

# CREATING WORLD-CLASS SPACES

with

Annual Report 2021

## **CONTENTS**

01 Corporate Profile

At a Glance

02

04 Message to

Proxy Form

Shareholders Portfolio

06

16 Our Property

Board of Directors

24 Corporate Information

25 Group Structure

26 Our Footprint 27 Corporate Governance **Reports & Financial** Statements

134 Statistics of Shareholdings

136 Notice of Annual General Meeting

### 142 Supplemental Information on Directors Seeking **Re-election**

## **MISSION**

To grow stakeholder value from delivering premium real estates and services for the residential, commercial and hospitality markets in Asia and beyond.

# VISION

Creating world-class spaces for living, business and leisure.

# **CORPORATE PROFILE**

Listed on the Mainboard of the Singapore Exchange, GSH Corporation Limited is a growing property developer in Southeast Asia, with five properties under development in Malaysia and China. It also owns and operates the Sutera Harbour Resort in Kota Kinabalu, comprising two five-star hotels, a 104-berth marina and a 27-hole championship golf course, and the idyllic Sutera@Mantanani Resort on the Mantanani Islands in Sabah.

# AT A GLANCE

### RESIDENTIAL

#### **VUHU SINGAPORE INTERNATIONAL GARDENS**

Located in Bishan District, near Chongqing, Yuhu Singapore International Gardens is the Group's first joint venture residential cum commercial project in China. Comprising a 1600-unit residential condominium and a 319-room luxury hotel, Yuhu Singapore International Gardens is just 23 km away from the heart of Chongqing - the largest metropolis in China's Southwest. Bishan District will also be home to Chongqing's second international airport when it is completed around 2026.





#### **CORAL BAY**

Located next to The Magellan Sutera Resort, Coral Bay is an uber-luxurious oceanfront residential project with premium finishes and full condominium facilities. Nestled within the gated precinct of Sutera Harbour, Coral Bay sits on the most coveted land parcels earmarked for residential developments in Kota Kinabalu.

#### HOSPITALITY

#### SUTERA HARBOUR RESORT

The 384-acre Sutera Harbour Resort in Kota Kinabalu is GSH Corporation's flagship in its Hospitality business segment, providing steady recurrent income from its room and food and beverage operations.

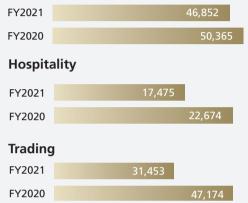




### FINANCIAL HIGHLIGHTS

#### **REVENUE BY ACTIVITY (S\$'000)**

### Property Development



#### **PROPERTY DEVELOPMENT**

In FY2021, the Group's property business posted 7% lower sales to S\$46.9 million and registered a profit before tax of \$10.5 million.

The Malaysia's public health responses to the pandemic affected the pace of construction of the Coral Bay and Eaton Residences projects in Kota Kinabalu and Kuala Lumpur respectively.

Notwithstanding, Eaton Residences received its Certificate of Practical Completion in October 2021 which enabled the Group to recognise the remaining sales from the project. The construction of Coral Bay is expected to progress steadily in the months ahead with the easing of movement controls and the Group expects to see the pace of sales recognition to improve later in FY2022.

During the year in review, the Group's maiden project in Chongqing, China had launched the sales of commercial villas and luxury residential units in October 2021. The response of the launch was encouraging. As of 31 December 2021, the total sales value of units sold amounted to around S\$40.0 million and is expected to be recognized in 2022 and 2023. The Group looks forward to launching the remaining residential units in two subsequent phases.

This segment accounted for 49% of Group revenue in FY2021, up from 42% in the year-ago period.

#### PROFIT / (LOSS) BEFORE TAX (S\$'000)



#### HOSPITALITY

For the full year ended 31 December 2021, the Group's hospitality segment reported a 23% decline in revenue to S\$17.5 million due to Malaysia's border restrictions which had a significant impact on tourist arrivals and inter-state travel. This accounted for 18% of Group revenue in FY2021 (FY2020: 19%).

The segment posted a loss before tax of S\$11.7 million in FY2021, from S\$10.9 million a year earlier. Nonetheless, the segment's performance improved in Q4 2021 when Malaysia relaxed its movement control restrictions and registered revenues of S\$6.4 million. This was a sign of recovery, considering that the Group recorded S\$11.1 million in sales during the first nine months of the year.

Looking ahead, the Group is looking forward to Malaysia's reopening of international borders later in 2022 which will rejuvenate its tourism and hospitality industries.

#### TRADING

The Group's trading segment saw a drop of 33% in revenue in FY2021 to \$\$31.5 million due to a sharp decline in fresh pork prices brought on by an over-supply situation in China and a reduction in consumer demand due to the pandemic. This resulted in write-down of inventories of \$\$6.5 million which led to the segment registering a full-year loss before tax of \$\$9.4 million. This segment accounted for 33% in Group revenue during the year in review (FY2020: 39%).



# MESSAGE TO THE SHAREHOLDERS



"We are happy to report that early buds of a gradual recovery, are in sight. In addition, our new Chongqing Project has gotten off to a good start!"

#### Dear Shareholders,

Greetings and good health, to each and everyone of you!

Another year has gone by and while 2020 was an extremely challenging year, 2021 has proven to be an even more difficult one.

The Covid-19 pandemic had raged on, throughout the year, with Movement Control Orders (MCOs) in Malaysia, restricting the arrival of tourists, both international and domestic. This severely impacting our hospitality business.

On the property front, construction of our Coral Bay and Eaton Projects were disrupted, thankfully only in part.

Management took further steps to tighten our belts, make the best of the situation beyond our control and position the Group for recovery.

We are happy to report that early buds of a gradual recovery, are in sight. In addition, our new Chongqing Project has gotten off to a good start!

#### **Hospitality Sector**

FY2021 saw revenue dip by 23%, from S\$22.7 million in FY2020, to S\$17.5 million.

With the partial lifting of MCOs in Q4 2021, revenue for the quarter increased by 129%, from S\$2.8 million to S\$6.4 million.

As Malaysian international borders continue to open, we hope that the performance of our hospitality segment will improve further.

#### **Property Sector**

FY2021 also saw a revenue dip of 7%, from S\$50.4 million to S\$46.9 million.

Notwithstanding disruptions, Eaton Residences in Kuala Lumpur received its Certificate of Practical Completion (CPC) which was a significant milestone that contributed substantially to revenue.

As for Coral Bay in Kota Kinabalu, the pace of construction is expected to pick up. Coupled with the easing of MCOs, sales should pick up too.

#### Highlight of the Year

Our first property development project in China, the hotel/ residential project in Chongqing, named Yuhu Singapore International Gardens, saw its first launch of commercial villas and luxury residential units.

