	14	**(63,489)**	(1,772)
Deposit paid for acquisition of land and investment properties	6	**(9,863)**	(5,600)
Proceeds from repayment of loan by a related party		**5,838**	–
Investments in equity accounted investees	16	**(750)**	(23,000)
Loan to an equity accounted investee	6,16	**(8,000)**	–
Proceeds from disposal of a subsidiary	38	**–**	451,276
Dividend received from an equity accounted investee	16	**–**	65,723
Net cash (used in)/from investing activities		**(78,239)**	485,687
Financing activities			
Proceeds from loans and borrowings		**23,000**	540,353
Repayment of loans and borrowings		**(75,078)**	(936,693)
Repayment of lease liabilities	19	**(58)**	(54)
Interest paid		**(48,084)**	(42,507)
Bank deposits pledged as securities for bank facilities		**5,273**	74,730
Dividend paid to shareholders	27	**(2,478)**	(1,663)
Purchase of treasury shares	25	**(202)**	(276)
Acquisition of non-controlling interests of subsidiaries	15	**(14,300)**	–
Liquidation of a subsidiary with non-controlling interests		**–**	(436)
Net cash used in financing activities		**(111,927)**	(366,546)
Net (decrease)/increase in cash and cash equivalents		**(135,255)**	194,235
Cash and cash equivalents at the beginning of the year	5	**395,806**	198,398
Foreign currency translation adjustments		**(12,476)**	3,173
Cash and cash equivalents at the end of the year	5	**248,075**	395,806

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share capital	Treasury shares	Foreign currency translation account	Asset revaluation reserve	Investment revaluation reserve	Capital reserves[#]	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
At 1 January 2022		**181,695**	**(4,167)**	**(39,452)**	**127,916**	**(1,277)**	**234,362**	**751,123**	**1,250,200**	**14,217**	**1,264,417**
Total comprehensive income/(loss) for the year											
Profit/(loss) for the year		-	-	-	-	-	-	4,591	4,591	(1,741)	2,850
Exchange differences on translation of foreign operations	35	-	-	(40,391)	-	-	-	-	(40,391)	83	(40,308)
Revaluation of properties	35	-	-	-	20,264	-	-	-	20,264	-	20,264
Fair value loss on investments in equity instruments designated at FVTOCI	35	-	-	-	-	(3,447)	-	-	(3,447)	-	(3,447)
Income tax adjustments relating to other comprehensive income	35	-	-	-	(5,462)	-	-	-	(5,462)	-	(5,462)
Other comprehensive (loss)/ income for the year, net of tax		-	-	(40,391)	14,802	(3,447)	-	-	(29,036)	83	(28,953)
Total		-	-	(40,391)	14,802	(3,447)	-	4,591	(24,445)	(1,658)	(26,103)
Transactions with owners, recognised directly in equity											
Transfer from capital reserves to revenue reserve		-	-	-	-	-	(8,386)	8,386	-	-	-
Share of reserves of equity accounted investees		-	-	-	-	-	1,093	-	1,093	-	1,093
Non-controlling interests arising from additional capital contribution in a subsidiary		-	-	-	-	-	-	-	-	2,400	2,400
Effects of acquiring non-controlling interests in a subsidiary		-	-	-	-	-	(882)	-	(882)	(13,418)	(14,300)
Issue of shares under the Scrip Dividend Scheme	24	5,930	-	-	-	-	-	-	5,930	-	5,930
Repurchase of shares	25	-	(202)	-	-	-	-	-	(202)	-	(202)
Dividend paid to shareholders											
- Cash	27	-	-	-	-	-	-	(2,478)	(2,478)	-	(2,478)
- Share	27	-	-	-	-	-	-	(5,930)	(5,930)	-	(5,930)
Total		5,930	(202)	-	-	-	(8,175)	(22)	(2,469)	(11,018)	(13,487)
At 31 December 2022		**187,625**	**(4,369)**	**(79,843)**	**142,718**	**(4,724)**	**226,187**	**755,692**	**1,223,286**	**1,541**	**1,224,827**

[#] Details of "Capital reserves" are disclosed in Note 26.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share capital	Treasury shares	Foreign currency translation account	Asset revaluation reserve	Investment revaluation reserve	Capital reserves#	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
At 1 January 2021		176,234	(3,891)	(38,139)	123,001	(1,573)	193,897	710,538	1,160,067	13,431	1,173,498
Total comprehensive income/(loss) for the year											
Profit/(loss) for the year		–	–	–	–	–	–	83,662	83,662	(1,842)	81,820
Exchange differences on translation of foreign operations	35	–	–	(1,313)	–	–	700	–	(613)	64	(549)
Revaluation of properties	35	–	–	–	6,912	–	–	–	6,912	–	6,912
Cash flow hedges	35	–	–	–	–	–	1,986	–	1,986	–	1,986
Fair value gain on investments in equity instruments designated at FVTOCI	35	–	–	–	–	296	–	–	296	–	296
Income tax adjustments relating to other comprehensive income	35	–	–	–	(1,997)	–	(596)	–	(2,593)	–	(2,593)
Other comprehensive income/(loss) for the year, net of tax		–	–	(1,313)	4,915	296	2,090	–	5,988	64	6,052
Total		–	–	(1,313)	4,915	296	2,090	83,662	89,650	(1,778)	87,872
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		–	–	–	–	–	28,309	(28,309)	–	–	–
Share of reserves of equity accounted investees		–	–	–	–	–	10,066	(7,644)	2,422	–	2,422
Non-controlling interests arising from additional capital contribution in a subsidiary		–	–	–	–	–	–	–	–	3,000	3,000
Liquidation of a subsidiary with non-controlling interests		–	–	–	–	–	–	–	–	(436)	(436)
Issue of shares under the Scrip Dividend Scheme	24	5,461	–	–	–	–	–	–	5,461	–	5,461
Repurchase of shares	25	–	(276)	–	–	–	–	–	(276)	–	(276)
Dividend paid to shareholders											
- Cash	27	–	–	–	–	–	–	(1,663)	(1,663)	–	(1,663)
- Share	27	–	–	–	–	–	–	(5,461)	(5,461)	–	(5,461)
Total		5,461	(276)	–	–	–	38,375	(43,077)	483	2,564	3,047
At 31 December 2021		181,695	(4,167)	(39,452)	127,916	(1,277)	234,362	751,123	1,250,200	14,217	1,264,417

Details of "Capital reserves" are disclosed in Note 26.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share capital $'000	Treasury shares $'000	Capital reserves# $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 January 2022		**181,695**	**(4,167)**	**101,264**	**308,868**	**587,660**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**–**	**171**	**171**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**5,930**	**–**	**–**	**–**	**5,930**
Repurchase of shares	25	**–**	**(202)**	**–**	**–**	**(202)**
Dividend paid to shareholders						
- Cash	27	**–**	**–**	**–**	**(2,478)**	**(2,478)**
- Share	27	**–**	**–**	**–**	**(5,930)**	**(5,930)**
Total		**5,930**	**(202)**	**–**	**(8,408)**	**(2,680)**
At 31 December 2022		**187,625**	**(4,369)**	**101,264**	**300,631**	**585,151**
At 1 January 2021		176,234	(3,891)	101,264	315,560	589,167
Profit for the year, representing total comprehensive income for the year		–	–	–	432	432
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	5,461	–	–	–	5,461
Repurchase of shares	25	–	(276)	–	–	(276)
Dividend paid to shareholders						
- Cash	27	–	–	–	(1,663)	(1,663)
- Share	27	–	–	–	(5,461)	(5,461)
Total		5,461	(276)	–	(7,124)	(1,939)
At 31 December 2021		181,695	(4,167)	101,264	308,868	587,660

Details of "Capital reserves" are disclosed in Note 26.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1 General

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

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries, associates and joint ventures are disclosed in Notes 42 and 43 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 24 March 2023.

2 Summary of significant accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

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

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

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

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

(b) Basis of consolidation

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

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

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

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

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

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

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

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

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

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

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

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Business combinations (cont'd)

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

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

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

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

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

Associates and joint ventures (equity accounted investees)

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

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

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

If there is objective evidence that the Group's net investment in an associate or a joint venture is impaired, the requirements of SFRS(I) 1-36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

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

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

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

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

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

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

(c) Foreign currency transactions and translation

Functional and presentation currency

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

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

Foreign currency transactions

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

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

Foreign currency translation

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation account in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

(d) Financial instruments

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

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

Financial assets

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

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

Classification of financial assets

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Classification of financial assets *(cont'd)*

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

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

Amortised cost and effective interest method

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

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

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

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

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

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

Equity instruments designated at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Equity instruments designated at FVTOCI (cont'd)

A financial asset is held for trading if either:

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

Financial assets at FVTPL

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

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

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 41(e).

Foreign exchange gains and losses

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

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on debt instruments that are measured at amortised cost, contract assets, as well as on financial guarantee contracts. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Significant increase in credit risk

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

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

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

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

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

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

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

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

Definition of default

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

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

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

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Derecognition of financial assets (cont'd)

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if either:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Financial liabilities at FVTPL (cont'd)

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

Fair value is determined in the manner described in Note 41(e).

Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contract liabilities

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

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

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

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

Derecognition of financial liabilities

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

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Derivative financial instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges as appropriate.

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

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

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

Cash flow hedges

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

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

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

(e) Property, plant and equipment

Measurement

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

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

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

Revaluation

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

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

Revaluation *(cont'd)*

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

Depreciation

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to revenue reserve.

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

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

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

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to revenue reserve.

(f) Impairment of property, plant and equipment excluding goodwill

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Investment properties

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(g) Investment properties (cont'd)

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

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

(h) Development properties

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

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

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

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

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

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

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

(i) Inventories

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

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

(j) Cash and cash equivalents

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

(k) Leases

The Group as lessor

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

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

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

2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

<u>The Group as lessor</u> (cont'd)

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

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

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

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

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

<u>The Group as lessee</u>

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

The Group as lessee (cont'd)

The Group did not make any such adjustments during the periods presented.

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

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

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

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

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

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

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

The Group has applied the practical expedient which permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification and accordingly has accounted for any change in lease payments resulting from the COVID-19-related rent concessions applying SFRS(I) 16 as if the change were not a lease modification.

(l) Provisions

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

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

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

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

(m) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of products
- Sale of development properties
- Revenue from hotel operations
- Revenue from services rendered
- Rental income
- Interest income
- Dividend income

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(m) Revenue recognition (cont'd)

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

Sale of products

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

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

Sale of development properties

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

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

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

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

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

Revenue from hotel operations

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

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

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

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

Revenue from services rendered

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(m) Revenue recognition (cont'd)

Rental income

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

Interest income

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

Dividend income

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

(n) Borrowing costs

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

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

(o) Share capital

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

(p) Employee benefits

Retirement benefit obligations

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

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

Employees' leave entitlement

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

(q) Income tax

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

Current tax

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

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

Deferred tax

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(q) Income tax (cont'd)

Deferred tax (cont'd)

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

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

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

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

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

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

(r) Non-current assets held for sale

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

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

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

(s) Government Grants

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

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

(t) Segment reporting

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Group's accounting policies

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

Key sources of estimation uncertainty

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

Stage of completion for revenue recognition

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

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

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

Allowance for diminution in value for development properties

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

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

As at 31 December 2022, an allowance for diminution in value of $450,000 (2021: $Nil) and $6,836,000 (2021: $7,558,000) was made on Singapore development properties and land held for future development in China respectively, taking into account with reference to actual and past sales of the respective properties and that of comparable properties, location and market conditions.

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

Fair value measurement and valuation processes

The Group carries its investment properties, hotels, owner-managed and owner-occupied properties at fair value based on independent professional valuations.

In determining fair values, the valuers have used valuation methodologies (including direct comparison method, income capitalisation method, discounted cash flow method and residual method) which involve certain estimates and significant unobservable inputs which are disclosed in Notes 12 and 14. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the properties. The income capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. The discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. The residual method involves the estimation of the gross development value assuming the property is completed and from which the development costs are deducted to derive a residual figure. In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. In Australia, the valuers have highlighted that the potential for new COVID-19 variants, geopolitical conflicts, increasing interest rates and inflation may lead to increased uncertainty.

Information relating to the valuation methodologies and inputs used in determining the fair value of hotel, owner-managed and owner-occupied properties and investment properties are disclosed in Notes 12 and 14 respectively to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

Key sources of estimation uncertainty (cont'd)

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

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

TAHAUD is subject to income taxes in the Australian jurisdiction. The Group has estimated deferred tax liability arising from changes in the carrying amount of its investments in GHG amounting to A$35,267,000 (2021: A$35,007,000) or equivalent to $32,118,000 (2021: $34,433,000) (Note 18). In estimating this amount, the Group considers the taxable gains to be the excess of the Group's share of the fair value of net assets of GHG over the tax cost base of the securities in GHG held by the Group.

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

Loss allowance for receivables

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

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

4 Segment information

Products and services from which reportable segments derive their revenues

For management purposes, the Group is organised into business segments based on their products and services. Accordingly, the Group's reportable operating segments under SFRS(I) 8 *Operating Segments* are as follows:

Segment	Principal activities
Real Estate Investment	Property investments in Singapore, Australia, Indonesia and China
Real Estate Development	Property development and provision of construction management services in Singapore and Indonesia
Hospitality	Investment in hotels in Melbourne and Perth, Australia, managed by Hyatt, the hotel operator
Industrial Services	Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia
Other Investments	Investment in Gul Technologies Singapore Pte. Ltd. ("GulTech") and Pan-West (Private) Limited ("Pan-West"). GulTech is a printed circuit boards manufacturer with plants in China. Pan-West distributes golf-related lifestyle products

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment before allocation of interest and taxes, net foreign exchange gain or loss, fair value adjustments and other non-recurring adjustments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis. These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

Information regarding each of the Group's reportable segments is presented in the following section.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Segment information (cont'd)

Segment revenues and results

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate[2] $'000	Inter-Segment Eliminations $'000	Consolidated $'000
2022								
Revenue								
External revenue	**52,421**	**78,027**	**85,450**	**9,213**	**-**	**186**	**-**	**225,297**
Inter-segment revenue	**3,614**	**3,625**	**-**	**-**	**-**	**9,364**	**(16,603)**	**-**
	56,035	**81,652**	**85,450**	**9,213**	**-**	**9,550**	**(16,603)**	**225,297**
Adjusted EBIT*	**28,489**	**(6,225)**	**19,139**	**(1,926)**	**30,540**	**(18,982)**	**1,710**	**52,745**
Interest income								**4,530**
Finance costs								**(50,753)**
Net foreign exchange loss								**(6,114)**
Net gain on disposal of property, plant and equipment								**9**
Net gain on disposal of right-of-use assets								**11**
Profit before tax and fair value adjustments								**428**
Fair value adjustments								**306**
Profit before tax								**734**
Income tax credit								**2,116**
Profit for the year								**2,850**
2021								
Revenue								
External revenue	52,589	91,643	45,096	59,217	–	169	–	248,714
Inter-segment revenue	3,510	74	–	–	–	9,972	(13,556)	–
	56,099	91,717	45,096	59,217	–	10,141	(13,556)	248,714
Adjusted EBIT*	31,787	(8,192)	1,433	(598)	26,441	(14,494)	3,593	39,970
Interest income								2,356
Finance costs								(43,964)
Net foreign exchange gain								1,705
Net gain on disposal of property, plant and equipment								3
Loss allowance on interest receivables								(1,474)
Net gain on disposal of a subsidiary								88,953
Profit before tax and fair value adjustments								87,549
Fair value adjustments								(3,434)
Profit before tax								84,115
Income tax expense								(2,295)
Profit for the year								81,820

* Adjusted EBIT is based on a measure of adjusted earnings before interest and tax, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant & equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment /writeback of impairment on investments in joint venture/associate and property, plant and equipment (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss.