Sales were brisk with all of the villas sold out while the remaining residential units will be launched in subsequent phases. This Project is well located in the Bishan District, some 23km away from Chongqing city centre, and overlooks one of the largest scenic lakes of the city. A second international airport is also slated for opening in 2026.

On site, construction of our 300-keys luxury hotel has progressed well and is due for completion by end 2022. As for the residential component, construction has commenced in the second half of 2021 and is targeted for completion by end 2023.

#### **Financial Highlights**

For the full year 2021, the Group posted a net loss attributable to shareholders, of S\$21.0 million, which was a decline of 49%, from S\$14.1 million in FY2020. Group revenue dropped 20% from S\$120.2 million to S\$95.8 million.

This resulted in a loss per share of 1.08 Singapore cent, while net asset value per ordinary share stood at 17.81 Singapore cents. Net debt-to-equity ratio (excluding non-controlling interests), rose to 1.11, as of 31 December 2021. The Group's cash, cash equivalents and time deposits remained adequate, at S\$73.5 million.

#### **Looking Ahead**

We are cautiously optimistic about the business recovery as more international borders re-open which will benefit our hospitality and property development businesses.

#### **Appreciation**

We would like to extend a special word of thanks to our shareholders and stakeholders, for your confidence and support of GSH during such trying times.

We also appreciate the hard work of our Board of Directors, Management and staff. Together, they have ensured that we stay on an even keel, as we steer through troubled seas.

Do stay safe!

Dr Sam Goi Seng Hui Executive Chairman Gilbert Ee Guan Hui Chief Executive Officer

# GSH CORPORATION LIMITED

# OUR PROPERTY PORTFOLIO

#### RESIDENTIAL

# PETALING STREET RESIDENCES

### KUALA LUMPUR, MALAYSIA

# Site Area: 3.44 acres

Our second luxury residential project in Kuala Lumpur, Petaling Street Residences, will be a 69-storey modern skyscraper in the heart of Kuala Lumpur's historical Chinatown precinct.

Yielding around 1,889 apartment units, Petaling Street Residences boasts a pool deck and gym at Level 68 as well as a roof top viewing deck offering a panoramic view of the city. It is only a 5-minute walk to Chinatown and Pasar Seni MRT station. The Group owns 50% of the Petaling Street Residences project.

# EATON RESIDENCES

#### KUALA LUMPUR, MALAYSIA

Gross Floor Area: 747,746 sq ft

Site Area: 1.42 acres

Located along Embassy Row in the heart of KLCC and minutes to the uber-chic shopping belt of Bukit Bintang in the capital city's triple-A precinct, Eaton Residences is a vision of true contemporary grandeur and functionality for purveyors of distinctive city living.

Presenting unblocked panoramic views of the Royal Selangor Golf Club and the famed Petronas Twin Towers, Eaton Residences cuts a distinctive silhouette with its ultra-luxe glass face and iconic rooftop infinity pool – the first and highest cantilevered sky pool in Kuala Lumpur.

With 632 versatile and privacy-centric living spaces from levels 9 to 49, Eaton Residences redefines modern urban living. This is where the well heeled can enjoy the company of friends and loved ones with gastronomic experiences at the lush pavilion on level 8 or simply indulge in a good book at the organic-shaped Sky Terrace deck on level 34. Fitness buffs can work out at the rooftop gym overlooking the infinity pool at level 50.

The Group owns 100% of the Eaton Residences project which received Certificate of Practical Completion (CPC) in 2021.



# OUR PROPERTY PORTFOLIO

### RESIDENTIAL



# CORAL BAY

### KOTA KINABALU, MALAYSIA

Gross Floor Area: 1,285,401 sq ft

Site Area: 12.11 acres

Located next to The Magellan Sutera Resort, Coral Bay is an uber luxurious oceanfront residential project with premium finishes and full condominium facilities. Nestled within the gated precinct of Sutera Harbour, Coral Bay sits on the most coveted land parcels earmarked for residential developments in Kota Kinabalu. The Group owns 100% of Coral Bay project.

ANNUAL REPORT 2021

# THE POINT

#### KOTA KINABALU, MALAYSIA

Site Area:

13.12 acres

Located at the tip of the Sutera Harbour gated precinct, The Point is an exclusive condominium offering 360-degree views of the ocean and Kota Kinabalu's famed Jesselton Point Waterfront. Part of the luxurious collection of water-front homes in the Sutera Harbour enclave, The Point is a rare fusion of urban chic and gorgeous ocean views.

The Group owns 75% of The Point project.



# YUHU SINGAPORE INTERNATIONAL GARDENS

### **BISHAN DISTRICT, CHONGQING**

Site Area: 66.92 acres

Our first real estate project in China – comprising a 1600-unit residential condominium and a 319-room luxury hotel -- is located some 23 km away from the heart of Chongqing - the largest metropolis in China's Southwest.

Bishan (璧山区), which means "Jade Mountain" in Chinese, is reputed for its extensive flora and fauna, lush flower gardens, nurseries, and vegetable and fruit farms. It also has more than 20 million square metres of public green spaces, 116 kilometres of urban greenways and 32 parks including China's largest children's park, the Fengxianghu Children's Park, which attracts a host of domestic tourists.

The Group owns 51% of the Project.

# OUR PROPERTY PORTFOLIO

### HOSPITALITY

# SUTERA HARBOUR RESORT

### KOTA KINABALU, MALAYSIA

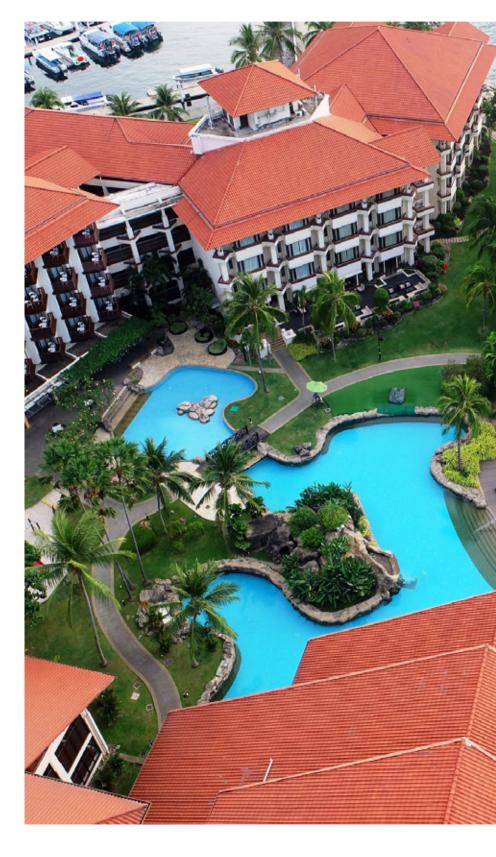
Site Area: 384 acres

The Resort comprises two five-star hotels – the 500-room Pacific Sutera and the 456room Magellan Sutera – as well as the Sutera Harbour Marina, Golf & Country Club with its 104-berth marina and an award-winning 27-hole championship golf course designed by Graham Marsh. It also has 15 restaurants and bars, two grand ballrooms, 28 meeting rooms and a 100seat auditorium for meetings, incentive travel, conventions and exhibitions (MICE).

Sutera Harbour Resort is the only destination in Kota Kinabalu that offers a five-star businessclass hotel and resort attached to a 27-hole Graham Marsh-designed championship golf course, a state-of-the-art marina and clubhouse. As Borneo's largest and most extensive convention and banquet facility, the Resort is the most sought-after venue for MICE events and is a beautiful mix of luxury, recreation and lifestyle.

The Resort is just 10 minutes by boat from the popular scuba diving destination of Sabah's Tengku Abdul Rahman Marine National Park, the five islands that make up the Marine Park boast crystal-clear waters, abundant marine life and stunning coral reefs.

The Group owns 77.5% of the Project.





# THE MAGELLAN SUTERA RESORT

#### **456 Rooms and Suites**



All of its luxuriously-appointed rooms and suites feature balconies that offer magnificent vistas of its manicured gardens or the azure tranquility of the South China Sea.

The 456-room Magellan Sutera Resort's unique architecture is inspired by the longhouses of Borneo – a tribute to the Rungus people of Sabah. All of its luxuriously appointed rooms and suites feature balconies that offer magnificent vistas of its manicured gardens or the azure tranquillity of the South China Sea.

Its food and beverage options include an awardwinning Italian restaurant Ferdinands; Five Sails, an all-day dining restaurant serving a wide selection of Malaysian and continental cuisine; the Al Fresco restaurant, serving an extensive selection of pasta and wood-fired pizza; Muffinz, for deli favourites as well as Tarik's Lobby Lounge for casual bites.

# OUR PROPERTY PORTFOLIO

### HOSPITALITY

# THE PACIFIC SUTERA HOTEL

#### KOTA KINABALU, MALAYSIA

#### Site Area: 11.28 acres

With its grand entrance and high ceiling, The Lobby Lounge offers an uninterrupted ocean panorama and is a popular meeting point for leisure and business travellers. The Pacific Club affords magnificent views from the top floors, with breakfast and cocktails served at the exclusive Pacific Club Lounge. The Horizons Restaurant, on Levels 11 and 12, commands a panoramic vista of the South China Sea and the vibrant cityscape of Kota Kinabalu. It offers tropical craft cocktails, an extensive selection of fine cigars, and a specially curated bar menu.

Other dining options include the award-winning Chinese restaurant Silk Garden, all day dining at Café Boleh, The Lobby Lounge, Breeze beach club and Wave Pool bar.

The hotel's Grand Ballroom can be sectioned off in different configurations to accommodate events for up to 1,000 people, and is the perfect venue for corporate functions and weddings.





# SUTERA HARBOUR MARINA, GOLF & COUNTRY CLUB

# 27-hole Award-Winning Championship Golf Course.

### The Club's 27-hole golf course is built on undulating terrain and divided into 43 distinct courses of varying difficulty.

At the heart of the extensive Sutera Harbour Resort property is the Sutera Harbour Marina, Golf & Country Club which features a 27-hole award-winning championship golf course designed by Graham Marsh, a 41-bay covered driving range, and a 104-berth marina that can accommodate 13 mega yachts and 91 smaller vessels.

The Club's 27-hole golf course is built on undulating terrain and divided into 43 distinct courses of varying difficulty. At night, 20 holes are lit, including nine holes of the Lake Course, nine holes of the Garden Course and two finishing holes of the Heritage Course.

There is also a 41-bay two-tier covered driving range that overlooks a scenic lake. Use of the golf course is exclusively for the patrons of The Magellan Sutera and The Pacific Sutera as well as club members and their guests.

The Marina's deep-water marina is well equipped, deep enough for most yachts of up to 180 feet and protected all year round from extreme weather conditions. Established in 1998, this Marina is a hub for yachting and sailing in Southeast Asia. Berthing services are available for short and long-term rental.



# OUR PROPERTY PORTFOLIO

### HOSPITALITY

# SUTERA @ MANTANANI RESORT

### 70 deluxe villas

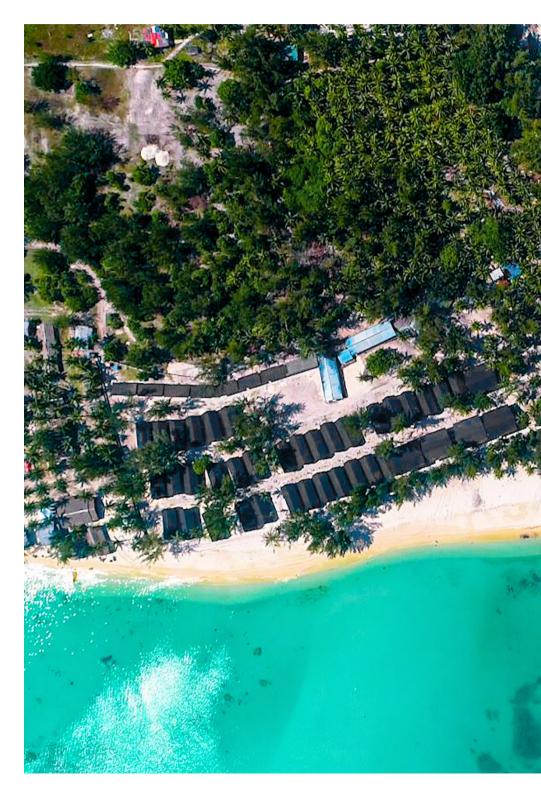
Acquired by the Group in December 2018, the Sutera@Mantanani Resort, managed by Sutera Harbour Resort, is an exclusive island resort, with 70 beach-fronting villas, set amidst the idyllic Mantanani Islands, some 40km northwest from the coastal town of Kota Belud, some 80km north of Kota Kinabalu.