Note:
1. No revenue is reported under "Other Investments" as the Group's investments in GulTech is equity accounted for.
2. "Corporate" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Segment information (cont'd)

Segment assets, liabilities and other segment information

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments $'000	Corporate $'000	Consolidated $'000
As at 31 December 2022							
Assets							
Segment assets	1,605,267	327,464	392,408	63,376	933	73,594	2,463,042
Deferred tax assets	–	–	1,343	–	–	223	1,566
Investment in financial asset	–	26,192	–	–	–	–	26,192
Investments in equity accounted investees	21,783	14,048	–	–	130,365	–	166,196
Total assets	1,627,050	367,704	393,751	63,376	131,298	73,817	2,656,996
Liabilities							
Segment liabilities	(31,825)	(36,326)	(16,536)	(1,165)	(5,000)	(10,749)	(101,601)
Loans and borrowings	(815,936)	(142,819)	(179,796)	–	–	(139,610)	(1,278,161)
Income tax payable and deferred tax liabilities	(5,452)	(1,060)	(175)	(324)	–	(45,396)	(52,407)
Total liabilities	(853,213)	(180,205)	(196,507)	(1,489)	(5,000)	(195,755)	(1,432,169)
Net assets/(liabilities)	773,837	187,499	197,244	61,887	126,298	(121,938)	1,224,827
Other information							
Capital expenditure	51	34	1,145	488	–	291	2,009
Depreciation of property, plant and equipment	701	64	4,823	200	–	898	6,686
Depreciation of right-of-use assets	3	–	–	29	–	3	35
Allowance for diminution in value for development properties	–	450	–	–	–	–	450
Revaluation gain on properties (in other comprehensive income)	2,058	–	18,206	–	–	–	20,264
Revaluation loss on property, plant and equipment (in profit or loss)	(2,864)	–	–	–	–	–	(2,864)
Fair value gain on investment properties	6,106	–	–	–	–	–	6,106
Fair value loss on financial instruments	–	–	–	–	(2,936)	–	(2,936)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Segment information (cont'd)

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

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments $'000	Corporate $'000	Consolidated $'000
As at 31 December 2021							
Assets							
Segment assets	1,575,393	346,157	402,411	66,145	945	199,626	2,590,677
Deferred tax assets	51	52	–	69	–	–	172
Investment in financial assets	–	29,639	–	–	–	–	29,639
Investments in equity accounted investees	24,252	15,695	–	–	103,893	–	143,840
Total assets	1,599,696	391,543	402,411	66,214	104,838	199,626	2,764,328
Liabilities							
Segment liabilities	(31,652)	(31,942)	(13,866)	(1,924)	(5,032)	(9,748)	(94,164)
Loans and borrowings	(804,279)	(157,882)	(193,899)	–	–	(196,668)	(1,352,728)
Income tax payable and deferred tax liabilities	(6,380)	(2,476)	–	(239)	–	(43,924)	(53,019)
Total liabilities	(842,311)	(192,300)	(207,765)	(2,163)	(5,032)	(250,340)	(1,499,911)
Net assets/(liabilities)	757,385	199,243	194,646	64,051	99,806	(50,714)	1,264,417
Other information							
Capital expenditure	36	30	474	220	–	183	943
Depreciation of property, plant and equipment	707	75	7,652	218	–	770	9,422
Depreciation of right-of-use assets	5	–	19	23	–	7	54
Write back of allowance for diminution in value for development properties	–	499	–	–	–	–	499
Revaluation loss on properties (in other comprehensive income)	(254)	–	(6,658)	–	–	–	(6,912)
Revaluation gain/(loss) on property, plant and equipment (in profit or loss)	(2,525)	–	2,454	–	–	–	(71)
Fair value loss on investment properties	(3,012)	–	–	–	–	–	(3,012)
Fair value loss on financial instruments	–	–	–	–	(351)	–	(351)

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Australia, China, Malaysia and Indonesia.

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

	Revenue from external customers		Non-current assets	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Singapore	**108,401**	140,035	**1,226,498**	1,153,240
Australia	**106,562**	64,712	**616,495**	656,812
China	**777**	35,019	**21,660**	24,039
Malaysia	**9,214**	8,948	**4,340**	4,289
Indonesia	**343**	–	**119**	160
	225,297	248,714	**1,869,112**	1,838,540

4 Segment information (cont'd)

Other segment information

There were no customers that contributed individually 10% or more to the Group's revenue in FY2022. In FY2021, there were sales of approximately $34.4 million to a customer from the Industrial Services segment that contributed 10% or more to the Group's revenue of $248.7 million.

5 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**173,665**	228,330	**7,510**	52,604
Fixed deposits	**69,452**	128,277	**55,417**	118,068
Other cash equivalents	**–**	19,989	**–**	19,989
Amounts held under the Housing Developers (Project Account) Rules	**8,871**	28,448	**–**	–
	251,988	405,044	**62,927**	190,661

Cash and cash equivalents comprise cash at banks, fixed deposits and other cash equivalents held by the Group which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Deposits earned interest ranging from 0.03% to 4.20% per annum (2021: 0.08% to 0.80% per annum) and for tenures ranging from 7 days to 1 year (2021: 7 days to 1 year). Other cash equivalents held by the Group and the Company comprise marketable securities that have a maturity of four weeks. These are held for the purpose of meeting short-term cash commitments and are subject to insignificant risk of changes in value.

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

The carrying amounts of the cash and cash equivalents approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and cash equivalents are disclosed under Note 41 to the financial statements.

Cash and cash equivalents

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

	Group	
	2022	2021
	$'000	$'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and cash equivalents (as per statement of financial position)	**251,988**	405,044
Encumbered fixed deposits and bank balances	**(3,913)**	(9,238)
	248,075	395,806

As at 31 December 2022, the Group had cash and cash equivalents placed with banks in China amounting to $69,423,000 (2021: $88,332,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China.

As at 31 December 2022, cash and cash equivalents amounting to $46,140,000 (2021: $31,868,000) were pledged to banks to secure credit facilities. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6 Trade and other receivables

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade					
Trade receivables		**5,889**	9,896	**–**	–
Less: Loss allowance		**(182)**	(346)	**–**	–
		5,707	9,550	**–**	–
Amounts due from:					
- related parties	22	**295**	8,466	**–**	–
- joint ventures	16	**21**	–	**–**	–
		316	8,466	**–**	–
Less: Loss allowance	22	**–**	(1,493)	**–**	–
		316	6,973	**–**	–
Total trade receivables - current		**6,023**	16,523	**–**	–
Non-trade					
Deposits [(a)]		**17,910**	8,163	**569**	569
Prepayments		**6,343**	5,521	**829**	608
Interest receivables		**442**	85	**388**	83
Sundry debtors		**4,460**	2,286	**34**	29
Tax recoverable		**2,061**	2,615	**–**	–
		31,216	18,670	**1,820**	1,289
Less: Loss allowance		**(72)**	(114)	**(72)**	(72)
		31,144	18,556	**1,748**	1,217
Amounts due from:					
- subsidiaries	21	**–**	–	**485,268**	430,583
- related parties	22	**–**	5,840	**–**	–
- associates	16	**951**	945	**18**	–
- joint ventures	16	**8,038**	56	**9**	36
		8,989	6,841	**485,295**	430,619
Less: Loss allowance					
- subsidiaries	21	**–**	–	**(39,982)**	(29,830)
- joint ventures	16	**(11)**	(11)	**–**	–
		8,978	6,830	**445,313**	400,789
		40,122	25,386	**447,061**	402,006
Less: non-current portion		**(17,868)**	(5,605)	**–**	–
Total non-trade receivables - current		**22,254**	19,781	**447,061**	402,006
Total trade and other receivables - current		**28,277**	36,304	**447,061**	402,006
Total trade and other receivables - non-current		**17,868**	5,605	**–**	–

(a) Included in the deposits of the Group were deposits amounting to:

- $5,600,000 paid for the tender of a freehold site located at 870 Dunearn Road in FY2021. The deposit has been classified as non-current at the end of the reporting period in FY2021 and was transferred to investment property upon completion of the acquisition of the site in FY2022;
- $9,863,000 paid for the acquisition of 19 commercial units at Sanya Summer Plaza from Sanya Summer Real Estate Co., Ltd, as associate and related party of the Group. The deposit has been classified as non-current at the end of the reporting period in FY2022; and
- $999,000 (2021: $999,000) placed with a bank under a margin deposit arrangement, in relation to a letter of guarantee issued by the bank in favour of an external party.

As the deposits are placed with counterparties that are creditworthy, the management has assessed that the credit risks are low and the deposits are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6 Trade and other receivables (cont'd)

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 90 days (2021: 7 to 180 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques during the current reporting period.

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

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates of Nil% (2021: 8%) per annum in accordance with the billing terms and the remaining are non-interest bearing. The trade amounts due from related parties are generally on 30 days (2021: 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for amounts due from related parties has always been measured at an amount equal to lifetime expected credit losses ("ECL"). In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the trade amounts due from related parties as well as the loss upon default.

The table below shows the movement in ECL that has been recognised for trade receivables and amounts due from related parties:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2021	945
Amounts written off	(45)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	128
Change in loss allowance due to changes in credit risk parameters	786
Exchange difference on consolidation	25
Balance as at 31 December 2021	**1,839**
Amounts written off	**(1,491)**
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	**(126)**
Exchange difference on consolidation	**(40)**
Balance as at 31 December 2022	**182**

Analysis of other receivables

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

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2021	180
Amounts written off	(59)
Exchange difference on consolidation	4
Balance as at 31 December 2021	**125**
Amounts written off	**(41)**
Exchange difference on consolidation	**(1)**
Balance as at 31 December 2022	**83**
Company	
Balance as at 1 January 2021, 31 December 2021 and 2022	72

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	2022	2021
	$'000	$'000
Not past due	**4,588**	8,225
< 3 months	**1,340**	1,446
3 months to 6 months	**78**	59
6 months to 12 months	**17**	108
> 12 months	**–**	6,685
	6,023	16,523

Details of collateral

As at 31 December 2022, trade and other receivables amounting to $11,692,000 (2021: $12,423,000) were mortgaged to banks to secure certain credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

7 Contract assets

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

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the residential industry. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets. None of the amounts due from customers at the end of the reporting period is past due. As there was no historical credit loss experience by the Group, the ECL is assessed by management to be insignificant.

8 Contract costs

Contract costs relate to commission and legal fees paid to intermediaries as a result of obtaining residential property sales contracts. These costs are amortised over the period during which the residential properties are transferred to the purchasers. Amortisation amounting to $3,784,000 (2021: $4,205,000) was recognised as part of the distribution costs in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group	
	2022	2021
	$'000	$'000
Raw materials	**708**	926
Work-in-progress	**873**	748
Finished goods	**563**	455
At cost	**2,144**	2,129

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2022 and 2021.

Details of collateral

As at 31 December 2022, inventories amounting to $2,144,000 (2021: $2,129,000) were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10 Development properties

	Group	
	2022	2021
	$'000	$'000
Properties in the course of development	**202,616**	233,766
Land held for future development	**6,836**	7,558
	209,452	241,324
Completed properties held for sale	**287**	287
	209,739	241,611
The above comprises:		
Properties in the course of development in Singapore	**135,005**	176,111
Properties in the course of development in Indonesia	**67,611**	57,655
Land held for future development in China	**6,836**	7,558
Completed properties held for sale in Singapore	**287**	287
	209,739	241,611

In 2021, the Group transferred from development properties to property, plant and equipment (Note 12) a residential unit in China which was used for owner-occupation.

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

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

	Group	
	2022	2021
	$'000	$'000
Land cost	**183,491**	228,074
Development cost incurred to-date	**24,394**	17,310
Others	**8,853**	3,498
	216,738	248,882
Less: Allowance for diminution in value	**(7,286)**	(7,558)
	209,452	241,324

Completed properties held for sale

Completed properties, at cost	**287**	287

Allowance for diminution in value

		Group	
	Note	2022	2021
		$'000	$'000
Movements in allowance for diminution in value			
At 1 January		**7,558**	7,718
Exchange difference on consolidation		**(722)**	339
Allowance/(Write-back) during the year	33	**450**	(499)
At 31 December		**7,286**	7,558

The allowance for diminution in value for development properties was estimated after taking into account estimated selling prices and estimated total construction costs, where appropriate. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10 Development properties (cont'd)

Details of collateral

As at 31 December 2022, development properties amounting to $132,632,000 (2021: $176,111,000) were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

List of development properties

As at 31 December 2022, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Tenure	Land area (sq m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Properties in the course of development						
Mont Botanik Residence Jalan Remaja Singapore	Condominium of 108 units	Freehold	4,047	8,546	2023	100%
Peak Residence 333 Thomson Road Singapore	Condominium of 90 units	Freehold	5,331	8,209	2024	70%
Balmoral Tower, Opus Bay Batam, Indonesia	Apartments of 559 units	30 years from 2004	5,564	31,830	2025	100%
Cluny Villas, Opus Bay Batam, Indonesia	Villas of 277 units (Phase 1 – 51 units launched)	30 years from 2004	186,886	76,716	2023 to 2025 (Phase 1)	100%
Batam Opus Bay Land (I), Indonesia [a]	Proposed integrated mixed-development township	30 years from 2004	657,299	*	*	100%
Batam Opus Bay Land (II), Indonesia	Proposed residential development	30 years from 2019	401,229	*	*	100%
Land held for future development						
Land in Jin'an District, Fuzhou, Fujian Province, China	Residential	70 years from 1994	163,740	**	**	100%
Completed properties held for sale						
Sennett Residence Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and 3 shop units	99 years from 2011	8,664	33,328	2016	100%

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

11 Assets classified as held for sale

On 30 December 2021, the Group's wholly-owned subsidiary, Clerodendrum Land Pte. Ltd., granted options to a related party for the sale of three shop units in Sennett Residence for a consideration of $2,241,000. One unit is classified as development property held for sale and the remaining two units are classified as investment properties. The sale completion date has been extended and the sale is expected to complete in 2023. Accordingly, the investment properties have been classified as assets held for sale based on the agreed sale consideration of $1,542,000. The operations of the investment properties are included in the Group's real estate investment segment for segment reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost or valuation:						
At 1 January 2022		**478,960**	**8,826**	**28,238**	**509**	**516,533**
Exchange differences on consolidation		**(33,261)**	**(692)**	**(1,618)**	**(12)**	**(35,583)**
Additions		**100**	**–**	**1,833**	**76**	**2,009**
Disposals		**–**	**–**	**(8)**	**(88)**	**(96)**
Write-offs		**–**	**–**	**(1,877)**	**–**	**(1,877)**
Reclassification		**(27)**	**(285)**	**293**	**19**	**–**
Elimination of depreciation upon revaluation		**(3,469)**	**–**	**–**	**–**	**(3,469)**
Revaluation		**17,400**	**–**	**–**	**–**	**17,400**
At 31 December 2022		**459,703**	**7,849**	**26,861**	**504**	**494,917**
At 1 January 2021		385,134	8,458	39,481	507	433,580
Exchange differences on consolidation		(9,955)	149	(759)	2	(10,563)
Additions		–	31	912	–	943
Disposals		–	–	(17)	–	(17)
Write-offs		–	(211)	(1,568)	–	(1,779)
Reclassification		9,811	–	(9,811)	–	–
Transfer from development properties following change in use	10	–	399	–	–	399
Reclassified from investment properties	14	100,063	–	–	–	100,063
Elimination of depreciation upon revaluation		(12,934)	–	–	–	(12,934)
Revaluation		6,841	–	–	–	6,841
At 31 December 2021		478,960	8,826	28,238	509	516,533
Comprising:						
At 31 December 2022						
At cost		**809**	**7,849**	**26,861**	**504**	**36,023**
At valuation		**458,894**	**–**	**–**	**–**	**458,894**
		459,703	**7,849**	**26,861**	**504**	**494,917**
At 31 December 2021						
At cost		809	8,826	28,238	509	38,382
At valuation		478,151	–	–	–	478,151
		478,960	8,826	28,238	509	516,533

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)					
Accumulated depreciation:					
At 1 January 2022	**–**	**590**	**16,366**	**411**	**17,367**
Exchange differences on consolidation	**(180)**	**(67)**	**(1,063)**	**(6)**	**(1,316)**
Depreciation	**3,649**	**136**	**2,896**	**5**	**6,686**
Disposals	**–**	**–**	**(5)**	**(66)**	**(71)**
Write-offs	**–**	**–**	**(884)**	**–**	**(884)**
Reclassification	**–**	**(68)**	**68**	**–**	**–**
Elimination of depreciation upon revaluation	**(3,469)**	**–**	**–**	**–**	**(3,469)**
At 31 December 2022	**–**	**591**	**17,378**	**344**	**18,313**
At 1 January 2021	–	655	21,954	403	23,012
Exchange differences on consolidation	(122)	17	(494)	2	(597)
Depreciation	5,264	129	4,023	6	9,422
Disposals	–	–	(17)	–	(17)
Write-offs	–	(211)	(1,308)	–	(1,519)
Reclassification	7,792	–	(7,792)	–	–
Elimination of depreciation upon revaluation	(12,934)	–	–	–	(12,934)
At 31 December 2021	–	590	16,366	411	17,367
Accumulated impairment:					
At 1 January 2022	**–**	**3,110**	**–**	**–**	**3,110**
Exchange differences on consolidation	**–**	**(280)**	**–**	**–**	**(280)**
At 31 December 2022	**–**	**2,830**	**–**	**–**	**2,830**
At 1 January 2021	–	2,978	–	–	2,978
Exchange differences on consolidation	–	132	–	–	132
At 31 December 2021	–	3,110	–	–	3,110
Carrying amount:					
At 31 December 2022	**459,703**	**4,428**	**9,483**	**160**	**473,774**
At 31 December 2021	478,960	5,126	11,872	98	496,056

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

	Plant and equipment $'000
Company	
Cost:	
At 1 January 2022	**4,316**
Additions	**279**
Write-offs	**(1,784)**
At 31 December 2022	**2,811**
At 1 January 2021	4,255
Additions	90
Write-offs	(29)
At 31 December 2021	4,316
Accumulated depreciation:	
At 1 January 2022	**1,887**
Depreciation	**877**
Write-offs	**(802)**
At 31 December 2022	**1,962**
At 1 January 2021	1,164
Depreciation	752
Write-offs	(29)
At 31 December 2021	1,887
Carrying amount:	
At 31 December 2022	**849**
At 31 December 2021	2,429

Included in building and freehold land is freehold land with a carrying amount of $324,791,000 (2021: $342,184,000) which is not subject to depreciation.

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting period to determine whether there is any indication that those assets have suffered impairment loss. No impairment loss was made in 2022 and 2021 as a result of such assessment.

Details of collateral
As at 31 December 2022, property, plant and equipment amounting to $470,373,000 (2021: $490,789,000) were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

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

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2022 and 2021, the fair value measurement of the Group's hotels, owner-managed and owner-occupied properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

Fair value measurement of hotels, owner-managed and owner-occupied properties (cont'd)

Based on the valuation, revaluation gain amounting to $20,264,000 (2021: $6,912,000) was recognised in other comprehensive income (Note 35). Revaluation loss is charged against related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same property. Revaluation loss of $2,864,000 (2021: $71,000) was recognised in the profit or loss, representing the revaluation loss in excess of the balance accumulated in the asset revaluation reserve of the same property (Note 32).

As at 31 December 2022, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $441,629,000 (2021: $470,210,000) for the Group.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation methodologies and significant unobservable inputs used in the fair value measurement as at 31 December 2022 and 2021 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Australia				
Grand Hyatt Melbourne (Hotel) [(a)]	Capitalisation Approach	Capitalisation rate[(1)]	**5.00%**	4.75%
123 Collins Street Melbourne, Victoria	Discounted Cash Flow Method	Discount rate[(1)]	**6.75% - 7.75%**	5.5% - 6.5%
		Terminal yield rate[(1)]	**4.75% - 5.75%**	4.5% - 5.5%
Carpark within Grand Hyatt Melbourne complex[(a)]	Capitalisation Approach	Capitalisation rate[(1)]	**5%**	5%
	Discounted Cash Flow Method	Discount rate[(1)]	**6.75%**	6.75%
		Terminal yield rate[(1)]	**5.25%**	5.25%
Hyatt Regency Perth (Hotel) [(a)]	Capitalisation Approach	Capitalisation rate[(1)]	**6.0%**	5.0%
99 Adelaide Terrace East Perth, Western Australia	Discounted Cash Flow Method	Discount rate[(1)]	**7.75% - 8.75%**	5.5% - 7.5%
		Terminal yield rate[(1)]	**5.75% - 6.75%**	4.25% - 6.25%
	Direct Comparison Method	Value per room[(2)]	**$118,400 - $136,600**	–
Singapore				
The Oxley[(b)] 9 Oxley Rise	Comparison Method	Price per square metre of strata floor area[(2)]	**$28,900 - $29,100**	$18,800 - $26,900
	Income Capitalisation Method	Net income margin*[(2)]	**85%**	80% - 85%
		Capitalisation rate[(1)]	**3.25%**	3%

* Net income margin = net property income/annual gross rental income.
(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.
(2) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.
(a) The valuations were performed by CBRE Valuations Pty Limited for both years.
(b) The valuations were performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

List of hotels, owner-managed and owner-occupied properties

The carrying amount of the Group's hotels, owner-managed and owner-occupied properties as at 31 December 2022 and 2021 included in property, plant and equipment are set out below.

Name of property	Description	Tenure	Land area[2] (sq m)	Group's effective equity interest	2022 A$'000[1]	2021 A$'000[1]	2022 S$'000	2021 S$'000
Australia								
Grand Hyatt Melbourne (Hotel)	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The property is of 34 levels featuring one of Melbourne's largest 5-star hotels, complete with retail/ commercial space and 4-levels of basement car park. The retail/ commercial space are accounted for under investment properties (Note 14).	Freehold	5,776	100%	**360,000**	347,000	**327,852**	341,309
Carpark within Grand Hyatt Melbourne complex					**67,500**	71,000	**61,472**	69,836
Hyatt Regency Perth (Hotel)	Located within walking distance from the central business district and overlooks the Swan River. The property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The office, retail and parking complex are accounted for under investment properties (Note 14).	Freehold	22,754	100%	**50,250**	47,000	**45,763**	46,229
					477,750	465,000	**435,087**	457,374

[1] Figures in A$ are for information.
[2] Land area refers to the whole development including commercial and carpark.

Name of property	Description	Tenure	Estimated lettable area (sq m)	Group's effective equity interest	2022 S$'000	2021 S$'000
Singapore						
The Oxley 9 Oxley Rise	3 floors of commercial space within a 10-storey building including residential units. The remaining commercial space for lease are accounted for under investment properties (Note 14).	Freehold	1,073	100%	**29,375**	27,424
					29,375	27,424

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 Right-of-use assets/Lease liabilities

The Group as a lessee

The Group leases several assets including office premises, accommodation for staff, office equipment and motor vehicles. The leases have varying terms and renewal rights. The average lease term is between 3 to 84 years (2021: 3 to 84 years) and rentals are generally fixed for the same periods. The Group has an option to purchase certain equipment for a nominal amount at the end of the lease term.

Right-of-use assets

	Leasehold land and building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group				
Cost:				
At 1 January 2022	**281**	**123**	**26**	**430**
Additions	**5**	**12**	**–**	**17**
Disposals	**–**	**(57)**	**(25)**	**(82)**
Exchange differences on consolidation	**(16)**	**(6)**	**(1)**	**(23)**
At 31 December 2022	**270**	**72**	**–**	**342**
At 1 January 2021	282	125	27	434
Additions	58	–	–	58
Disposals	(55)	–	–	(55)
Exchange differences on consolidation	(4)	(2)	(1)	(7)
At 31 December 2021	281	123	26	430
Accumulated depreciation:				
At 1 January 2022	**96**	**69**	**26**	**191**
Depreciation	**25**	**10**	**–**	**35**
Disposals	**–**	**(35)**	**(25)**	**(60)**
Exchange differences on consolidation	**(7)**	**(3)**	**(1)**	**(11)**
At 31 December 2022	**114**	**41**	**–**	**155**
At 1 January 2021	102	39	27	168
Depreciation	23	31	–	54
Disposals	(27)	–	–	(27)
Exchange differences on consolidation	(2)	(1)	(1)	(4)
At 31 December 2021	96	69	26	191
Carrying amount:				
At 31 December 2022	**156**	**31**	**–**	**187**
At 31 December 2021	185	54	–	239

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 Right-of-use assets/Lease liabilities (cont'd)

The Company as a lessee

The Company leases office premises and office equipment. The average lease term is between 2 to 6 years (2021: 2 to 6 years) and rentals are fixed for the same periods. The Company does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

	Leasehold building $'000	Plant and equipment $'000	Total $'000
Company			
Cost:			
As at 1 January 2022	**15,064**	**39**	**15,103**
Additions	**4,759**	**6**	**4,765**
Write-offs	**(15,970)**	**–**	**(15,970)**
As at 31 December 2022	**3,853**	**45**	**3,898**
As at 1 January 2021	12,485	39	12,524
Additions	2,579	–	2,579
As at 31 December 2021	15,064	39	15,103
Accumulated depreciation:			
As at 1 January 2022	**6,086**	**13**	**6,099**
Depreciation	**2,977**	**8**	**2,985**
Write-offs	**(5,425)**	**–**	**(5,425)**
At 31 December 2022	**3,638**	**21**	**3,659**
As at 1 January 2021	2,961	6	2,967
Depreciation	3,125	7	3,132
At 31 December 2021	6,086	13	6,099
Carrying amount:			
At 31 December 2022	**215**	**24**	**239**
At 31 December 2021	8,978	26	9,004

Lease liabilities

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Amounts due for settlement within 12 months (shown under current liabilities)	**34**	54	**195**	2,900
Amounts due for settlement after 12 months	**38**	60	**17**	5,912
	72	114	**212**	8,812

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

As at 31 December 2022, the commitments for short-term leases are $15,000 (2021: $9,000) for the Group. The Company does not have any commitments for short-term leases as at the end of reporting period.

None of the leases in which the Group or the Company is the lessee contain variable lease payment terms. The total cash outflow for leases during the year amounted to $155,000 (2021: $93,000) for the Group.

As at 31 December 2022, right-of-use assets amounting to $156,000 (2021: $185,000) were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties

	Note	Group		Company	
		2022	**2021**	**2022**	**2021**
		$'000	**$'000**	**$'000**	**$'000**
Completed investment properties					
At 1 January		**1,342,245**	1,452,351	**811**	498
Exchange differences on consolidation		**(16,341)**	(6,175)	**–**	–
Additions		**63,489**	1,772	**–**	–
Net gain/(loss) from fair value adjustments	32	**5,758**	(4,098)	**(48)**	313
Properties transferred to property, plant and equipment	12	**–**	(100,063)	**–**	–
Classified as held for sale	11	**–**	(1,542)	**–**	–
		1,395,151	1,342,245	**763**	811

	Group	
	2022	2021
	$'000	$'000
Completed investment properties represented by:		
Singapore	**1,195,145**	1,122,246
Australia	**179,681**	197,507
China	**20,325**	22,492
	1,395,151	1,342,245

Fair value adjustments

The Group's investment properties as at 31 December 2022 and 2021 are stated at fair value, based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, a net fair value gain of $5,758,000 (2021: net fair value loss of $4,098,000) was recognised in profit or loss (Note 32).

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2022 and 2021, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. In FY2021, there was a transfer between Level 2 and Level 3 of the fair value hierarchy for the 2 shop units within Sennett Residence which were measured based on agreed sale consideration of $1,542,000 (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation methodologies and significant unobservable inputs used in the fair value measurement as at 31 December 2022 and 2021 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Singapore				
18 Robinson[a] 18 Robinson Road	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**77% - 81%** **3.0%**	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**6.25%** **3.0%**	6.25% - 6.75% 3.1% - 3.6%
	Direct Comparison Method	Price per square metre of lettable area[1]	**–**	$29,200 - $39,200
Link@896[b] 896 Dunearn Road	Direct Comparison Method	Price per square metre of strata floor area[1]	**Office : $16,400 - $28,100** **Retail : $24,100 - $45,200**	Office : $14,800 - $16,300 Retail : $16,600 - $43,800
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**76% - 80%** **3.5%**	68% - 73% 3.5%
Site at 870 Dunearn Road[c]	Residual Method	Gross development value per square metre on net floor area[1]	**$47,200**	–
		Total development cost per square metre of gross floor area[2]	**$16,300**	–
		Developer's profit and marketing fees[2]	**10%**	–
The Oxley[d] 9 Oxley Rise #01-01 to #01-10, #02-01 to #02-14, #03-01 to #03-14	Comparison Method	Price per square metre of strata floor area[1]	**$28,900 - $29,100**	$18,800 - $26,900
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**85%** **3.25%**	80% - 85% 3%
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin	Direct Comparison Method	Price per square metre of strata floor area[1]	**$7,600 - $7,700**	$6,200 - $9,500
Far East Finance Building[a] #11-01/02 14 Robinson Road	Direct Comparison Method	Price per square metre of strata floor area[1]	**–**	$27,000 - $31,000
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate [2]	**78% - 82%** **2.15%**	– –
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**6.0%** **2.15%**	– –

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Australia				
Commercial Centre & Carpark within Hyatt Regency Perth complex[e] 99 Adelaide Terrace East Perth, Western Australia	Capitalisation Method	Capitalisation rate[2]	**7.75%**	7.75%
	Discounted Cash Flow Method	Discount rate[2]	**7.25%**	7.25%
		Terminal yield rate[2]	**7.75%**	7.75%
Two vacant land[e] 10 & 40 Terrace Road East Perth, Western Australia	Comparison Method	Price per square metre of land area[1]	**$3,600**	$3,934
Commercial Centre within Grand Hyatt Melbourne complex[e] 123 Collins Street Melbourne, Victoria	Capitalisation Method	Capitalisation rate[2]	**5.0%**	4.75%
	Discounted Cash Flow Method	Discount rate[2]	**6.25%**	6.25%
		Terminal yield rate[2]	**5.25%**	5%
Single-storey commercial Building[e] 25 George Parade Melbourne, Victoria	Comparison Method	Price per square metre of land area[1]	**$27,300 - $29,600**	$29,500 - $32,000
China				
Three-storey commercial building[f] No. 2950 Chunshen Road Minhang District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**$5,600 - $7,000**	$6,600 - $8,200
	Income Capitalisation Method	Capitalisation rate[2]	**5% - 5.5%**	–
	Discounted Cash Flow Method	Discount rate[2]	**–**	7%
		Terminal yield rate[2]	**–**	5%
6 shop units and basement commercial units within Lakeside Ville Phase III[f] Lane 1517 Huqingping Highway, Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**Aboveground: $5,800 - $6,200 Basement: $900 - $1,000**	Aboveground: $6,400 - $9,000 Basement: $1,100 - $1,300
	Income Capitalisation Method	Capitalisation rate[2]	**Aboveground: 4.25% - 4.75% Basement: 4.25% - 4.75%**	– –
	Discounted Cash Flow Method	Discount rate[2]	**– –**	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate[2]	**– –**	Aboveground: 4.5% Basement: 4.5%
55 underground carpark lots at Luyinyuan[f] Lane 558 Baochun Road, Minhang District, Shanghai	Comparison Method	Sale price per car park lot[1]	**$47,300 - $58,000**	$51,300 - $68,400
2 apartment units at Lakeside Ville Phase III[f] Unit 201 in Block 363 and Unit 1102 in Block 391 Lakeside Ville Phase III, Lane 1517 Huqingping Highway, Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**$10,000 - $11,700**	$11,300 - $12,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Notes:

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

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

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

(a) The valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd. In 2021, the valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd.

(b) The valuations were performed by Savills Valuation and Professional Services (S) Pte Ltd for both years.

(c) The valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd.

(d) The valuations were performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years.

(e) The valuations were performed by CBRE Valuations Pty Limited for both years.

(f) The valuations were performed by Knight Frank Petty Limited. In 2021, the valuations were performed by Beijing Colliers International Real Estate Valuation Co., Ltd.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $43,173,000 (2021: $45,680,000) (Note 28). Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,675,000 (2021: $16,646,000). Information on operating lease commitments is disclosed in Note 39 to the financial statements.

Details of collateral

As at 31 December 2022, investment properties amounting to $1,316,826,000 (2021: $1,319,753,000) were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2022 and 2021 are as follows:

Name of property	Description	Tenure	Estimated lettable area (sq m)	Group's effective equity interest	2022 $'000	2021 $'000
Singapore						
18 Robinson 18 Robinson Road	A 28-storey commercial building comprising office tower, retail podium, sky terrace and an automated guided vehicular car parking system	999-years from 1884 & 1885 (Lots 729X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 731N and 488P)	17,784	100%	**683,000**	671,500
Link@896 896 Dunearn Road	A 5-storey commercial building comprising retail and office units	Estate in Fee Simple (Lot 1182K), Estate in Fee Simple and 999 years from 7 May 1879 (Lot 1185L), Estate in Perpetuity (Lot 99907P), 999 years from 7 May 1879 (Lot 99891X)	18,006	100%	**388,000**	388,000
Site at 870 Dunearn Road	Redevelopment site	Estate in Fee Simple (Lot 829N)	1,592[1]	100%	**58,000**	–
The Oxley 9 Oxley Rise #01-01 to #01-10, #02-01 to #02-14, #03-01 to #03-14	3 floors of commercial space within a 10-storey building including residential units	Freehold	1,484	100%	**40,625**	37,926
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,100	100%	**14,820**	14,820
Far East Finance Building #11-01/02 14 Robinson Road	1 strata unit (floor) within a 13-storey commercial building and a basement	999 years from 1884	284	100%	**10,700**	10,000
					1,195,145	1,122,246

(1) Refers to land area.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties (cont'd)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Estimated lettable area (sq m)	Group's effective equity interest	2022 A$'000[(1)]	2021 A$'000[(1)]	2022 S$'000	2021 S$'000
Australia								
Commercial Centre within Grand Hyatt Melbourne complex	4 retail tenancies located along Collins Street, additional tenancy space within the complex and a basement tenancy space	Freehold	3,024[(2)]	100%	**92,000**	94,000	**83,784**	92,458
Commercial Centre & Carpark within Hyatt Regency Perth complex and 2 vacant land of 3,072 sqm	3-level commercial building and plaza level shops and suites with 2-levels of basement carpark	Freehold	22,644[(2)(3)]	100%	**100,300**	101,800	**91,343**	100,131
25 George Parade Melbourne	A single storey commercial building	Freehold	135	100%	**5,000**	5,000	**4,554**	4,918
					197,300	200,800	**179,681**	197,507

(1) Figures in A$ are for information only.
(2) Refers to the estimated lettable area of the commercial centre.
(3) Includes additional lettable area under construction.

Name of property	Description	Tenure	Estimated lettable / gross floor area (sq m)	Group's effective equity interest	2022 RMB'000[(1)]	2021 RMB'000[(1)]	2022 S$'000	2021 S$'000
China								
No. 2950 Chunshen Road Minhang District, Shanghai	A 3-storey commercial building	57 years from 2008	2,170	100%	**31,900**	31,900	**6,163**	6,814
Lakeside Ville Phase III, Lane 1517 Huqingping Highway, Qingpu district, Shanghai	6 shop units and basement commercial units	70 years from 1997	3,896	100%	**26,700**	26,800	**5,158**	5,724
	2 apartment units		634	100%	**32,600**	32,600	**6,299**	6,964
Lane 558 Baochun Road, Minhang district, Shanghai	55 underground carpark lots	60 years from 2005	2,403	100%	**14,000**	14,000	**2,705**	2,990
					105,200	105,300	**20,325**	22,492

(1) Figures in RMB are for information only.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15 Investments in subsidiaries

	Company	
	2022	**2021**
	$'000	**$'000**
Quoted shares, at cost	**–**	115,976
Unquoted shares, at cost	**725,533**	606,838
Loan to a subsidiary	**61,402**	103,115
Deemed investment arising from financial guarantees	**92,275**	79,543
	879,210	905,472
Less: Allowance for impairment	**(115,381)**	(139,619)
	763,829	765,853
Fair value of investment in a subsidiary for which there are published price quotations[1]	**–**	19,280

Details of the Company's significant subsidiaries are disclosed in Note 42 to the financial statements.