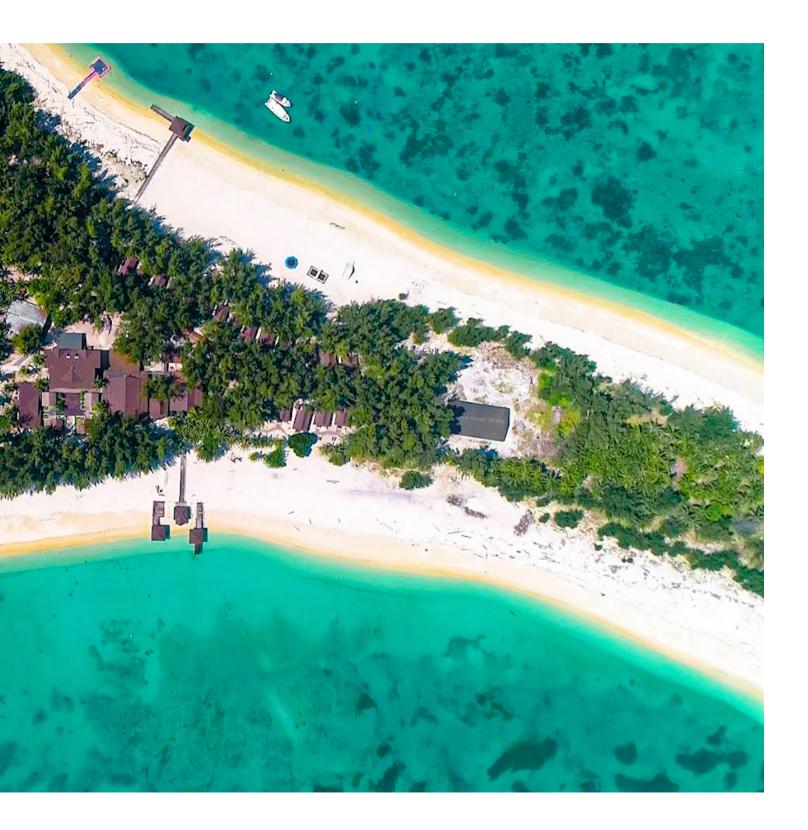
From the city, it is about one and half hours by car to Kota Belud, and a 30-minute boat ride from Kota Belud jetty to Mantanani Islands.

Coveted for its powdery white beaches, crystal clear waters and rich marine life, the Resort offers some of the best scuba diving and snorkelling activities with its fully equipped dive centre, or other water sports such as kayaking against the stunning backdrop of Mount Kinabalu. Fishing enthusiasts will enjoy a peaceful time angling at a deserted island, or learning how to fish like the locals. Those wanting the ultimate thrill can also heat out for a spot of game fishing.

On full-moon nights, the Resort organizes the magical Blue Tears tour – where bioluminescent plankton lights up the sea with its characteristic bluish glow.

A perfect holiday destination, Sutera@ Mantanani offers full-board dining options at its Lumba-Lumba Island Café, which serves local and international cuisine.





# BOARD OF DIRECTORS



DR SAM GOI SENG HUI Executive Chairman



**FRANCIS LEE CHOON HUI** Vice Chairman and Lead Independent Director



GILBERT EE GUAN HUI Chief Executive Officer



GOI KOK MING (WEI GUOMING) Chief Operating Officer



MICHAEL GRENVILLE GRAY Independent Director



HUANG LUI Independent Director



JULIETTE LEE HWEE KHOON Non-Executive Director



WENDELL WONG HIN PKIN Independent Director



TAM CHEE CHONG Independent Director

#### DR SAM GOI SENG HUI

Executive Chairman

### Date of first appointment as a director

23 July 2012

#### Date of last re-election as a director

26 April 2021

Length of service as a director (as at 31 December 2021) 9 years 5 months

#### Shares in the Company

1,245,088,408

#### Academic & Professional Qualifications

Honorary Doctorate from Singapore University of Technology & Design (2021)

#### Present Directorships (as at 31 December 2021)

- **Listed Companies**
- Envictus International Holdings Limited (Etika)
- GSH Corporation Limited
- JB Foods Ltd
- Tat Seng Packaging Group Ltd
- Tung Lok Restaurants (2000) Ltd
- Hanwell Holdings Limited

#### Group Companies of GSH Corporation Limited

- Advanced Prestige Sdn Bhd
- Altheim International Limited
- City View Ventures Sdn Bhd
- Eastworth Source Sdn Bhd
- Investasia Sdn.Bhd.
- Linyi Properties Sdn Bhd
- Mainfield Holdings Limited
- Mewabumi Sdn Bhd
- MXIM Holdings Pte Ltd
- Rainbow Properties Sdn Bhd
- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Travel Sdn Bhd
- Sutera Harbour Resort Sdn Bhd
- Sutera Yacht Services Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Xing Asia Impel Sdn Bhd

#### Non-listed companies

- Acelink Logistics Pte Ltd
- China World Agents Limited
- Chinatown Food Corporation Pte Ltd
- Desaru Property Development Sdn Bhd
- Fujian Guanhui Food Enterprise Co Ltd
- Fujian Mingwei Food Enterprise Co Ltd
- Guan Hui Food Enterprise Company Limited
  Hydrex International Pte Ltd
- Junhe Investment Pte Ltd
- Maker Food Manufacturing Pte Ltd
- New Straits Holdings Pte Ltd
- Oregold Pte Ltd
- Ritz Properties Sdn Bhd
- Ryushobo (S) Pte Ltd
- T&T Gourmet Cuisine Pte Ltd
- Tee Yih Jia Food Manufacturing Pte Ltd
- Tee Yih Jia Food Manufacturing Sdn Bhd
- Twin Investment Pte Ltd
- TYJ Group Pte Ltd
- TYJ International Pte Ltd
- Vive La Sdn Bhd

#### Past Directorships over the last 3 years (2019 to 2021)

- Fujian Ryushobo Food Co Ltd
- Henan Zhongyuan Four Seasons Aquatic Logistic Harbor Co Ltd
- Singapore University of Technology and Design
- Super Elite Holdings Pte Ltd
- Tan Kah Kee Foundation
- TYJ Holdings (HK) Ltd
- Yangzhou Junhe Property Development Co Ltd

#### Major Appointments (other than Directorships)

- Executive Chairman, Hanwell Holdings Limited
- Executive Chairman, Tat Seng Packaging Group Ltd
- Vice Chairman of Envictus International Holdings Limited
- Vice-Chairman of JB Foods Limited
- Singapore's Non-Resident Ambassador to the Federative Republic of Brazil
- Justice of the Peace Republic of Singapore
- Enterprise 50 Club's Honorary Past President and Vice Chairman of IE Singapore's "Network China" Steering Committee
- Regional Representative for Fuzhou City and Fujian Province
- Senior Consultant to Su-Tong Science & Technology Park
- Honorary Chairman for the International Federation of Fuqing
   Association
- Honorary Chairman of Ulu Pandan Citizens Consultative Committee
- Honorary Chairman of Dunman High School Advisory Committee
- Patron for Advancement Singapore University for Technology and Design
- Council Member/Standing Committee Member of NTUC Club Management Council
- Council Member, Singapore-Shandong Business Council
- Council Member, Singapore-Zhejiang Economic and Trade Council
- Council Member, Singapore-Jiangsu Cooperation Council
- Council Member, Singapore-Tianjin Economic and Trade Council

#### **Background and Working Experience**

- Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd since 1977
- Managing Director of Sing Siah Electrical Engineering Pte Ltd – 1969
- Investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics.