Financial guarantees
The Company provided guarantees to banks for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with SFRS(I) 9 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $11,033,000 (2021: $4,862,000) is disclosed under the Company's non-trade payables in Note 20 to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be additional investment in subsidiaries.

Movements in allowance for impairment

	Company	
	2022	**2021**
	$'000	**$'000**
Allowance for impairment		
At 1 January	**(139,619)**	(121,084)
Reversal of allowance/(Allowance) for impairment, net	**11,337**	(18,535)
Written off	**12,901**	–
	24,238	(18,535)
At 31 December	**(115,381)**	(139,619)

During the year, a reversal of impairment loss amounting to $11,337,000 (2021: impairment loss of $18,535,000) was made in respect of the Company's investments in certain subsidiaries to reflect the carrying values of the investments to the recoverable amounts after taking into account the current financial position of the subsidiaries.

Loan to a subsidiary
Loan to a subsidiary refers to unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months, of which advances amounting to $40,000,000 (2021: $80,000,000) bear interest rate at 6.5% per annum (2021: 3.8% per annum). The remaining advances of $21,402,000 (2021: $23,115,000) are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15 Investments in subsidiaries (cont'd)

Non-wholly owned subsidiaries

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

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests		Net profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2022	2021	2022	2021	2022	2021
				$'000	$'000	$'000	$'000
SP Corporation Pte. Ltd. (formerly known as SP Corporation Limited) and its subsidiaries[1]	Various	**–**	19.8%	**(229)**	(256)	**–**	11,055
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(1,218)**	(1,306)	**1,541**	359
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments[2]	Singapore & Indonesia	**–**	10%	**(294)**	(280)	**–**	2,853
Individually immaterial subsidiaries with non-controlling interests	Various			**–**	–	**–**	(50)
				(1,741)	(1,842)	**1,541**	14,217

Notes:

(1) During the year, the Company acquired the remaining 19.8% interests in SP Corporation Limited for a purchase consideration of $11,055,000. The acquisition was effected by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 and the Singapore Code on Take-overs and Mergers. SP Corporation Limited was subsequently delisted from the Official List of the SGX-ST on 23 December 2022, and converted from a public company to a private company on 27 December 2022 under the new name SP Corporation Pte. Ltd.

(2) During the year, the Company acquired the remaining 10% interests in Goodworth Investment Pte Ltd and Splendourland Pte Ltd from a related party for a purchase consideration totalling $3,245,000 and repaid shareholder loans totalling $2,881,000 to the related party (Note 37).

The summarised financial information of SP Corporation Pte. Ltd. and its subsidiaries on a 100% basis as at 31 December 2021 is set out below:

	2021
	$'000
Current assets	56,398
Non-current assets	578
Current liabilities	(780)
Non-current liabilities	(391)
Equity attributable to owners	55,805
Revenue for the year	50,269
Expenses for the year	(51,527)
Net loss for the year	(1,258)
Other comprehensive income for the year	329
Total comprehensive income for the year	(929)
Net cash inflow from operating activities	14,788
Net cash outflow from investing activities	(7)
Net cash outflow from financing activities	(100)
Net cash inflow for the year	14,681

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16 Investments in equity accounted investees

	Group	
	2022	**2021**
	$'000	**$'000**
Unquoted equity shares, at cost	**109,710**	108,960
Exchange differences on consolidation	**(2,805)**	4,018
Share of post-acquisition results and reserves, net of dividends and distributions received	**59,291**	30,862
	166,196	143,840

Equity accounted investees

Associates

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Sanya Summer Real Estate Co. Ltd ("SSRE") and Pan-West (Private) Limited ("Pan-West"). In August and September 2021, GulTech divested a total of 17.5% of its equity stake in Gultech (Jiangsu) Electronics Co., Ltd ("Gultech Jiangsu") and the effects of this divestment was included in the share of post-acquisition reserves. Details of the Group's significant associates are disclosed in Note 43 to the financial statements.

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

	Note	Group	
		2022	**2021**
		$'000	**$'000**
Share of net assets			
At 1 January		**119,588**	152,547
Exchange differences on consolidation		**(3,727)**	3,239
Share of total comprehensive income (refer to below)		**27,459**	28,048
Share of post-acquisition reserves		**1,093**	2,422
Dividends		**–**	(66,668)
At 31 December		**144,413**	119,588
Share of total comprehensive income			
Share of results before fair value adjustments		**30,395**	28,399
Share of fair value loss on financial instruments	32	**(2,936)**	(351)
Share of total comprehensive income for the year		**27,459**	28,048

	Note	Group		Company	
		2022	**2021**	**2022**	**2021**
		$'000	**$'000**	**$'000**	**$'000**
Amounts due from associate (non-trade)	6	**951**	945	**18**	–

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

Share of the associates' capital commitments is disclosed in Note 39 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)

Associates (cont'd)

GulTech and its subsidiaries

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

	2022	2021	2022	2021
	US$'000[1]	US$'000[1]	S$'000	S$'000
Current assets	**268,313**	236,864	**360,373**	322,277
Non-current assets	**163,147**	164,094	**219,123**	223,267
Current liabilities	**(120,017)**	(145,115)	**(161,195)**	(197,443)
Non-current liabilities	**(87,076)**	(79,120)	**(116,952)**	(107,650)
	224,367	176,723	**301,349**	240,451
Non-controlling interests	**(6,151)**	(5,055)	**(8,261)**	(6,878)
Equity attributable to owners	**218,216**	171,668	**293,088**	233,573
Revenue for the year	**453,341**	452,687	**624,931**	608,095
Net profit for the year	**45,039**	47,155	**62,086**	63,343

[1] Figures in US$ are for information.

SSRE

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

	2022	2021	2022	2021
	RMB'000[1]	RMB'000[1]	S$'000	S$'000
Current assets	**1,516,183**	1,252,872	**292,927**	267,613
Non-current assets	**1,691**	1,450	**327**	310
Current liabilities	**(544,976)**	(402,944)	**(105,289)**	(86,069)
Non-current liabilities	**(426,333)**	(295,000)	**(82,368)**	(63,012)
Equity attributable to owners	**546,565**	556,378	**105,597**	118,842
Net loss for the year	**(9,783)**	(7,857)	**(2,010)**	(1,635)

[1] Figures in RMB are for information.

Pan-West

The Group had recognised its share of losses of $4,998,000 (2021: $4,998,000) (Note 20) being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Other than the aforementioned corporate guarantees, the Group had no other commitments in relation to Pan-West.

Since prior years, the Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment. Accordingly, the Group's nominal additional share of accumulated losses of Pan-West amounting to $8,081,000 (2021: $8,348,000) as at the end of the year was not recognised.

Joint ventures

The Group equity accounted for Greenwillow-AREI Partners Pte. Ltd. ("GAP"), TSME Mitra I Pte. Ltd. ("TSME") and TSME Mitra III Pte Ltd, which was incorporated during the year. The Group jointly controls the ventures with the other partners under the contractual agreements which require unanimous consent for all major decisions over the relevant activities. In 2021, the Group through TSME entered into a joint venture arrangement to develop a property in Karawang, east of Jakarta, into an international luxury outlet mall.

Details of the Group's significant joint ventures are disclosed in Note 43 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)

Joint ventures (cont'd)

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

	Note	2022 S$'000	2021 S$'000
Share of net assets			
At 1 January		**24,252**	–
Exchange differences on consolidation		**(3,096)**	233
Cost of initial recognition		**750**	23,000
Share of total comprehensive (loss)/income (refer to below)		**(123)**	1,019
At 31 December		**21,783**	24,252
Share of total comprehensive (loss)/income			
Share of results before fair value adjustments		**(471)**	(67)
Share of fair value gain on investment property	32	**348**	1,086
Share of total comprehensive (loss)/income for the year		**(123)**	1,019

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Amounts due from joint ventures					
- trade		**21**	–	**–**	–
- non-trade		**38**	56	**9**	36
Non-current amount due from joint venture (non-trade)		**8,000**	–	**–**	–
Allowance for impairment loss		**(11)**	(11)	**–**	–
Presented in trade and other receivables	6	**8,048**	45	**9**	36

The amounts due from joint ventures are unsecured and interest-free. The non-current amount due from joint venture is unsecured, interest-free and repayable in 2026.

Share of the joint ventures' capital commitments is disclosed in Note 39 to the financial statements.

Greenwillow-AREI Partners Pte. Ltd.

The Group has ceased recognising GAP's losses after the Group's share of accumulated losses of $16,000 exceeded the Group's cost of investment of $5,000. Accordingly, an allowance for impairment loss of $11,000 (2021: $11,000) was made for amount due from GAP (Note 6).

TSME Mitra I Pte. Ltd. and its subsidiaries

The summarised financial information of TSME Mitra I Pte. Ltd. and its subsidiaries on a 100% basis is set out below:

	2022 S$'000	2021 S$'000
Current assets	**13,629**	7,611
Non-current assets	**50,072**	41,049
Current liabilities	**(1,221)**	(156)
Non-current liabilities	**(20,399)**	–
Equity attributable to owners	**42,081**	48,504
Net (loss)/profit for the period	**(231)**	2,039

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)

Joint ventures (cont'd)

TSME Mitra III Pte. Ltd. and its subsidiaries

The summarised financial information of TSME Mitra III Pte. Ltd. and its subsidiaries on a 100% basis is set out below:

	2022 S$'000	2021 S$'000
Current assets	**1,491**	–
Current liabilities	**(7)**	–
Equity attributable to owners	**1,484**	–
Net loss for the period	**(16)**	–

17 Investment in financial asset

	Group	
	2022 $'000	2021 $'000
Investment in equity instrument designated at fair value through other comprehensive income ("FVTOCI")		
Unquoted equity shares	**26,192**	29,639

The investment in unquoted equity investment represents a 2.26% investment in an investment holding company which owns a subsidiary in the property development business. The investee is a related party which is controlled by the majority shareholder of the Group. The fair value of the investment as at 31 December 2022 was determined by reference to the fair value of the underlying assets and the valuation was carried out by an independent valuer. Based on the valuation, a fair value loss of $3,447,000 (2021: fair value gain of $296,000) was recognised in other comprehensive income (Note 35).

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

As at 31 December 2022 and 2021, the fair value measurement of the Group's financial asset at fair value through other comprehensive income is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation methodologies and significant unobservable inputs used in the fair value measurement as at 31 December 2022 and 2021 are as follows:

Financial asset at FVTOCI	Fair value (net assets) 2022 $'000	Fair value (net assets) 2021 $'000	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Unquoted equity shares	**26,192**	29,639	Income approach	Revenue growth rate[(1)] Discount rate[(2)]	**6% - 8%** **11.4%**	0% - 8% 10.7%

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18 Deferred tax assets and liabilities

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

	Group	
	2022	**2021**
	$'000	**$'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**257**	176
Revaluation of properties	**4,265**	4,720
Foreign income not remitted and which will be subject to tax if remitted in the future	**47,625**	46,708
Unutilised tax losses	**(7,604)**	(6,806)
Others	**(911)**	407
	43,632	45,205
Represented by:		
Deferred tax assets	**(1,566)**	(172)
Deferred tax liabilities	**45,198**	45,377
	43,632	45,205

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

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

	Note	Accelerated tax depreciation	Deferred development costs	Revaluation of properties	Foreign income not remitted	Unutilised tax losses	Others	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
At 1 January 2022		**176**	**–**	**4,720**	**46,708**	**(6,806)**	**407**	**45,205**
Exchange differences on consolidation		**(19)**	**–**	**(453)**	**(3,174)**	**298**	**96**	**(3,252)**
Transfer from income tax payable		**–**	**–**	**(35)**	**–**	**–**	**46**	**11**
Charged/(Credited) to profit or loss	34	**100**	**–**	**33**	**(1,371)**	**(1,096)**	**(1,460)**	**(3,794)**
Charged to other comprehensive income	35	**–**	**–**	**–**	**5,462**	**–**	**–**	**5,462**
At 31 December 2022		**257**	**–**	**4,265**	**47,625**	**(7,604)**	**(911)**	**43,632**
At 1 January 2021		164	2,121	4,331	44,689	(5,967)	(200)	45,138
Exchange differences on consolidation		(1)	–	206	(1,096)	87	16	(788)
Transfer to income tax payable		–	(2,121)	32	–	–	(32)	(2,121)
Charged/(Credited) to profit or loss	34	13	–	151	522	(926)	623	383
Credited to other comprehensive income	35	–	–	–	2,593	–	–	2,593
At 31 December 2021		176	–	4,720	46,708	(6,806)	407	45,205

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18 Deferred tax assets and liabilities (cont'd)

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $32,118,000 (2021: $34,433,000) on account of a provision made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

Deferred tax liabilities not recognised

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $296,000 (2021: $289,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $51,538,000 (2021: $43,880,000) and capital allowances of $27,308,000 (2021: $30,524,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset has been recognised due to the unpredictability of the relevant future profit streams.

19 Loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Short-term borrowings				
Bank loans	**332,133**	358,977	**–**	–
Notes issued under secured MTN Programme	**–**	199,529	**–**	–
	332,133	558,506	**–**	–
Long-term borrowings				
Bank loans	**806,418**	597,554	**–**	–
Notes issued under unsecured MTN Programme	**139,610**	196,668	**139,610**	196,668
	946,028	794,222	**139,610**	196,668
Total borrowings	**1,278,161**	1,352,728	**139,610**	196,668
Represented by:				
Interest-bearing liabilities	**1,282,778**	1,358,919	**141,750**	200,000
Capitalised finance costs	**(4,617)**	(6,191)	**(2,140)**	(3,332)
	1,278,161	1,352,728	**139,610**	196,668
Security profile				
Secured borrowings				
Current	**330,894**	557,291	**–**	–
Non-current	**803,972**	593,869	**–**	–
	1,134,866	1,151,160	**–**	–
Unsecured borrowings				
Current	**1,239**	1,215	**–**	–
Non-current	**142,056**	200,353	**139,610**	196,668
	143,295	201,568	**139,610**	196,668
Total borrowings	**1,278,161**	1,352,728	**139,610**	196,668

In FY2022, the Group has a secured loan of $270,000,000 due in June 2023. Subsequent to the year ended 31 December 2022, the Group received a term-sheet subject to documentation and final credit approval from the lenders to refinance the loan with a new maturity date in July 2026.

In FY2021, the Group had a secured loan of $105,060,000 due in August 2022. On 2 March 2022, the loan agreement was executed and the maturity date was extended to August 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 Loans and borrowings (cont'd)

Multicurrency Medium Term Note Programme

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

The Company issued S$65 million Series III notes on 19 May 2020. The Series III notes have a tenor of two years and bear a fixed interest rate of 7.75% per annum payable semi-annually in arrears. The Company purchased S$40 million of the notes on 15 October 2021 under a tender offer and redeemed the remaining S$25 million notes on 29 November 2021 at 102% of the principal amounts, resulting in a loss on extinguishment of financial liability (Note 31).

The Company issued S$200 million Series IV notes on 18 October 2021. The Series IV notes have a tenor of three years and bear a fixed interest rate of 6.90% per annum payable semi-annually in arrears. The Company purchased S$58.25 million of the notes on 18 November 2022 under a tender offer at 101% of the principal amounts, resulting in a loss on extinguishment of financial liability (Note 31).

The Company's wholly owned subsidiary, Superluck Properties Pte Ltd ("Superluck"), has on 13 October 2019, established a S$500 million secured multicurrency medium term note programme, unconditionally and irrevocably guaranteed by the Company. Superluck issued S$200 million Series I notes on 18 October 2019. The Series I notes have a tenor of three years and bear a fixed rate of 2.80% per annum payable semi-annually in arrears. The notes were redeemed in full on 18 October 2022.

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and cash equivalents (Note 5), trade and other receivables (Note 6), inventories (Note 9), development properties (Note 10), property, plant and equipment (Note 12), investment properties (Note 14) and covered by corporate guarantees (Note 40).

Interest rate profile

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Loans and borrowings				
Fixed rate	**143,295**	500,837	**139,610**	196,668
Variable rate	**1,134,866**	851,891	**–**	–
	1,278,161	1,352,728	**139,610**	196,668

The Group's exposure to fair value interest rate risk as at 31 December 2022 is disclosed in Note 41(b) to the financial statements.

Fair value

The fair value of the current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period because these are short term in nature. The fair value of the non-current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in Notes 41(a) and 41(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 25 March 2024 to 18 November 2025 (2021: 30 June 2023 to 18 November 2025). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 41(d) to the financial statements.

Reconciliation of liabilities arising from financing activities

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

	1 January 2022	Financing cash flow(i)	New lease liabilities	Foreign exchange movement	Other changes(ii)	31 December 2022
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings(1)	**1,352,728**	**(52,078)**	**–**	**(23,951)**	**1,462**	**1,278,161**
Lease liabilities	**114**	**(58)**	**17**	**(3)**	**2**	**72**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 Loans and borrowings (cont'd)

Reconciliation of liabilities arising from financing activities (cont'd)

	1 January 2021 $'000	Financing cash flow[i] $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes[ii] $'000	31 December 2021 $'000
Group						
Loans and borrowings[1]	1,757,651	(396,340)	–	(9,350)	767	1,352,728
Lease liabilities	138	(54)	58	(2)	(26)	114

[1] Includes borrowings of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 1 January 2021.
[i] The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.
[ii] Other changes include capitalised finance costs and payments.

20 Trade and other payables

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade					
Trade payables - current		**11,921**	11,392	**–**	–
Non-trade					
Other creditors		**29,716**	29,896	**1,029**	563
Other provisions		**2,551**	6,573	**–**	–
Advanced billings		**10,078**	8,128	**–**	–
Accrued operating expenses		**39,966**	26,457	**8,007**	6,808
Accrued interest expenses		**5,980**	5,404	**2,010**	2,836
Financial guarantees to subsidiaries	15	**–**	–	**11,033**	4,862
Amounts due to subsidiaries	21	**–**	–	**528,616**	562,555
Amounts due to related parties	22	**–**	2,311	**–**	–
		88,291	78,769	**550,695**	577,624
Less: non- current portion		**(338)**	(400)	**–**	–
Total non-trade payables - current		**87,953**	78,369	**550,695**	577,624
Total trade and other payables - current		**99,874**	89,761	**550,695**	577,624
Total trade and other payables - non-current		**338**	400	**–**	–

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 7 to 90 days (2021: 7 to 90 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities (Note 41(d)).

Included in other creditors of the Group is a financial guarantee of $4,998,000 (2021: $4,998,000) granted to its associate, Pan-West, being the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary (Note 16).

The carrying amount of trade and other payables approximate their fair values at the end of the reporting periods. Further details regarding the contractual and effective interest rates, maturity dates and foreign currency denomination are disclosed in Note 41 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21 Amounts due from/(to) subsidiaries

	Company	
	2022	2021
	$'000	$'000
Amounts due from subsidiaries - non-trade		
- Interest bearing	**–**	144,000
- Interest free	**485,268**	286,583
	485,268	430,583
Less: Allowance for impairment	**(39,982)**	(29,830)
	445,286	400,753
Amounts due to subsidiaries - non-trade		
- Interest bearing	**(142,080)**	(142,080)
- Interest free	**(386,536)**	(420,475)
	(528,616)	(562,555)
Movement in allowance for impairment		
At 1 January	**(29,830)**	(24,276)
Allowance made	**(10,152)**	(5,554)
At 31 December	**(39,982)**	(29,830)

Amounts due from/(to) subsidiaries are generally unsecured and are repayable on demand. Interest-bearing advances due from and to subsidiaries are charged at weighted average interest of Nil% (2021: 6.9%) per annum and 4.0% (2021: 1.8%) per annum respectively.

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

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

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

During the year, allowance for impairment of $10,152,000 (2021: $5,554,000) was made for amounts due from subsidiaries.

22 Amounts due from/(to) related parties

		Group	
	Note	2022	2021
		$'000	$'000
Amounts due from related parties:			
Trade – current	(a)	**295**	6,973
Non-trade – current			
- Loan	(b)	**–**	5,838
- Others		**–**	2
Total		**295**	12,813
Presented as:			
Amounts due from related parties, trade	6	**295**	6,973
Amounts due from related parties, non-trade	6	**–**	5,840
		295	12,813
Amounts due to related parties:			
Non-trade – current	20	**–**	(2,311)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22 Amounts due from/(to) related parties (cont'd)

a) Included in the trade and other receivables of SP Corporation Limited ("SP Corp") as at 31 December 2021 were:

(i) An amount of $5,617,000 due from a related party, of which $5,206,000 was secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $18,714,000. Management had performed an impairment assessment and a loss allowance of $411,000, representing the interest on overdue trade receivables, was provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the related party repaid the outstanding amount of $5,206,000 in full.

(ii) An amount of $2,443,000 due from another related party. Management had performed an impairment assessment for the balance outstanding as at year end and a loss allowance of $1,082,000, representing the interest on overdue trade receivables, was provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the outstanding balance of $1,361,000 was fully repaid.

b) The loan of $5,000,000 to a related party was repayable within two years from 8 October 2019 and bore a fixed interest rate of 7.5% per annum. The loan was secured by the equity stake of 19.17% held by a minority shareholder in the related party. Upon maturity, the related party exercised the option to extend the loan and accrued interest totalling $5,750,000 for another year from 8 October 2021. The loan and interest receivables were repaid during the year.

23 Contract liabilities

Contract liabilities represent amounts of consideration billed to purchasers of the development properties in advance of the revenue recognised to-date based on the stage of completion of construction. As at 1 January 2021, contract liabilities amounted to $Nil.

24 Share capital

	Group and Company			
	2022	**2021**	**2022**	**2021**
	Number of shares ('000)		**$'000**	**$'000**
Issued and paid up:				
At 1 January	**1,201,565**	1,187,490	**181,695**	176,234
Issued under Scrip Dividend Scheme	**16,991**	14,680	**5,930**	5,461
Shares bought back and held as treasury shares	**(512)**	(605)	**–**	–
At 31 December	**1,218,044**	1,201,565	**187,625**	181,695

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

Issue of shares
During the year, the Company allotted and issued 16,991,000 (2021: 14,680,000) ordinary shares at an issue price of 34.9 cents (2021: 37.2 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.7 cent per share for the financial year ended 31 December 2021 (2021: 0.6 cent per share for the financial year ended 31 December 2020).

25 Treasury shares

	Group and Company			
	2022	**2021**	**2022**	**2021**
	Number of shares ('000)		**$'000**	**$'000**
At 1 January	**12,365**	11,760	**4,167**	3,891
Repurchased during the year	**512**	605	**202**	276
At 31 December	**12,877**	12,365	**4,369**	4,167

During the year, the Company acquired 512,000 (2021: 605,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $202,000 (2021: $276,000) and has been deducted from shareholders' equity. The shares are held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26 Reserves

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Asset revaluation reserve	**142,718**	127,916	**–**	–
Foreign currency translation account	**(79,843)**	(39,452)	**–**	–
Capital reserves	**226,187**	234,362	**101,264**	101,264
Investment revaluation reserve	**(4,724)**	(1,277)	**–**	–
Revenue reserve	**755,692**	751,123	**300,631**	308,868
	1,040,030	1,072,672	**401,895**	410,132

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

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

Capital reserves
Capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech, distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed and differences between the amounts by which the non-controlling interests are adjusted and the fair value of consideration paid for acquisition of additional interests in existing subsidiaries.

Investment revaluation reserve
Investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investment in equity instrument designated at FVTOCI.

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

27 Dividend

	Group and Company	
	2022	2021
	$'000	$'000
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**2,478**	1,663
Share	**5,930**	5,461
	8,408	7,124

The Directors proposed a tax exempt one-tier first and final dividend of 0.7 cent (2021: 0.7 cent) per share amounting to $8,526,000 (2021: $8,408,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, to be paid in respect of the financial year ended 31 December 2022.

28 Revenue

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28 Revenue (cont'd)

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

	Note	Group 2022 $'000	Group 2021 $'000
Segment Revenue			
Revenue from contracts with customers:			
Sale of products		**9,213**	59,217
Sale of development properties and services rendered		**78,027**	91,643
Hotel operations and related income		**85,450**	45,096
Services rendered		**186**	169
Others		**9,248**	6,909
		182,124	203,034
Rental income from investment properties	14	**43,173**	45,680
		225,297	248,714
At a point of time:			
Sale of products		**9,213**	59,217
Sale of completed development properties		**–**	37,424
Hotel operations – food and beverage		**23,209**	14,269
Over time:			
Sale of development properties under construction		**77,983**	53,714
Hotel operations – room sales and other income		**62,241**	30,827
Services rendered		**230**	674
Others		**9,248**	6,909
		182,124	203,034

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is an amount of $77,983,000 (2021: $53,714,000) whereby the revenue is recognised based on the stage of completion method.

As at 31 December 2022, the transaction price allocated to performance obligations that are partially satisfied amounted to $61,811,000 (2021: $58,694,000). Management expects this amount to be recognised as revenue during the next financial period.

29 Other net operating (expenses)/income

	Group 2022 $'000	Group 2021 $'000
Bad debts written off	**(145)**	(104)
Foreign exchange (loss)/gain, net	**(6,114)**	1,705
Government grant income	**128**	3,579
Net gain on disposal of a subsidiary	**–**	88,953
Write back of allowance/(Allowance) for doubtful trade and other receivables, net	**126**	(914)
Other income/(expenses)	**875**	(388)
	(5,130)	92,831

30 Interest income

	Group 2022 $'000	Group 2021 $'000
Interest income on bank deposits	**4,105**	1,694
Interest income from debtors	**–**	30
Interest income from related parties	**288**	632
Interest income – others	**137**	–
	4,530	2,356

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31 Finance costs

	Group	
	2022	**2021**
	$'000	**$'000**
Interest expense on loans and borrowings	**46,708**	34,437
Amortisation of capitalised finance costs	**3,451**	8,224
Loss on extinguishment of financial liability	**583**	1,300
Interest expense on lease liabilities	**11**	3
	50,753	43,964

32 Fair value adjustments

	Group	
	2022	**2021**
	$'000	**$'000**
Fair value gain/(loss) from:		
- Subsidiaries	**2,894**	(4,169)
- Share of equity accounted investees	**(2,588)**	735
	306	(3,434)
Represented by:		
Fair value adjustments in respect of:		
- investment properties	**6,106**	(3,012)
- property, plant and equipment	**(2,864)**	(71)
- financial instruments	**(2,936)**	(351)
	306	(3,434)

The fair value adjustments are analysed as follows:

		Group		
	Note	**Gross**	**Deferred tax**	**Net**
		$'000	**$'000**	**$'000**
31 December 2022				
Fair value gain on investment properties				
Subsidiaries	14	**5,758**	**2,588**	**8,346**
Share of an equity accounted investee	16	**348**	**–**	**348**
		6,106	**2,588**	**8,694**
Revaluation loss on property, plant and equipment				
Subsidiaries	12	**(2,864)**	**859**	**(2,005)**
Fair value loss on financial instruments				
Share of an equity accounted investee	16	**(2,936)**	**–**	**(2,936)**
		306	**3,447**	**3,753**
31 December 2021				
Fair value gain/(loss) on investment properties				
Subsidiaries	14	(4,098)	(2,083)	(6,181)
Share of an equity accounted investee	16	1,086	–	1,086
		(3,012)	(2,083)	(5,095)
Revaluation loss on property, plant and equipment				
Subsidiaries	12	(71)	21	(50)
Fair value loss on financial instruments				
Share of an equity accounted investee	16	(351)	–	(351)
		(3,434)	(2,062)	(5,496)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33 Profit before tax

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

	Group	
	2022	**2021**
	$'000	**$'000**
Allowance/(Write-back of allowance) for diminution in value for development properties (included in cost of sales)	**450**	(499)
Expenses relating to short term leases (included in administrative expenses)	**97**	39
Cost of inventories recognised as an expense	**5,191**	57,613
Net gain on disposal of property, plant and equipment (included in other net operating income/expenses)	**(9)**	(3)
Property, plant and equipment written off (included in other net operating income/expenses)	**993**	260
Auditors' remuneration[1]		
Audit fees:		
- Auditors of the Company	**459**	470
- Other auditors	**281**	294
Non-audit fees:		
(i) Audit related services		
- Auditors of the Company	**38**	88
(ii) Non-audit related services		
- Auditors of the Company	**79**	105
- Other auditors	**81**	160
Directors' remuneration		
Of the Company:		
- Salaries and wages	**2,390**	2,241
Of the subsidiaries:		
- Salaries and wages	**592**	410
- Defined contribution plans	**21**	20
	3,003	2,671
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	**44,196**	37,381
- Defined contribution plans	**3,937**	1,693
- Others	**5,702**	652
	53,835	39,726

[1] The Audit and Risk Committee has reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and is of the opinion that these services would not affect the independence of the auditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34 Income tax (credit)/expense

	Note	Group 2022 $'000	Group 2021 $'000
Current income tax:			
- Current		**201**	1,677
- (Over)/Underprovision in prior years		**(1,754)**	192
		(1,553)	1,869
Deferred tax:			
- Origination and reversal of temporary differences		**(3,794)**	1,036
- Overprovision in prior years		**–**	(653)
	18	**(3,794)**	383
Withholding tax		**3,231**	43
		(2,116)	2,295

Singapore income tax is calculated at 17% (2021: 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	Group 2022 $'000	Group 2021 $'000
Profit before income tax	**734**	84,115
Income tax calculated at 17% (2021: 17%)	**125**	14,300
Adjustments:		
Share of results of equity-accounted investees	**(5,087)**	(4,816)
Expenses not deductible for tax purposes	**5,351**	6,683
Tax losses not recognised as deferred tax assets	**2,783**	1,571
Tax losses not available for set-off against future income	**2,275**	1,875
Different tax rates of subsidiaries operating in other jurisdictions	**1,180**	1,629
Income not subject to tax	**(7,085)**	(17,273)
Utilisation of tax losses and capital allowance previously not recognised	**(1,655)**	(1,075)
Overprovision in prior years	**(1,754)**	(461)
Withholding tax expense	**3,231**	43
Others	**(1,480)**	(181)
	(2,116)	2,295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35 Other comprehensive income

	Note	Group		
		Before tax $'000	Deferred tax $'000	After tax $'000
31 December 2022				
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**20,264**	**(5,462)**	**14,802**
Fair value loss on investment in equity instrument designated at FVTOCI	17	**(3,447)**	**–**	**(3,447)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(34,975)**	**–**	**(34,975)**
Share of exchange differences on translation of equity accounted investees		**(5,333)**	**–**	**(5,333)**
		(23,491)	**(5,462)**	**(28,953)**
31 December 2021				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	6,912	(1,997)	4,915
Fair value gain on investment in equity instrument designated at FVTOCI	17	296	–	296
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(3,301)	–	(3,301)
Share of exchange differences on translation of equity accounted investees		2,752	–	2,752
Cash flow hedges		1,986	(596)	1,390
		8,645	(2,593)	6,052

In 2021, the Group used interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with notional principal amount of A$177,000,000 have fixed interest payments at a weighted average fixed rate of 1.19% per annum and have a floating interest rate of 3-month Bank Bill Swap Bid Rate. These interest rate swap contracts were terminated on 4 January 2022 following the refinancing of bank borrowings in December 2021. In 2021, the fair value change of these interest rate swaps amounting to $1,986,000 has been recognised in other comprehensive income.

36 Earnings per share

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

	Note	Group		
		Before fair value adjustments $'000	Fair value adjustments $'000	After fair value adjustments $'000
31 December 2022				
Profit before tax		**428**	**306**	**734**
Income tax (expense)/credit	32, 34	**(1,331)**	**3,447**	**2,116**
(Loss)/Profit for the year		**(903)**	**3,753**	**2,850**
Non-controlling interests		**1,741**	**–**	**1,741**
Profit attributable to owners of the Company		**838**	**3,753**	**4,591**
31 December 2021				
Profit before tax		87,549	(3,434)	84,115
Income tax expense	32, 34	(233)	(2,062)	(2,295)
Profit for the year		87,316	(5,496)	81,820
Non-controlling interests		1,842	–	1,842
Profit attributable to owners of the Company		89,158	(5,496)	83,662

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36 Earnings per share (cont'd)

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

	Group	
	2022	**2021**
	$'000	**$'000**
Profit attributable to owners of the Company		
Before fair value adjustments	**838**	89,158
Fair value adjustments	**3,753**	(5,496)
After fair value adjustments	**4,591**	83,662
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share ('000)	**1,210,093**	1,194,929
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**0.4**	7.0
Excluding fair value adjustments	**0.1**	7.5

There are no dilutive potential ordinary shares in issue for 2022 and 2021.

37 Significant related party transactions

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

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

	Group	
	2022	**2021**
	$'000	**$'000**
Transactions with major shareholder		
Sale of products and services rendered	**44**	7,250
Rental income	**1,779**	1,934
Interest income	**288**	632
Purchase of products and services[a]	**–**	(47,730)
Purchase of property, plant and equipment	**–**	(54)
MTN interest expense	**(397)**	(82)
Compensation in lieu of delivery of outstanding coal allocation	**–**	165
Recovery of reinstatement works in relation to a lease	**150**	–
Rental deposits received	**426**	–
Acquisition of non-controlling interests in subsidiaries and repayment of shareholder loans	**(6,126)**	–
Transactions with associates		
Management fee income	**–**	135
Transactions with Directors of the Company and their associates		
Option deposits received from sale of 3 property units	**–**	23
MTN interest expense	**(69)**	(60)
Transactions with key management personnel of the Group		
Sales of development properties	**–**	159
MTN interest expense	**(121)**	(91)

[a] In 2021, the Group is reliant on two related parties for the supply of 100% of its coal. In 2022, the Group did not purchase any coal from the related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37 Significant related party transactions (cont'd)

At the end of the reporting year, the Group had commitments to lease certain commercial properties to the major shareholder. These non-cancellable operating leases have remaining lease terms of 32 months to 55 months (2021: 2 months to 67 months). Future minimum lease receivables under these leases not recognised as receivables at the end of each reporting period were as follows:

Commitment with related parties

	Group	
	2022	**2021**
	$'000	**$'000**
Commitment with major shareholder		
Operating leases:		
- Within one year	**2,624**	938
- Year 2	**2,637**	452
- Year 3	**1,911**	466
- Year 4	**447**	480
- Year 5	**265**	494
- After five years	**–**	293
	7,884	3,123

Remuneration of Directors and key management personnel

	Group	
	2022	**2021**
	$'000	**$'000**
Short-term benefits and fees	**5,109**	4,796
Post-employment benefits (defined contribution plan)	**76**	77
	5,185	4,873

38 Disposal of a subsidiary

On 6 November 2020, the Group's wholly-owned subsidiary, Robinson Point Limited ("RPL"), entered into a Sale and Purchase Agreement ("SPA") to dispose 100% of the issued shares in the capital of 39 Robinson Road Pte. Ltd. which owns Robinson Point. Accordingly, all the assets and liabilities held by the disposal group were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2020.