#### Awards

- 2015

- Community Long Service Award People's Association 2022
- Pearl of the Orient Award World Chinese Economic Forum – 2019
- Benefactors Fellow Award from Singapore University for Technology and Design – 2019
- Special Tribute Award from The People's Tribune magazine (People's Daily) in China 2017
- Asian Strategy & Leadership Institute's Lifetime Achievement Award in 2016
- State Award of Panglima Gemilang Darjah Kinabalu (PGDK) from the Head of State of Sabah – 2014
- SG50 Outstanding Chinese Business Pioneers Award in 2015
- Enterprise Asia's Lifetime Achievement Award in 2015

Public Service Star (Bar) – BBM(L) in 2014

 Businessman of the Year Award by Singapore's Business Times – 2014

Long Service Award from Singapore's People's Action Party

# BOARD OF DIRECTORS

#### LEE CHOON HUI FRANCIS

Vice Chairman and Lead Independent Director

### Date of first appointment as a director

11 July 2003

#### Date of last re-election as a director

01 June 2020

#### Length of service as a director (as at 31 December 2021) 18 years 5 months)

#### **Committee Memberships**

- Remuneration Committee (Chairman)
- Audit and Risk Committee
- Nominating Committee
- Independent Directors Committee (Chairman)

#### Academic & Professional Qualifications

- Barrister at Law, London (1970)
- Advocate & Solicitor, Singapore (1970)

#### Present Directorships (as at 31 December 2021) Listed Company

- GSH Corporation Limited
- Group Companies of GSH Corporation Limited
- Advanced Prestige Sdn Bhd
- Altheim International Limited
- Eastworth Source Sdn Bhd
- Investasia Sdn Bhd
- Mainfield Holdings Limited
- MXIM Holding Pte Ltd
- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Travel Sdn Bhd
- Sutera Harbour Resort Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Xing Asia Impel Sdn Bhd

#### Non-listed companies

- Corporate Ventures Pte Ltd
- Phillip Ventures Enterprise Fund 5 Limited

#### Past Directorships over the last 3 years (2019 to 2021)

- Corporate Ventures International Ltd
- Phillip Enterprise Fund Limited
- Sunright Ltd

#### Major Appointments (other than Directorships)

- Chairman, International Year of the Reef 2008, Singapore Blue Plan 2009
- Senior Advisor, Corporate Affairs, Sunright Limited
- Honorary Advisor, Raffles Marina Ltd

#### **Background and Working Experience**

- Practiced mainly as a Corporate Lawyer for some 22 years (1970-1992).
- Practiced as a Consultant for Mergers and Acquisitions for some 29 years (1992-2021).

#### Awards

- Award for contribution to Indonesian marine tourism, by Indonesian Ambassador to Singapore (2000).
- Award for 21 Leaders for the new millennium, by US Boating Industry Magazine (2000).
- Award of Seakeeper of Singapore, by The International Seakeepers Society, USA (2017).

#### **GILBERT EE GUAN HUI**

Chief Executive Officer and Executive Director

### Date of first appointment as a director

01 May 2007

## **Date of last re-election as a director** 29 April 2019

Length of service as a director (as at 31 December 2021) 14 years 8 months

### Shares in the Company

158,543,078

#### Committee Memberships

Nominating Committee

#### Academic & Professional Qualifications

 Bachelor of Business Administration, National University of Singapore

#### Present Directorships (as at 31 December 2021) Listed Company

GSH Corporation Limited

#### Group Companies of GSH Corporation Limited

- Advanced Prestige Sdn Bhd
- Altheim International Limited
- Aspirasi Kukuh Sdn. Bhd.
- Borneo Ventures Pte Ltd
- City View Ventures Sdn Bhd
- Eastworth Source Sdn Bhd
- GSH (Middle East) Pte Ltd
- GSH Properties (PRC) Pte Ltd
- GSH Properties (Chongqing) Co., Ltd
- GSH (Xiamen) Property Development Pte Ltd
- GSH Facilities Management (Malaysia) Sdn Bhd
- GSH International Enterprise Pte Ltd
- GSH Island Investments Pte Ltd
- GSH Properties (Malaysia) Pte Ltd
- GSH Properties Pte Ltd
- Investasia Sdn.Bhd.
- Linyi Properties Sdn Bhd
- Mainfield Holdings Limited
- Mewabumi Sdn Bhd
- MXIM Holdings Pte Ltd
- Ocean View Point Pte Ltd
- Ocean View Ventures Pte Ltd

- Prime Peninsular Holdings Pte Ltd
- Rainbow Properties Sdn Bhd
- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Resort Sdn Bhd
- Sutera Harbour Travel Sdn Bhd
- Sutera Yacht Services Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Twin Towers Properties Limited
- Xing Asia Impel Sdn. Bhd

#### Non-listed companies

- DG Assets Inc
- Oxley JV Pte Ltd
- Solstice Investments Pte Ltd
- Solstice Development Pte Ltd

#### Past Directorships over the last 3 years (2019 to 2021)

- GSH (Zhengzhou) Investments Pte Ltd
- Henan Zhongyuan Four Seasons Aquatic Logistic Harbor Co Ltd

#### **Background and Working Experience**

- Held various management positions in Barclays Capital and Citibank, Singapore (1988 to 1998)
- Regional Head of Global Financial Markets at Rabobank International, Singapore (1998 to 2006)

# BOARD OF DIRECTORS

#### GOI KOK MING (WEI GUOMING)

Chief Operating Officer and Executive Director

### Date of first appointment as a director

23 July 2012

#### Date of last re-election as a director

01 June 2020

#### Length of service as a director (as at 31 December 2021) 9 years 5 months

#### Academic & Professional Qualifications

 Bachelor in Computer Information System, California State University, Pomona.