The divestment was completed on 7 June 2021. The operations from 1 January 2021 to the date of disposal were included in the Group's real estate investment segment for segment reporting purpose (Note 4). The disposed subsidiary contributed a net profit of $1,486,000 from 1 January 2021 to 7 June 2021. The outstanding bank loans of $292,286,000 at the date of disposal was fully repaid and the net assets of disposed group were derecognised at $406,276,000.

38 Disposal of a subsidiary (cont'd)

The cash flows and the net assets at the date of disposal are provided below:

	Group
	2021
	$'000
Non-current assets	
Investment property	405,000
Current assets	
Trade and other receivables	655
Cash and cash equivalents	4,336
Total assets	409,991
Current liabilities	
Trade and other payables	(3,161)
Income tax payable	(554)
Total liabilities	(3,715)
Net assets of disposed group	406,276
Consideration	
Cash received	451,276
Deposit collected in prior year	50,000
Net cash inflow on disposal	501,276
Gain on disposal	
Total consideration	501,276
Transaction costs incurred	(6,047)
Net assets derecognised	(406,276)
Gain on disposal of a subsidiary	88,953

39 Commitments

Capital commitments

	Group	
	2022	**2021**
	$'000	**$'000**
Development and investment properties expenditure contracted for but not provided in the financial statements	**62,672**	26,103
Share of commitments of equity-accounted investees		
- Capital expenditure contracted for but not provided in the financial statements	**18,694**	17,377

Operating lease commitments - where the Group is a lessor

The Group enters into commercial property leases on its investment property portfolio under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. As at the end of the reporting period, these non-cancellable leases had remaining lease terms of between 1 month and 62 months (2021: 1 month and 69 months).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39 Commitments (cont'd)

Operating lease commitments - where the Group is a lessor (cont'd)

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

	Group	
	2022	**2021**
	$'000	**$'000**
Year 1	**39,354**	34,177
Year 2	**30,264**	26,627
Year 3	**18,414**	19,124
Year 4	**2,708**	10,393
Year 5	**1,534**	829
Year 6 and onwards	**18**	358
Total	**92,292**	91,508

40 Contingent liabilities

	Company	
	2022	**2021**
	$'000	**$'000**
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**808,965**	802,799

41 Financial instruments, financial risks and capital management

Financial risk management policies and objectives

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

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

Factors behind financial risks

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

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables and trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in Notes 41(a) and 41(b) to the financial statements.

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

There has been no major change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analyses indicated in Notes 41(a) and 41(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

Categories of financial instruments

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

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at FVTOCI	**26,192**	29,639	**–**	–
Financial assets at amortised cost	**369,056**	495,876	**509,159**	592,059
	395,248	525,515	**509,159**	592,059
Financial liabilities				
Financial liabilities at amortised cost	**1,363,297**	1,429,763	**679,272**	769,430
Financial guarantee contracts	**4,998**	4,998	**11,033**	4,862
Lease liabilities	**72**	114	**212**	8,812
	1,368,367	1,434,875	**690,517**	783,104

(a) Foreign currency risk management

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

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

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

Currency risk exposure

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

	SGD	**USD**	**AUD**	**Others**
	$'000	**$'000**	**$'000**	**$'000**
Group				
31 December 2022				
Financial assets				
Cash and cash equivalents	**335**	**1,400**	**50,535**	**60**
Trade and other receivables	**–**	**281**	**383**	**–**
	335	**1,681**	**50,918**	**60**
Financial liabilities				
Trade and other payables	**(60)**	**(323)**	**(36)**	**(7)**
Net financial assets	**275**	**1,358**	**50,882**	**53**
Net currency exposure	**275**	**1,358**	**50,882**	**53**
31 December 2021				
Financial assets				
Cash and cash equivalents	2,330	51,026	13,947	653
Trade and other receivables	30	961	–	33
	2,360	51,987	13,947	686
Financial liabilities				
Trade and other payables	(293)	(35)	–	(81)
Net financial assets	2,067	51,952	13,947	605
Net currency exposure	2,067	51,952	13,947	605

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(a) Foreign currency risk management (cont'd)

Currency risk exposure (cont'd)

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

	USD $'000	AUD $'000	MYR $'000
Company			
At 31 December 2022			
Financial assets			
Cash and cash equivalents	**1,367**	**50,535**	**–**
Trade and other receivables	**180**	**383**	**–**
	1,547	**50,918**	**–**
Financial liabilities			
Trade and other payables	**(88)**	**(36)**	**–**
Net financial assets	**1,459**	**50,882**	**–**
Net currency exposure	**1,459**	**50,882**	**–**
At 31 December 2021			
Financial assets			
Cash and cash equivalents	50,317	13,947	–
Trade and other receivables	–	–	83
	50,317	13,947	83
Financial liabilities			
Trade and other payables	–	(36,331)	–
Net financial (liabilities)/assets	50,317	(22,384)	83
Net currency exposure	50,317	(22,384)	83

Sensitivity analysis for currency risk

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

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit or loss may increase (decrease) by:

	SGD		USD	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Group				
Profit or Loss	**(28)**	(207)	**(136)**	(5,195)
Company				
Profit or Loss	**–**	–	**(146)**	(5,032)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(a) Foreign currency risk management (cont'd)

Sensitivity analysis for currency risk (cont'd)

	AUD		Others	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Group				
Profit or Loss	**(5,088)**	(1,395)	**(5)**	(61)
Company				
Profit or Loss	**(5,088)**	2,238	**(19)**	(8)

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

(b) Interest rate risk management

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

The Group's exposure to interest rate risk arises mainly from variable rate bank loans and borrowings based on Swap Offer Rate ("SOR") or Singapore Interbank Offered Rate ("SIBOR"). The Group aims to optimize net interest cost and to reduce volatility in the finance cost. The Group borrows mainly variable rate debts with varying tenures. A summary of the Group's interest-bearing financial instruments is disclosed in Note 41(d) to these financial statements.

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

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the Association of Banks in Singapore ("ABS"), the Singapore Foreign Exchange Market Committee ("SFEMC"), and the Steering Committee for SOR Transition to SORA (SC-STS) ("IBOR Committees"). The IBOR Committees have confirmed that the Singapore Swap Offer Rate will be discontinued by 30 June 2023 and the SIBOR on a phased basis by 31 December 2024 respectively, and replaced by the Singapore Overnight Rate Average ("SORA").

As at 31 December 2022, the Group has transitioned bank borrowings linked to SOR amounting to $1,134,025,000 to SORA. The Group is in the final stages of discussions with the counterparties for the remaining SIBOR and SOR-linked bank borrowings amounting to $841,000. The Group does not have any non-derivative financial assets and derivatives that are referenced to interest rate benchmark subject to interest rate benchmark reform.

Sensitivity analysis for interest rate risk

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

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit before tax would decrease or increase by $10,616,000 (2021: $8,129,000) and the Company's profit before tax would decrease or increase by $1,421,000 (2021: $1,421,000).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

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

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

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

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
31 December 2022						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**5,889**	**(182)**	**5,707**
Amount due from related parties	22	(i)	Lifetime ECL (simplified approach)	**295**	**–**	**295**
Amount due from joint venture	16	Performing	12-month ECL	**8,000**	**–**	**8,000**
Other receivables	6	(ii)	12-month ECL	**23,739**	**–**	**23,739**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**83**	**(83)**	**–**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**79,327**	**–**	**79,327**
					(265)	
31 December 2021						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	9,896	(346)	9,550
Amount due from related parties	22	(i)	Lifetime ECL (simplified approach)	8,468	(1,493)	6,975
Loan to a related party	22	Performing	12-month ECL	5,838	–	5,838
Other receivables	6	(ii)	12-month ECL	11,410	–	11,410
Other receivables	6	In default	Lifetime ECL - credit-impaired	125	(125)	–
Contract assets	7	(i)	Lifetime ECL (simplified approach)	57,059	–	57,059
					(1,964)	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company						
31 December 2022						
Other receivables	6	(ii)	12-month ECL	**946**	**–**	**946**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**72**	**(72)**	**–**
Amount due from subsidiaries	21	Performing	12-month ECL	**445,286**	**–**	**445,286**
Amount due from subsidiaries	21	In default	Lifetime ECL - credit-impaired	**39,982**	**(39,982)**	**–**
					(40,054)	
31 December 2021						
Other receivables	6	(ii)	12-month ECL	645	–	645
Other receivables	6	In default	Lifetime ECL - credit-impaired	72	(72)	–
Amount due from subsidiaries	21	Performing	12-month ECL	400,753	–	400,753
Amount due from subsidiaries	21	In default	Lifetime ECL - credit-impaired	29,830	(29,830)	–
					(29,902)	

(i) For trade receivables, contract assets and amount due from related parties, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Notes 6 and 7 include further details on the loss allowance for these receivables.

(ii) For other receivables, the Group monitors the credit risk of other receivables based on the past due information, as well as those quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, to assess if there has been any significant increase in credit risk since initial recognition of the financial assets. Accordingly, the other receivables are measured on 12-month ECL or lifetime ECL, depending on whether there has been significant increase in the credit risk. Note 6 includes further details on the loss allowance for these receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

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

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

With respect to trade and other receivables at the end of the reporting year, there were no trade receivables with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2022. As at 31 December 2021, trade amounts due from related parties included an amount of $8,060,000 which comprised 2 major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

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

	Group	
	2022	2021
	$'000	$'000
By geographical area		
Singapore	**1,169**	4,451
Australia	**3,046**	4,507
China (Including Hong Kong)	**294**	269
Malaysia	**1,491**	2,006
Indonesia	**23**	5,235
United States of America (USA)	**–**	55
	6,023	16,523
By type of customers		
Related parties	**316**	6,973
Non-related parties	**5,707**	9,550
	6,023	16,523
By operating segments		
Real Estate Investment	**1,994**	5,412
Real Estate Development	**341**	11
Hospitality	**2,197**	2,468
Industrial Services	**1,491**	8,632
	6,023	16,523

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(d) Liquidity risk

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

Analysis for liquidity and interest risk – non-derivative financial liabilities

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

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

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Group						
31 December 2022						
Non-interest bearing	**–**	**84,798**	**338**	**–**	**–**	**85,136**
Lease liabilities (Fixed rate)	**2.0 – 3.6**	**35**	**31**	**9**	**(3)**	**72**
Fixed interest rate instruments	**2.0 – 6.9**	**11,082**	**150,849**	**1,192**	**(19,828)**	**143,295**
Variable interest rate instruments	**3.3 – 4.6**	**367,972**	**435,548**	**406,351**	**(75,005)**	**1,134,866**
Financial guarantee contracts	**–**	**4,998**	**–**	**–**	**–**	**4,998**
		468,885	**586,766**	**407,552**	**(94,836)**	**1,368,367**
31 December 2021						
Non-interest bearing	–	76,635	400	–	–	77,035
Lease liabilities (Fixed rate)	2.0 – 3.6	57	48	15	(6)	114
Fixed interest rate instruments	2.0 – 6.9	321,268	15,039	213,448	(48,918)	500,837
Variable interest rate instruments	1.0 – 1.8	212,612	332,085	337,648	(30,454)	851,891
Financial guarantee contracts	–	4,998	–	–	–	4,998
		615,570	347,572	551,111	(79,378)	1,434,875
Company						
31 December 2022						
Non-interest bearing	**–**	**397,582**	**–**	**–**	**–**	**397,582**
Lease liabilities (Fixed rate)	**2.0 – 2.8**	**196**	**10**	**7**	**(1)**	**212**
Fixed interest rate instruments	**6.9**	**9,781**	**149,548**	**–**	**(19,719)**	**139,610**
Variable interest rate instruments	**4.0**	**147,807**	**–**	**–**	**(5,727)**	**142,080**
Financial guarantee contracts	**–**	**11,033**	**–**	**–**	**–**	**11,033**
		566,399	**149,558**	**7**	**(25,447)**	**690,517**
31 December 2021						
Non-interest bearing	–	430,171	–	–	–	430,171
Other provision (Fixed rate)	2.8	202	34	307	(32)	511
Lease liabilities (Fixed rate)	2.0 – 2.8	3,097	2,173	3,975	(433)	8,812
Fixed interest rate instruments	6.9	13,800	13,800	211,002	(41,934)	196,668
Variable interest rate instruments	1.8	144,617	–	–	(2,537)	142,080
Financial guarantee contracts	–	4,862	–	–	–	4,862
		596,749	16,007	215,284	(44,936)	783,104

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(d) Liquidity risk (cont'd)

At the end of the reporting year, the maximum amount that the Company could be forced to settle under the financial guarantee contracts if the full guaranteed amounts are claimed by the counterparties to the guarantees is $808,965,000 (2021: $802,799,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

As at the end of the reporting year, the Group's total obligation on guarantees in connection with Pan-West's bank facilities amounted to $4,998,000 (2021: $4,998,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

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

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

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2022							
Non-interest bearing	**–**	**161,293**	**–**	**8,010**	**–**	**–**	**169,303**
Variable interest rate instruments	**0.01 – 3.4**	**73,310**	**–**	**–**	**–**	**(36)**	**73,274**
Fixed interest rate instruments	**1.3 – 4.5**	**126,696**	**–**	**–**	**–**	**(217)**	**126,479**
		361,299	**–**	**8,010**	**–**	**(253)**	**369,056**
31 December 2021							
Non-interest bearing	–	212,503	–	–	–	–	212,503
Variable interest rate instruments	0.01 – 1.5	38,978	–	–	–	(34)	38,944
Fixed interest rate instruments	0.02 – 8.0	246,528	–	–	–	(2,099)	244,429
		498,009	–	–	–	(2,133)	495,876
Company							
31 December 2022							
Fixed interest rate instruments	**1.3**	**55,577**	**–**	**–**	**–**	**(160)**	**55,417**
Non-interest bearing	**–**	**453,742**	**–**	**–**	**–**	**–**	**453,742**
		509,319	**–**	**–**	**–**	**(160)**	**509,159**
31 December 2021							
Fixed interest rate instruments	0.4 – 7.5	292,144	–	–	–	(10,087)	282,057
Non-interest bearing	–	310,002	–	–	–	–	310,002
		602,146	–	–	–	(10,087)	592,059

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(e) Fair value of financial assets and financial liabilities

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

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

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

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

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

At the end of each reporting period, the Group's FVTOCI was measured based on Level 3. The fair value of the investment as at 31 December 2022 was determined by reference to the fair value of underlying assets and the valuation was carried out by an independent valuer.

Reconciliation of Level 3 fair value measurement:

	Group	
	2022	**2021**
	$'000	**$'000**
Balance at 1 January	**29,639**	29,343
Fair value (loss)/gain	**(3,447)**	296
Balance at 31 December	**26,192**	29,639

(f) Capital management policies and objectives

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

The capital structure of the Group consists of loans and borrowings disclosed in Note 19, issued share capital and reserves as disclosed in Notes 24 and 26 to the financial statements respectively.

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

The Group monitors capital risks through measuring the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in Note 19, less cash and cash equivalents as disclosed in Note 5 to the financial statements.

	Group	
	2022	**2021**
	$'000	**$'000**
Total borrowings	**1,278,161**	1,352,728
Total equity	**1,224,827**	1,264,417
Gross gearing (times)	**1.04**	1.07
Net borrowings	**1,026,173**	947,684
Total equity	**1,224,827**	1,264,417
Net gearing (times)	**0.84**	0.75

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(g) Equity price risk management

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

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. In respect of equity investment at FVTOCI, if equity price had been 10% higher/lower while all other variables were held constant, the Group's asset revaluation reserve would increase/decrease by approximately $2,619,000 (2021: $2,964,000).

42 Listing of significant subsidiaries

Information relating to the significant subsidiaries is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest and voting power held by the Group	
				2022 %	2021 %
Significant subsidiaries directly held by the Company					
Calypso Construction Management Pte. Ltd.		Construction management	Singapore	**100**	100
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Episcia Land Pte. Ltd.		Property development	Singapore	**100**	100
Gerbera Land Pte. Ltd.		Property investment	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
Pemimpin Properties Pte Ltd		Property investment	Singapore	**100**	100
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100
Significant subsidiaries indirectly held by the Company					
GH Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
Grand Hotel Company Pty Limited	(i)	Investment holding	Australia	**100**	100
Grand Hotel Management Pty Limited	(i)	Trustee	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
Hainan Jiayuan Business Management Co., Ltd.	(ii)	Property investment	China	**100**	–
HR Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(i)	Property development	Indonesia	**100**	90
PT Titian Damai Mandiri	(i)	Property development	Indonesia	**100**	100

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

(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(ii) Analytical review performed for purpose of consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

43 Listing of significant associates and joint ventures

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions. Joint ventures are those in which the Group has joint control of the arrangement and has equal rights to net assets of the joint arrangement.

Information relating to the significant associates and joint venture is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest and voting power held by the Group	
				2022	**2021**
				%	**%**
Gul Technologies Singapore Pte. Ltd. ("GulTech")	(i)	Investment holding	Singapore	**44.5**	44.5
Gultech (Jiangsu) Electronics Technologies Co., Ltd (held through GulTech)	(ii)	Manufacture of printed circuit boards	China	**36.7**	36.7
Sanya Summer Real Estate Co. Ltd	(iii),(iv)	Property development	China	**7.8**	7.8
PT Karawang Outlet Mall	(ii)	Property development and investment	Indonesia	**50.0**	50.0

(i) Audited by Deloitte & Touche LLP, Singapore.