#### Present Directorships (as at 31 December 20201) Listed Companies

- GSH Corporation Limited
- Hanwell Holdings Limited
- Serial System Ltd
- Union Steel Holdings Limited

#### Group Companies of GSH Corporation Limited

- Advanced Prestige Sdn Bhd
- Altheim International Limited
- Aspirasi Kukuh Sdn Bhd
- Borneo Ventures Pte Ltd
- City View Ventures Sdn Bhd
- Eastworth Source Sdn Bhd
- GSH (Middle East) Pte Ltd
- GSH Properties (Chongqing) Co. Ltd
- GSH Properties (PRC) Pte Ltd
- GSH (Xiamen) Property Development Pte Ltd
- GSH Facilities Management (Malaysia) Sdn Bhd
- GSH International Enterprise Pte Ltd
- GSH Island Investments Pte Ltd
- GSH Properties (Malaysia) Pte Ltd
- GSH Properties Pte Ltd
- Investasia Sdn Bhd
- Linyi Properties Sdn Bhd
- Mainfield Holdings Limited
- Mewabumi Sdn Bhd
- MXIM Holdings Pte Ltd
- Ocean View Point Pte Ltd
- Ocean View Ventures Pte Ltd
- Prime Peninsular Holdings Pte Ltd
- Qingdao Timi Supply Chain Co. Ltd
- Rainbow Properties Sdn Bhd

- Sutera Harbour Golf & Country Club Berhad
- Sutera Harbour Resort Sdn Bhd
- Sutera Harbour Travel Sdn Bhd
- Sutera Yacht Services Sdn Bhd
- The Little Shop Sdn Bhd
- The Sutera Harbour Group Sdn Bhd
- Twin Towers Properties Limited
- Xing Asia Impel Sdn Bhd

#### Non-listed companies

- Acelink Logistics Pte Ltd
- Ritz Properties Sdn Bhd
- Tee Yih Jia Food Manufacturing Pte Ltd
- TYJ Group Pte Ltd
- Vive La Sdn Bhd

#### Past Directorships over the last 3 years (2019 to 2021)

- Junhe Investment Pte Ltd
- GSH (Zhengzhou) Investments Pte Ltd
- Super Elite Holdings Pte Ltd

#### Major Appointments (other than Directorships)

- Member of the Community Development District Council, South East Region
- Patron Braddell Heights Community Club

#### Awards

• Entrepreneur of the Year – Enterprise Asia – 2019

#### **Background and Working Experience**

- Non-Executive Director, Serial System Ltd (2019 to present)
- Non-Executive Director, Union Steel Holdings Limited (2019 to present)
- Director in Tee Yih Jia Food Manufacturing Pte Ltd (1997 to present)
- Director in Acelink Logistics Pte Ltd (1999 to present)
- Non-Executive Director in Hanwell Holdings Limited (2014 to present)

#### **MICHAEL GRENVILLE GRAY**

Independent Director

### Date of first appointment as a director

17 October 2007

#### Date of last re-election as a director

26 April 2021

#### Length of service as a director (as at 31 December 2021) 14 years 2 months

#### **Committee Memberships**

- Audit and Risk Committee (Chairman)
- Remuneration Committee

#### Academic & Professional Qualifications

- Bachelor of Science in Maritime Studies, Plymouth University UK
- Master of Arts in South East Asian Studies, University of Singapore
- Doctor of Business (Honoris Causa) from the University of Newcastle
- Fellow of Institute of Chartered Accountants in England & Wales
- Fellow of Institute of Singapore Chartered Accountants
- Fellow of Singapore Institute of Directors
- Fellow of Chartered Institute of Transport & Logistics

#### Present Directorships (as at 31 December 2021) Listed Companies

- GSH Corporation Limited
- Avi-Tech Electronics Limited
- FSL Trust Management Pte Ltd

#### Non-listed company

NIL

#### Past Directorships over the last 3 years (2019 to 2021)

- UON Singapore Pte Ltd
- Avi-Tech Electronics Pte Ltd (f.k.a Avi-Tech Electronics Limited)

#### **Background and Working Experience**

- Merchant Navy Officer (1962 to 1973)
- Coopers & Lybrand UK (1973 to 1978)
- Coopers & Lybrand/PricewaterhouseCoopers Singapore (1978 to 2004). Partner from 1981 and Managing Partner Indochina (1994 to 2001)

#### Major Appointments (other than Directorships)

• PAVE (President)

#### Awards

• Public Service Star (Bar) – B.B.M. [L] (2010)

#### LEE HWEE KHOON, JULIETTE

Non-Executive Director

## Date of first appointment as a director 23 July 2012

#### Date of last re-election as a director 01 June 2020

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#### **Length of service as a director (as at 31 December 2021)** 9 years 5 months

#### **Committee Memberships**

- Audit and Risk Committee
- Remuneration Committee

#### **Academic & Professional Qualifications**

 Master in Business Administration BA (Strategic Management), Maastricht School of Management

#### Present Directorships (as at 31 December 2021)

- Listed Company
- GSH Corporation Limited

#### **Group Companies of GSH Corporation Limited**

City View Ventures Sdn Bhd

#### Non-listed companies

- Chinatown Food Corporation Pte Ltd
- Durian Master Pte Ltd
- Ee Hoe Food Marketing Sdn. Bhd.
- Fujian Guanhui Food Enterprise Co Ltd
- Fujian Mingwei Food Enterprise Co Ltd
- Guan Hui Food Enterprise Company Limited
- Maker Food Manufacturing Pte Ltd
- Ryushobo (S) Pte Ltd
- T&T Gourmet Cuisine Pte Ltd
- Taste United Pte Ltd
- Tee Yih Jia Food Manufacturing Pte Ltd
- Tee Yih Jia Food Manufacturing Sdn Bhd
- Twin Investment Pte Ltd
- TYJ International Pte Ltd

#### Past Directorships over the last 3 years (2019 to 2021)

- Fujian Ryushobo Food Co Ltd
- Junhe Investment Pte Ltd
- Super Elite Holdings Pte Ltd
- Ultra Harmony Development Sdn Bhd
- Yangzhou Junhe Property Development Co Ltd

#### Background and Working Experience

- Executive Director, Tee Yih Jia Food Manufacturing Pte Ltd (1992 to present)
- General Manager of Rongcheng Brewery, Fuzhou, Fujian Province (2000 to 2001)

# BOARD OF DIRECTORS

#### **HUANG LUI**

Independent Director

#### **Date of first appointment as a director** 23 August 2012

#### **Date of last re-election as a director** 26 April 2021

Length of service as a director (as at 31 December 2021) 9 years 4 months

#### **Committee Memberships**

• Nominating Committee (Chairman)

#### Academic & Professional Qualifications

- Bachelors of Law, University of Singapore
- Master of law, University of Singapore

#### Present Directorships (as at 31 December 2021) Listed Company

GSH Corporation Limited

## Past Directorships over the last 3 years (2019 to 2021) $\ensuremath{\mathsf{NIL}}$

#### Major Appointments (other than Directorships)

• Partner, Wee Swee Teow & Co. Advocates & Solicitors

#### **Background and Working Experience**

• Wee Swee Teow & Co. Advocates & Solicitors (1971 till present)

#### WENDELL WONG HIN PKIN

Independent Director

#### **Date of first appointment as a director** 01 January 2020

## Date of last re-election as a director

01 June 2020

## Length of service as a director (as at 31 December 2021) 2 year

#### **Committee Memberships**

• Remuneration Committee (appointed on 1 February 2021)

#### Academic & Professional Qualifications

- LL.B.(Hons), National University of Singapore (1997)
- Attorney-General's Chambers, Singapore (1997-2000)
- Advocate & Solicitor, England & Wales (2002)

#### Present Directorships (as at 31 December 2021)

#### Listed Company

- GSH Corporation Limited
- Non-listed companies
- Drew & Napier LLC
- Milk (Mainly I love Kinds) Fund
- NTUC Foundation Limited

#### Past Directorships over the last 3 years (2019 to 2021)

### Law Society Pro Bono Services

#### **Background and Working Experience**

- Attorney General's Chambers: Deputy Public Prosecutor/State Counsel (1997 to 2000)
- Drew & Napier (2000 till present)

#### Major Appointments (other than Directorships)

 Member of Criminal Procedure Rules Committee, Singapore
 Treasurer of International Bar Association's Anti-Corruption Committee

#### Awards

#### Chambers Asia-Pacific 2021

- Corporate Investigations/Anti-Corruption: Domestic Band 3 Chambers Global 2015
- Indonesia: Dispute Resolution (International Firms) (Experts Based Abroad) – Indonesia – Band 2

#### • Asia Pacific Legal 500

Dispute Resolution 2021 – Recommended lawyer for 4 consecutive years

White-Collar Crime 2020 – Recommended lawyer

- Who's Who Legal Business Crime Defence 2020 – Recommended lawyer for 8 consecutive years Investigations 2020 – Recommended lawyer for 7 consecutive years Professional Negligence 2020 – Recommended lawyer
- Global Investigations Review 100 (GIR 100) 5th edition (2019) Recognised as a leading individual for investigations
- Best Lawyers International: Singapore (2020 edition) Criminal
   Defense Endorsed individual
- Benchmark Litigation Asia-Pacific 2020 edition
   Litigation Star White Collar Crime
- International Law Office
- White Collar Crime Recommended lawyer

### TAM CHEE CHONG

Independent Director

### Date of first appointment as a director

01 June 2020

#### Length of service as a director (as at 31 December 2021) 1 years 7 months

#### Committee Memberships

• Audit and Risk Committee (appointed on 1 February 2021)

#### Academic & Professional Qualifications

 Fellow Chartered Accountant of both England & Wales and Singapore

#### Present Directorships (as at 31 December 2021) Listed Companies

- GSH Corporation Limited
- Boustead Projects Limited
- IFS Capital Limited

#### Non-listed companies

- Kairos Corporate Advisory Pte Ltd
- Perun Consultants (Singapore) Pte Ltd

#### Past Directorships over the last 3 years (2019 to 2021)

• YMCA, Board Member

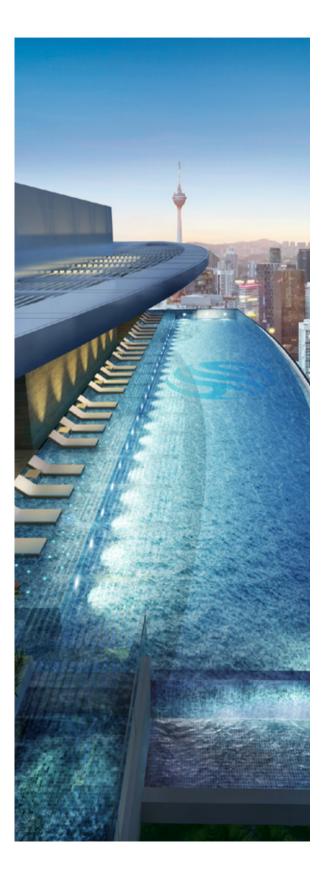
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- Institute of Singapore Chartered Accountants, Council Member
- Deloitte Southeast Asia, Board Member
- Singapore Turf Club, Honorary Steward
- Singapore Corporate Award Organising Committee - Chairman, Best CFO Award Judging Panel
- Member, Best CEO Award Judging Panel
- Kembangan Chai Chee CC, Chairman
- Marine Parade Town Council, Chairman of Audit Committee
- Halogen Foundation Singapore, Board Member

#### **Background and Working Experience**

- Director Kairos Corporate Advisory Pte Ltd (current)
- Group Chief Financial Officer, Senior Managing Director Fullerton Healthcare Corporation Ltd (2018 2019)
- Deputy Managing Partner Markets Deloitte Singapore (2016 2018)
- Leader Deloitte Private Southeast Asia (2016 2018)
- Partner Family Enterprise Consulting Deloitte Private Southeast Asia (2016 – 2018)
- Regional Managing Partner Financial Advisory Services for Deloitte Southeast Asia (2006 – 2016)

## Major Appointments (other than Directorships) NIL



# CORPORATE INFORMATION

#### **BOARD OF DIRECTORS**

Dr Sam Goi Seng Hui Executive Chairman

**Mr Gilbert Ee Guan Hui** Chief Executive Officer

Mr Goi Kok Ming (Wei Guoming) Chief Operating Officer

Mr Francis Lee Choon Hui Vice Chairman cum Lead Independent Director

Mr Michael Grenville Gray Independent Director

Ms Juliette Lee Hwee Khoon Non-Executive Director

Ms Huang Lui Independent Director

Mr Wendell Wong Hin Pkin Independent Director

Mr Tam Chee Chong Independent Director

#### AUDIT AND RISK COMMITTEE

Mr. Michael Grenville Gray (Chairman) Mr. Francis Lee Choon Hui Ms. Juliette Lee Hwee Khoon Mr. Tam Chee Chong

#### **REMUNERATION COMMITTEE**

Mr. Francis Lee Choon Hui (Chairman) Mr. Michael Grenville Gray Ms. Juliette Lee Hwee Khoon Mr. Wendell Wong Hin Pkin

#### **NOMINATING COMMITTEE**

Ms. Huang Lui (Chairman) Mr. Francis Lee Choon Hui Mr. Gilbert Ee Guan Hui

#### **COMPANY SECRETARY**

Mr. Lee Tiong Hock

#### **SHARE REGISTRAR**

## Boardroom Corporate & Advisory Services Pte Ltd

1 Harbour Avenue #14-07 Keppel Bay Tower Singapore 098632 Tel: (65) 6536 5355 Fax: (65) 6536 1360

#### AUDITORS

KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Tel: (65) 6213 3388 Fax: (65) 6213 2230 Partner-In-Charge: Mr. Barry Lee (Appointed in financial year ended 31 December 2019)