(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(iii) Analytical review performed for purpose of consolidation.

(iv) The Group has significant influence via representation on the board of directors, and participation in policy-making processes.

44 Reclassification and comparative figures

For better presentation of the expenses by function, the Group has presented certain income/expenses previously classified under cost of sales and other net operating income to revenue, administrative expenses and distribution costs for the year ended 31 December 2022. Comparative figures have been reclassified accordingly and there is no impact to the profit for the year ended 31 December 2021.

	Group	
	2021	
	As reclassified	**As previously reported**
	$'000	**$'000**
Revenue	**248,714**	245,341
Cost of sales	**(178,591)**	(188,536)
Other net operating income	**92,831**	92,788
Distribution costs	**(12,268)**	(9,042)
Administrative expenses	**(49,861)**	(39,726)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

45 Adoption of new and revised standards

On 1 January 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

46 Standards issued but not effective

At the date of authorisation of these financial statements, the Group and the Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

<u>Effective for annual periods beginning on or after 1 January 2023</u>

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

<u>Effective for annual periods beginning on or after 1 January 2024</u>

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

SGX-ST LISTING MANUAL REQUIREMENTS

31 DECEMBER 2022

		Group			
		Aggregate value of all interested person transactions (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Name of interested persons	**Nature of relationship**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
		$'000	**$'000**	**$'000**	**$'000**
Nuri Holdings (S) Pte Ltd and associates	Nuri Holdings (S) Pte Ltd is the Company's major shareholder and controlling shareholder.				
Rendering of corporate support to an interested person		**–**	–	**–**	103
Lease and recovery of reinstatement works from an interested person		**–**	–	**7,239**	1,455
Michelle Liem Mei Fung and associates	Michelle Liem Mei Fung is a deemed controlling shareholder of the Company.				
Rendering of consultancy services to an interested person		**–**	–	**300**	–
Acquisition of remaining 10% in 2 subsidiaries from an interested person by way of cash and repayment of shareholders' loan		**6,126**	–	**–**	–
Michelle Liem Mei Fung and Tan Enk Ee and associates	Michelle Liem Mei Fung and Tan Enk Ee are deemed controlling shareholders of the Company.				
Rendering of corporate support to an interested person		**–**	–	**–**	240
Acquisition of commercial property units from an interested person		**21,273**	–	**–**	–
William Nursalim alias William Liem and associates	William Nursalim alias William Liem is the Executive Director/ Chief Executive Officer and a deemed controlling shareholder of the Company.				
Interest expenses for Series IV unsecured Notes subscribed by an interested person		**–**	–	**–**	207
Sale of 3 property units to an interested person		**–**	2,241	**–**	–
William Nursalim alias William Liem and Liem Mei Kim and associates	William Nursalim alias William Liem is the Executive Director/ Chief Executive Officer and a deemed controlling shareholder of the Company. Liem Mei Kim is a sister of William Liem.				
Interest income from loan to an interested person		**–**	–	**–**	375
William Nursalim alias William Liem, Michelle Liem Mei Fung and Tan Enk Ee and associates	William Nursalim alias William Liem is the Executive Director/ Chief Executive Officer of the Company. William Liem, Michelle Liem Mei Fung and Tan Enk Ee are deemed controlling shareholders of the Company.				
Interest expenses for Series IV unsecured Notes subscribed by an interested person		**–**	–	**–**	1,035
Tan Enk Ee and associates	Tan Enk Ee is a deemed controlling shareholder of the Company.				
Interest expenses for Series IV unsecured Notes subscribed by an interested person		**–**	–	**–**	155
Aggregated interested person transactions		**27,399**	2,241	**7,539**	3,570

SGX-ST LISTING MANUAL REQUIREMENTS

31 DECEMBER 2022

MATERIAL CONTRACTS
– Listing Manual Rule 1207(8)

Save as disclosed above, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of the Chief Executive Officer, Directors or controlling shareholders, which were either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

AUDITORS
– Listing Manual Rule 1207(6)

The aggregate amount of fees paid to the external auditors, broken down into audit and non-audit services, are presented under Note 33 to the financial statements for the financial year ended 31 December 2022. The Audit and Risk Committee had reviewed the non-audit services provided by the external auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the external auditors.

The Board of Directors and the Audit and Risk Committee, having reviewed the adequacy of the resources and experience of Deloitte & Touche LLP, the audit engagement partner assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712 and 715 of the SGX-ST Listing Manual.

SHAREHOLDING STATISTICS

AS AT 8 MARCH 2023

SHARE CAPITAL

Issued and fully paid-up capital (including treasury shares)	:	$187,625,288.03
Issued and fully paid-up capital (excluding treasury shares)	:	$183,256,038.72
Number of issued shares (including treasury shares)	:	1,230,920,900
Number of issued shares (excluding treasury shares)	:	1,218,043,900
Number/percentage of treasury shares	:	12,877,000 (1.06%)[(1)]
Number/percentage of shares for subsidiary holdings[(2)]	:	Nil (0%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share, the Company cannot exercise any voting rights in respect of the shares held by it as treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	431	2.96	20,480	0.00
100 - 1,000	1,166	8.00	662,113	0.05
1,001 - 10,000	7,411	50.84	39,548,179	3.25
10,001 - 1,000,000	5,531	37.94	256,871,517	21.09
1,000,001 & above	38	0.26	920,941,611	75.61
TOTAL	**14,577**	**100.00**	**1,218,043,900**	**100.00**

TWENTY LARGEST SHAREHOLDERS

as shown in the Register of Members and Depository Register

No.	Name of Shareholders	No. of Shares	%
1	UOB NOMINEES (2006) PRIVATE LIMITED	628,581,792	51.61
2	DBS NOMINEES PTE LTD	87,398,707	7.17
3	CITIBANK NOMINEES SINGAPORE PTE LTD	31,454,444	2.58
4	UOB KAY HIAN PTE LTD	30,036,738	2.47
5	PHILLIP SECURITIES PTE LTD	26,907,556	2.21
6	SING INVESTMENTS & FINANCE NOMINEES (PTE) LTD	23,728,200	1.95
7	RAFFLES NOMINEES (PTE) LIMITED	17,141,452	1.41
8	OCBC SECURITIES PRIVATE LTD	5,916,830	0.48
9	UNITED OVERSEAS BANK NOMINEES PTE LTD	5,875,674	0.48
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	4,954,709	0.41
11	LAMIPAK KMP PTE LTD	4,382,393	0.36
12	TAN THIAN HWEE	4,222,217	0.35
13	MAYBANK SECURITIES PTE. LTD.	4,018,172	0.33
14	OCBC NOMINEES SINGAPORE PTE LTD	3,891,949	0.32
15	IFAST FINANCIAL PTE LTD	3,546,481	0.29
16	DBS VICKERS SECURITIES (S) PTE LTD	3,324,991	0.27
17	CHIAM HOCK POH	3,122,716	0.26
18	LEH BEE HOE	2,854,933	0.23
19	LOW JUNRUI (LIU JUNRUI)	2,557,581	0.21
20	HSBC (SINGAPORE) NOMINEES PTE LTD	2,107,633	0.17
	TOTAL	**896,025,168**	**73.56**

Notes:

(1) Percentage is calculated based on total issued and paid-up shares (excluding treasury shares).

(2) "Subsidiary holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

SHAREHOLDING STATISTICS

AS AT 8 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

as shown in the Register of Substantial Shareholders

Name	No. of Shares (Direct Interest)	%[1]	No. of Shares (Deemed Interest)	%[1]
Nuri Holdings (S) Pte Ltd	651,772,446	53.51	–	–
Michelle Liem Mei Fung[2][3]	–	–	652,022,446	53.53
William Nursalim alias William Liem[2]	–	–	651,772,446	53.51
Dr Tan Enk Ee[2]	404,863	0.03	651,772,446	53.51
Koh Wee Meng	74,200,000	6.09	–	–

Notes:

(1) Percentages are calculated based on 1,218,043,900 issued shares (excluding treasury shares) as at 8 March 2023. Percentage figures have been rounded to 2 decimal places.

(2) By virtue of interest in Nuri Holdings (S) Pte Ltd.

(3) Ms Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.

SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 8 March 2023, approximately 40.32% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 53rd Annual General Meeting of Tuan Sing Holdings Limited ("**Company**") will be convened and held by way of electronic means on Wednesday, 26 April 2023 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 ("**FY2022**") and the Auditor's Report thereon. **Ordinary Resolution 1**

2. To approve a first and final one-tier tax exempt dividend of 0.7 cent per ordinary share for FY2022. **Ordinary Resolution 2**

3. To approve the payment of S$425,000 as Directors' fees for FY2022. (FY2021: S$406,693). **Ordinary Resolution 3**

4. To re-elect Mr Richard Eu Yee Ming, a Director who will retire by rotation pursuant to Regulation 105 of the Constitution of the Company and Rule 720(5) of the SGX Listing Manual and who, being eligible, offers himself for re-election. **Ordinary Resolution 4**

5. To re-elect Ms Michelle Liem Mei Fung, a Director who will retire by rotation pursuant to Regulation 105 of the Constitution of the Company and Rule 720(5) of the SGX Listing Manual and who, being eligible, offers herself for re-election. **Ordinary Resolution 5**

6. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Ordinary Resolution 6**

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

7. **Authority to allot and issue shares up to ten per centum (10%) of the issued shares** **Ordinary Resolution 7**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

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

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

NOTICE OF ANNUAL GENERAL MEETING

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

and, in paragraph (1) above and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. **Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme** **Ordinary Resolution 8**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.

9. **The Proposed Renewal of Share Purchase Mandate** **Ordinary Resolution 9**

That:

(a) (i) on-market purchase(s) of Shares (each an "**On-Market Purchase**") effected on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchase(s) of Shares (each an "**Off-Market Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which the purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the last five market days on which the Shares are transacted on the SGX-ST immediately preceding the day of the On-Market Purchase by the Company or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted, in accordance with the Listing Manual of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the On-Market Purchase was made or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be;

NOTICE OF ANNUAL GENERAL MEETING

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of an On-Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off Market Purchase, 110% of the Average Closing Price of the Shares; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

10. **The Proposed Renewal of Interested Person Transactions Mandate** **Ordinary Resolution 10**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix A to the Company's Letter to Shareholders dated 4 April 2023 ("**Appendix A**"), with any party who is of the classes of interested persons described in the Appendix A, provided that such transactions are carried out in the ordinary course of business and on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for interested person transactions as set out in Appendix A ("**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Independent Directors for the purpose of the IPT Mandate be and are authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

By Order of the Board

Leow May Cin
Company Secretary
4 April 2023

Singapore

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON BUSINESSES TO BE TRANSACTED:

Ordinary Resolution 1 — is to receive and adopt the Directors' Statement and the Audited Financial Statements for FY2022 and the Auditor's Report thereon which can be found under "Statutory Reports and Accounts" in the Company's 2022 Annual Report.

Ordinary Resolution 2 — is to approve a first and final one-tier tax exempt dividend of 0.7 cent per ordinary share in respect of FY2022 ("**Proposed Dividend**"). The Tuan Sing Holdings Limited Scrip Dividend Scheme is applicable if the Proposed Dividend is approved.

Under the Tuan Sing Holdings Limited Scrip Dividend Scheme, Shareholders entitled to dividends may elect to receive either cash or an allotment of ordinary shares of the Company, credited as fully paid, *in lieu* of cash amount of the Proposed Dividend. Shareholders who elect to receive the Proposed Dividend in scrip, the issue price for the new shares to be allotted shall be set at not more than 10% discount to the average of the last dealt prices of Tuan Sing shares for each market day from the ex-dividend date to the record date.

Ordinary Resolution 3 — is to approve the payment of Directors' fees of S$425,000 for FY2022, for services rendered by the Directors on the Board and on various Board Committees. The framework for the proposed Directors' fees is set out in the "Corporate Governance Report" of the Company's 2022 Annual Report.

Ordinary Resolution 4 — Mr Richard Eu Yee Ming will, upon re-election, continue to serve as the Chairman of the Board of Directors and Nominating Committee, and a member of each of the Audit and Risk Committee and Remuneration Committee of the Company. He is considered an Independent and Non-Executive Director. The detailed information on Mr Richard Eu Yee Ming (including information as set out in Appendix 7.4.1 of the SGX-ST Listing Manual) can be found under the Directors' Profile and Additional Information On Director Seeking Re-election sections in the Company's 2022 Annual Report.

Ordinary Resolution 5 — Ms Michelle Liem Mei Fung will, upon re-election, continue to serve as a member of the Board of Directors Audit and Risk Committee, Nominating Committee and Remuneration Committee. She is considered a Non-Independent and Non-Executive Director. The detailed information on Ms Michelle Liem Mei Fung (including information as set out in Appendix 7.4.1 of the SGX-ST Listing Manual) can be found under the Directors' Profile and Additional Information On Director Seeking Re-election sections in the Company's 2022 Annual Report.

Ordinary Resolution 6 — is to re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. The Company has complied with Rule 713(1) of the SGX-ST Listing Manual by ensuring that the audit partner is not in charge of more than five consecutive years of audits. The current audit partner, Mr Yang Chi Chih, was appointed in FY2021.

Ordinary Resolution 7 — is to empower the Directors to issue shares in the capital of the Company up to an amount not exceeding in aggregate 10% of the issued shares in the capital of the Company. This 10% limit is lower than the limit allowed under the SGX-ST Listing Manual. The Company is seeking a lower limit as it believes that this is adequate for the time being and will review the limit annually. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time that this Resolution is passed after adjusting for any subsequent consolidation or subdivision of shares.

Ordinary Resolution 8 — is to authorise the Directors to issue shares in the Company pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme to participating Shareholders who, in respect of that qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Ordinary Resolution 9 — is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use its internal sources of funds or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of profits or capital, the price at which such ordinary shares were purchased or acquired and whether the shares purchased or acquired are held as treasury shares or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for FY2022, based on certain assumptions, are set out in paragraph 2.7 of the Letter to Shareholders dated 4 April 2023 ("**Letter**"). Please refer to the Letter for more details.

Ordinary Resolution 10 — is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the SGX-ST Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix A to the Letter. Please refer to the Letter for more details.

NOTES

(1) The 53rd Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the following URL: https://investor.tuansing.com/announcements.html and on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this Notice will also be sent by post to members.

(2) Arrangements relating to attendance at the 53rd Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast), submission of questions to the Chairman of the Meeting in advance of the 53rd Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the 53rd Annual General Meeting and voting at the Annual General Meeting (i) "live" by the member or his/ her/ its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy at the 53rd Annual General Meeting, are set out in the accompanying Company's announcement dated 4 April 2023. This announcement may be accessed at the Company's website at the following URL: https://investor.tuansing.com/announcements.html and on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements.

(3) As the Company is conducting its 53rd Annual General Meeting by fully electronic means with real-time remote electronic communications and real-time remote electronic voting, a member will not be able to attend the 53rd Annual General Meeting in person. A member (whether individual or corporate) may:

 (a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/ her/ its behalf; or

NOTICE OF ANNUAL GENERAL MEETING

(b) (whether the member is an individual or a corporate) appoint the Chairman of the meeting or such other person as his/her/its proxy to attend, speak and vote on his/her/its behalf at the 53rd Annual General Meeting if such member wishes to exercise his/her/its voting rights at the 53rd Annual General Meeting. The accompanying proxy form for the 53rd Annual General Meeting may be accessed at the Company's website at the following URL: https://investor.tuansing.com/announcements.html and on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the proxy form will also be sent by post to members.

(4) Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(5) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(6) A proxy need not be a member of the Company.

(7) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

(b) if submitted electronically via email, be submitted to the Company's Share Registrar at: main@zicoholdings.com, in each case not less than 72 hours before the time appointed for holding the 53rd Annual General Meeting.

(8) A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or SGXNet, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are encouraged to submit completed proxy forms electronically via email.

(9) CPF and SRS investors who wish vote or to appoint the Chairman of the Meeting as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2023.

(10) The Company's Annual Report 2022 and the Letter to Shareholders dated 4 April 2023 (in relation to the proposed renewal of the Share Purchase Mandate and the Interested Person Transactions Mandate) have been published and may be accessed at the Company's website as follows:

(a) the Annual Report 2022 may be assessed at the following URL: https://www.tuansing.com/investor-centre/publications.html by clicking on the hyperlink for "FY2022 Annual Report"; and

(b) the Letter to Shareholders dated 4 April 2023 may be assessed at the following URL: https://www.tuansing.com/investor-centre/publications.html by clicking on the hyperlink for "Letter to Shareholders 2023"

The above documents may also be assessed on the SGXNet at the following URL: https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and submitting the Request Form accompanying the printed copy of this Notice sent by post to members.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

NOTICE OF DIVIDEND PAYMENT DATE AND RECORD DATE

NOTICE IS HEREBY GIVEN THAT subject to Shareholders of the Company approving the proposed payment of the first and final one-tier tax exempt dividend of 0.7 cent per ordinary share ("**Proposed Dividend**") at the 53rd Annual General Meeting to be held on 26 April 2023, the share transfer books and register of members of the Company will be closed on Wednesday, 10 May 2023 after 5.00 p.m. for the preparation of dividend warrants.

Duly completed instruments of transfer received by the Company's Share Registrar in Singapore, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on Wednesday, 10 May 2023 will be registered to determine Shareholders' entitlements to the Proposed Dividend.

Shareholders (being depositors) whose securities accounts with the The Central Depository (Pte) Limited ("**CDP**") are credited with shares in the capital of the Company as at 5.00 p.m. on 10 May 2023 will be entitled to the Proposed Dividend.

Shareholders with registered address outside Singapore and who have not provided to the Company or CDP, address in Singapore for the service of notices and documents by Wednesday, 26 April 2023, will not participate in the Tuan Sing Holdings Limited Scrip Dividend Scheme which is applicable to the Proposed Dividend.

The Proposed Dividend, if approved by Shareholders, will be paid on 27 June 2023.

NOTICE OF ANNUAL GENERAL MEETING

ALTERNATIVE ARRANGEMENTS FOR 53RD ANNUAL GENERAL MEETING

INTRODUCTION

The Board of Directors ("**Board**") of Tuan Sing Holdings Limited (the "**Company**") refers to the Company's Notice of Annual General Meeting dated 4 April 2023 ("**Notice of AGM**") with respect to its Annual General Meeting ("**AGM**") and the following:

(a) The COVID-19 (Temporary Measures) Act 2020;

(b) The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"); and

(c) The Joint Statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation issued on 13 April 2020 (as updated on 27 April 2020, 22 June 2020, 1 October 2020 and 4 February 2022 (the "**Joint Statement**").

DATE, TIME AND CONDUCT OF AGM

The AGM will be convened and conducted by way of electronic means under safe distancing measures pursuant to the Order and in accordance with the latest guidance under the Joint Statement on **Wednesday, 26 April 2023 at 2.00 p.m.**, and the physical location for the AGM is purely to facilitate the conduct of the AGM by way of electronic means.

NOTICE OF AGM AND PROXY FORM

The Notice of AGM and proxy form have been sent to Shareholders by electronic means via publication on the Company's website and on the SGXNet. For convenience, printed copies of these documents have also been mailed to Shareholders.

NO PERSONAL ATTENDANCE AT THE AGM

The Company will arrange for (i) a "live" webcast which allows Shareholders to view and participate in the proceedings of the AGM contemporaneously ("**Live Webcast**") and (ii) real-time remote electronic voting, which allows Shareholders to vote remotely through electronic means. Shareholders can **ONLY** participate in the AGM via Live Webcast. The Company will **NOT** accept any physical attendance by Shareholders at the physical location of the AGM, and any Shareholder will NOT be allowed to attend the AGM in person. Shareholders should note the following procedures and/or instructions to participate in the AGM via Live Webcast.

PARTICIPATION AT THE AGM

Shareholders may participate in the AGM by observing and/or listening to the AGM proceedings via live audio-visual webcast and:

(a) submitting questions, if any, in advance of the AGM and during the AGM via the "Ask Questions" feature during the Live Webcast of the AGM; and/or

(b) "live" remote voting via electronic means or cast his/her/ its votes by his/her/its duly appointed proxy(ies) or appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM. The steps for pre-registration, submission of questions and voting at the AGM by Shareholders, including CPF and SRS investors, are set out in the Appendix to this announcement.

PROXY FORMS

Shareholders who are unable to attend the AGM but wish to cast their votes must submit proxy forms. Shareholders may appoint his/her/its duly appointed proxy(ies) or to appoint the Chairman of the AGM as their proxy giving specific instructions as to voting, or abstention from voting, in respect of each resolution in the proxy form. A Shareholder who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore), entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her/its stead at the AGM. Where a Shareholder appoints more than one proxy, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy in the Proxy Form. A proxy need not be a member of the Company.

PERSONS WHO HOLD SHARES THROUGH RELEVANT INTERMEDIARIES

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS investors (the "**Investors**"), and who wish to participate in the AGM should contact the relevant intermediary through which they hold such shares **as soon as possible** in order for the necessary arrangements to be made for their participation in the AGM. In particular, Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by **5.00 p.m. on 17 April 2023**.

NOTICE OF ANNUAL GENERAL MEETING

2022 ANNUAL REPORT AND LETTER TO SHAREHOLDERS

The 2022 Annual Report and the Letter to Shareholders dated 4 April 2023 (in relation to the proposed renewal of the share purchase mandate and the interested person transactions mandate) have been published on SGXNet at https://www.sgx.com/securities/company-announcements and may be accessed at the Company's corporate website as follows:

(a) the 2022 Annual Report may be accessed at the following URL: https://www.tuansing.com/investor-centre/publications.html by clicking on the hyperlink for "FY2022 Annual Report"; and

(b) the Letter to Shareholders dated 4 April 2023 may be accessed at the following URL: https://www.tuansing.com/investor-centre/publications.html by clicking on the hyperlink for "Letter to Shareholders 2023":

Shareholders may request for printed copies of these documents by completing and submitting to the Company a copy of the Request Form in the printed copies of the Notice of AGM which had been mailed to Shareholders.

KEY DATES AND TIMELINE TO OBSERVE

The key dates and timeline which Shareholders should take note of are set out in the table below:

Key dates	Actions
4 April 2023 (Tuesday)	● Pre-registration opens: Shareholders, CPF and SRS investors, may pre-register for the AGM at https://septusasia.com/tuansing2023agm. ● Shareholders may begin to submit questions at AGM Pre-Registration site.
2.00 p.m. on 13 April 2023 (Thursday)	Deadline for Shareholders to submit questions in advance.
14 April 2023 (Friday)	Company's responses on Shareholders' questions and/or answers to frequently asked questions are made available to Shareholders on AGM Pre-Registration site corporate website and on the SGXnet after trading hours.
5.00 p.m. on 17 April 2023 (Monday)	Deadline for CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy to approach their respective CPF Agent Banks and SRS Operators to submit their votes.
2.00 p.m. on 23 April 2023 (Sunday)	Deadline for Shareholders to: ● pre-register for the AGM; and ● submit instruments appointing the Chairman of the AGM as proxy.
2.00 p.m. on 25 April 2023 (Tuesday)	Authenticated Shareholders will receive an email which will contain unique user credentials and instructions on how to access the live audio-visual webcast of the AGM proceedings (the "**Confirmation Email**"). Shareholders who have registered on or before 23 April 2023 and have not received the Confirmation Email by **2.00 p.m. on 25 April 2023**, should contact the Share Registrar: B.A.C.S. Private Limited via email at main@zicoholdings.com before **5.00 p.m. on 25 April 2023**.
Date and time of AGM: **26 April 2023 (Wednesday) at 2.00 p.m.**	● Click on the link in the Confirmation Email and follow the instructions to access the live audio-visual webcast of the AGM proceedings; or ● Shareholders may email webcast@septusasia.com in the event there is any technical issue for login pre-AGM or during AGM.

FURTHER INFORMATION

For more information, Shareholders can contact the Company via email at ir@tuansing.com or the Company's Share Registrar via email at main@zicoholdings.com.

BY ORDER OF THE BOARD

William Nursalim alias William Liem
Executive Director/Chief Executive Officer

4 April 2023

NOTICE OF ANNUAL GENERAL MEETING

APPENDIX

Steps for pre-registration, submission of questions and voting at the AGM

Shareholders will be able to observe and listen to the AGM proceedings through a live audio-visual webcast ("**Live Webcast**") via their phones, tablets or computers, submit questions in advance of and during the AGM, cast their votes during the Live Webcast or appoint a proxy(ies) (other than the Chairman of the Meeting) or to appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM.

To do so, they will need to complete the following steps:

No.	Steps	Details
1.	**Pre-registration**	**Shareholders, including CPF and SRS investors, can pre-register for the AGM at the pre-registration website which is accessible at the following URL: https://septusasia.com/tuansing2023agm from 4 April 2023 up to 2.00 p.m. on 23 April 2023 to enable the Company to verify their status as Shareholders.** Following the verification, authenticated Shareholders will receive an email by **2.00 p.m. on 25 April 2023**. The email will contain unique user credentials and instructions on how to access the live audio-visual webcast of the AGM proceedings. Shareholders who have registered on or before **2.00 p.m. on 23 April 2023** and have not received the email by 2.00 p.m. on 25 April 2023, should contact the Share Registrar: B.A.C.S. Private Limited via email at: main@zicoholdings.com **before 3.00 p.m. on 25 April 2023**.
2.	**Submit questions in advance of/during the AGM**	Submission of substantial and relevant questions. Shareholders, including CPF and SRS investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner: (a) **Via pre-registration website**. Shareholders who pre-register for the AGM may submit their questions via the pre-registration website which is accessible at the following URL: https://septusasia.com/tuansing2023agm. (b) **Via email**. Shareholders may submit their questions via email to the Company at: SHquestions@tuansing.com. (c) **By post**. Shareholders may submit their questions by post to the Company's registered address at 9 Oxley Road #03-02 The Oxley, Singapore 238697. When sending in your questions via email or by post, please provide us with the following details: ● your full name; ● your address; and ● the manner in which you hold shares in the Company (e.g., via CDP, CPF, SRS and/or scrip). All questions must be submitted by **2.00 p.m. on 13 April 2023**. **Addressing questions**. We will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from Shareholders at least 72 hours in advance of the AGM by publishing our responses to such questions on our corporate website and on SGXNet prior to the AGM. **Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.** **Submission of further substantial and relevant questions during the AGM**. Shareholders, including CPF and SRS investors, can submit further substantial and relevant questions related to the resolutions to be tabled for approval at the AGM during the Live Webcast of the AGM, in the following manner: 1. Log in to the Live Webcast System; 2. Click on the "Live Questions" feature; 3. Click "Ask Questions" to input your questions in the text box; and 4. Click "Send" to submit your questions. **Minutes of AGM**. We will publish the minutes of the AGM on our corporate website and on SGXNet within the prescribed timeline. The minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the AGM.

NOTICE OF ANNUAL GENERAL MEETING

No.	Steps	Details
3.	**Submit instruments appointing proxy(ies) or Chairman of the Meeting as proxy to vote**	A member who wishes to exercise his/ her/ its voting rights at the Annual General Meeting may: (a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/ her/ its behalf; or (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/ her/ its proxy to vote on his/ her/ its behalf at the Annual General Meeting. The Proxy Form must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorized officer. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the Proxy Form is submitted by post, be lodged with the Proxy Form or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form , failing which the instrument may be treated as invalid. **Specific voting instructions to be given**. Where Shareholders (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the instrument appointing a proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. **Submission of instruments of proxy**. The instrument appointing the Chairman of the AGM as proxy must be submitted in the following manner: (a) if submitted by post, be lodged with the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or (b) if submitted electronically, be submitted via email to the Company's Share Registrar at: main@zicoholdings.com, in either case, by **2.00 p.m. on 23 April 2023**. A shareholder who wishes to submit an instrument appointing a proxy must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above. Shareholders are strongly encouraged to submit completed Proxy Form via email. CPF and SRS investors who wish to appoint Chairman of the AGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by **5.00 p.m. on 17 April 2023**.
4.	**Casting votes during the Live Webcast of the AGM**	Live voting will be conducted during the AGM. It is important for participants to ensure their own web-browser enabled devices are ready for voting during the AGM. Participants will be required to log in to the Live Webcast System via the login credentials provided to them in the Confirmation Email. Participants may cast their votes live for each resolution to be tabled on the "live" Webcast System via the "live" voting feature.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By pre-registering for the Live Webcast, Shareholder may opt to vote "live" or submit a Proxy form to appoint his/her/its proxy(ies) or appoint the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to Shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to the Live Webcast to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions;

(iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a Shareholder of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

TUAN SING HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 196900130M)

Proxy Form
Annual General Meeting

IMPORTANT

1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM dated 4 April 2023 will accordingly be sent to members by electronic means via publication on the Company's website at the following URL: https://investor.tuansing.com/announcements.html and on the SGX website at the following URL: https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the Notice of AGM will also be sent by post to members.
2. Arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast), submission of questions to the Chairman of the meeting in advance of the AGM, addressing of substantial and relevant questions at or before the AGM and live voting or voting by appointing proxy(ies) or the Chairman of the meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 4 April 2023. This announcement may be accessed at the Company's website at the following URL: https://investor.tuansing.com/announcements.html and on the SGX website at the following URL: https://www.sgx.com/securities/company-announcements.
3. A member will not be able to attend the AGM in person. A member (whether individual or corporate) may either participate in the live voting, or appoint his/her/its proxy(ies) or the Chairman of the Meeting as his/her/Its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) or the Chairman of the meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.
4. CPF and SRS investors who wish to appoint the Chairman of the meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2023
5. By submitting this Proxy Form, the member accepts and agree to the personal data privacy terms set out in the Notice of AGM dated 4 April 2023.

I/We ______________________________ (Name) ______________________ (NRIC/Passport/UEN Number)*

of ____ (Address)

being a *member/members of Tuan Sing Holdings Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport	Email Address***	Proportion of Shareholdings	
			No. of Shares	%
Address				

and/or*

Name	NRIC/Passport	Email Address***	Proportion of Shareholdings	
			No. of Shares	%
Address				

or if no proxy is named, the Chairman of the AGM as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be convened and held by way of electronic means at **2.00 p.m. (Singapore Time) on Wednesday, 26 April 2023** and at any adjournment thereof.

*I/We direct *my/our proxy/proxies* to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies may vote or abstain from voting at *his/her/its discretion.

ORDINARY BUSINESS		For**	Against**	Abstain**
Ordinary Resolution 1	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report.			
Ordinary Resolution 2	Payment of a first and final dividend.			
Ordinary Resolution 3	Approval of Directors' fees.			
Ordinary Resolution 4	Re-election of Mr Richard Eu Yee Ming as a Director.			
Ordinary Resolution 5	Re-election of Ms Michelle Liem Mei Fung as a Director.			
Ordinary Resolution 6	Re-appointment of Deloitte & Touche LLP as Auditors and authorisation for Directors to fix their remuneration.			
SPECIAL BUSINESS				
Ordinary Resolution 7	Authority to allot and issue shares (General Share Issue Mandate).			
Ordinary Resolution 8	Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.			
Ordinary Resolution 9	The Proposed Renewal of the Share Purchase Mandate.			
Ordinary Resolution 10	The Proposed Renewal of the Interested Person Transactions Mandate.			

* *Delete where inapplicable*

** *Voting will be conducted by poll. If you wish the proxy(ies)/Chairman of the meeting as your proxy to exercise all your votes "For' or 'Against" the relevant resolution, please indicate with a tick (✓) in the "For' or 'Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For' or 'Against" in the "For' or 'Against" box provided in respect of that resolution. If you wish the Chairman of the meeting as your proxy to abstain from voting on a resolution, please indicate with a tick (✓) in the 'Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment **of the Chairman of the meeting as your proxy for that resolution will be treated as invalid**.*

*** *Compulsory for registration purposes. All members or proxyholders who wish to attend and participate in the Live Webcast of the AGM must pre-register at the Pre-registration Website which is accessible from the following URL: https://septusasia.com/tuansing2023agm. Authenticated members and proxy(ies) will be provided with a confirmation email for the AGM containing details, as well as instructions on attending the AGM, via the email address provided during the pre-registration.*

Dated this __________ day of ________________ 2023.

Shares in:	Total Number of Shares held
(a) Depository Register	
(b) Register of Members	

____

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

** Delete whichever is inapplicable.*

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold and seal here

NOTES TO PROXY FORM:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) or the Chairman of the meeting as proxy to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return this Proxy Form in accordance with the instructions printed thereon.
2. Please insert the total number of shares held by you as a member of the Company. If you have shares entered against in the Depository Register as defined in Section 81SF of the Securities and Future Act 2001 of Singapore (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy will be deemed to relate to all the shares held by you.
3. **A member will not be able to attend the AGM in person. A member (whether Individual or corporate) who is unable to attend the AGM may appoint his/her/its proxy(ies) or the Chairman of the meeting as hls/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM**. This proxy form may be downloaded from the Company's website at the following URL: https://investor.tuansing.com/announcements.html and on the SGX website at the following URL: https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this proxy form will also be sent by post to members. Where a member (whether individual or corporate) appoints the Chairman of the meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the meeting as proxy for that resolution will be treated as invalid.
4. A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
5. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.CPF and SRS investors who wish to appoint the Chairman of the meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 17 April 2023**.
6. The proxy(ies) need not be a member of the Company.
7. A member can appoint the Chairman of the meeting as his/her/its proxy, but this is not mandatory.

Fold here

Affix
Postage
Stamp

TUAN SING HOLDINGS LIMITED
c/o B.A.C.S. Private Limited
77 Robinson Road #06-03 Robinson 77
Singapore 068896

Fold here

8. The instrument appointing proxy must be submitted to the Company in the following manner:
   (a) if submitted by post, be lodged at the office of the share registrar of the Company, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or
   (b) if submitted electronically, be submitted via email to the share registrar of the Company at main@zicoholdings.com, in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. The Company shall be entitled to reject the instrument appointing a proxy (ies) if it is incomplete or improperly completed.

   Members are encouraged to submit completed proxy forms electronically via email.
9. The Proxy Form must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorized officer. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
10. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the Proxy Form is submitted by post, be lodged with the Proxy Form or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form , failing which the instrument may be treated as invalid.
11. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
12. Subject to paragraph 4 above, completion and return of this Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the "live" audio-visual webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

Personal Data Privacy:

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2023.

TUAN SING HOLDINGS LIMITED

(Company Registration No. 196900130M)
9 Oxley Rise | #03-02 The Oxley | Singapore 238697
Phone: (65) 6223 7211 | Fax: (65) 6224 1085
www.tuansing.com