#### **REGISTERED OFFICE:**

20 Cecil Street #28-01 PLUS Singapore 049705 Tel: (65) 6585 8888 Fax: (65) 6881 1000 www.gshcorporation.com

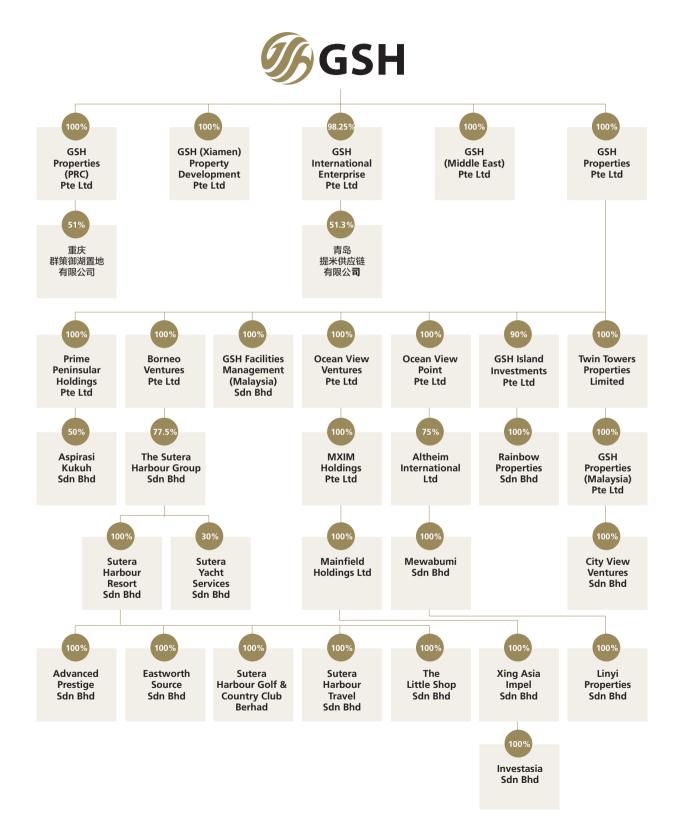
#### **COMPANY REGISTRATION NUMBER:**

200106139K

#### BANKERS:

Bank of China, Singapore Branch CIMB Bank Berhad CTBC Bank Co. Ltd, Singapore Branch DBS Bank Ltd Hong Leong Finance Limited The Hongkong and Shanghai Banking Corporation Limited Malayan Banking Berhad Maybank Singapore Oversea-Chinese Banking Corporation Limited RHB Bank Berhad RHB Bank Berhad Singapore Shanghai Pudong Development Bank Co. Ltd, Singapore Branch UBS AG, Singapore Branch

# GROUP STRUCTURE



# OUR FOOTPRINT



#### SINGAPORE

#### **GSH CORPORATION LIMITED**

20 Cecil Street, #28-01, PLUS, Singapore 049705 Tel: (65) 6585 8888 Fax: (65) 6881 1000

#### MALAYSIA

#### ADVANCED PRESTIGE SDN BHD THE MAGELLAN SUTERA RESORT

1 Sutera Harbour Boulevard Kota Kinabalu 88100 Sabah Malaysia Tel: (60) 8 8318 888 Fax: (60) 8 8317 777

#### EASTWORTH SOURCE SDN BHD

THE PACIFIC SUTERA 1 Sutera Harbour Boulevard Kota Kinabalu 88100 Sabah Malaysia Tel: (60) 8 8318 888 Fax: (60) 8 8317 777

## SUTERA HARBOUR GOLF & COUNTRY CLUB BERHAD

1 Sutera Harbour Boulevard Kota Kinabalu 88100 Sabah Malaysia Tel: (60) 8 8318 888 Fax: (60) 8 8317 777

#### RAINBOW PROPERTIES SDN BHD SUTERA@MANTANANI

1 Sutera Harbour Boulevard Kota Kinabalu 88100 Sabah Malaysia Tel: (60) 8 8318 888 Fax: (60) 8 8317 540

## CITY VIEW VENTURES

Level 45, Naza Tower, Platinum Park, No. 10, Persiaran KLCC 50088 Kuala Lumpur Tel: (60) 3 2332 3100 Fax: (60) 3 2332 3149

#### ASPIRASI KUKUH SDN BHD

Level 45, Naza Tower, Platinum Park, No. 10, Persiaran KLCC 50088 Kuala Lumpur Tel: (60) 3 2633 3168 Fax: (60) 3 2633 3033

#### **INVESTASIA SDN BHD**

1 Sutera Harbour Boulevard Kota Kinabalu 88100 Sabah Malaysia Tel: (60) 8 8318 888 Fax: (60) 8 8317 777

#### LINYI PROPERTIES SDN BHD

1 Sutera Harbour Boulevard Kota Kinabalu 88100 Sabah Malaysia Tel: (60) 8 8318 888 Fax: (60) 8 8317 777

#### CHINA

#### 青岛提米供应链有限公司

山东省青岛市 崂山区科苑纬一路1号 国际创新园G座707 邮区266100 Tel: (86) 532-80997507

#### 重庆群策御湖置地有限公司

重庆市璧山区 璧泉街道双星大道50号1栋11-1 邮区 402760 Tel: (86) 023-41731369

The Board and Management of GSH Corporation Limited ("GSH") and its subsidiaries (the "Group"), believe that maintaining a genuine commitment to good corporate governance, is essential for the long-term success of the Company's business and performance. The Company continues to focus on adhering to the principles and provisions of the Singapore Code of Corporate Governance 2018 (the "2018 Code"), issued in August 2018.

This Corporate Governance Report ("CG Report") sets out the corporate governance practices of GSH, for the financial year ended 31 December 2021 ("FY2021"), with specific reference made to the principles and provisions of the 2018 Code, which form part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Where there are deviations from the principles and provisions from the 2018 Code, explanations have been provided within the CG Report.

#### **BOARD MATTERS**

#### PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

#### Provision 1.1

#### Principal Duties of the Board

The Board is accountable to the shareholders, while the Management is accountable to the Board.

The Board has established a framework of prudent and effective controls, which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets. It also oversees the Company's affairs and provides shareholders with a balanced and understandable assessment of the Company's performance, position and prospects, on a half-yearly basis. This responsibility extends to interim and other price sensitive public reports, and reports to regulators (if required).

The Board sets the overall business direction, provides guidance on the Company's strategic plans, with particular attention to growth and financial performance, and oversees the Management of the Company.

The Board's primary functions include:

- (i) Approving policies, strategies, structure and direction of the Group;
- (ii) Overseeing and monitoring managerial and organisational performance and the achievement of strategic goals and objectives;
- (iii) Ensuring that there are in place appropriate and adequate systems of internal controls, risk management, effective processes for financial reporting and compliance; approving the annual budget, major capital expenditures, funding proposals; and investment and divestment proposals;
- (iv) Assuming responsibilities for good corporate governance practices;
- (v) Approving half-yearly announcements and annual announcements and financial statements;
- (vi) Identifying the key stakeholder groups and recognising that their perceptions affect the Group's reputation;
- (vii) Setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and
- (viii) Considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

#### Board Debates and Independent Judgment

The Board and Management engage in open and constructive debate, for the furtherance of and to achieve strategic objectives. All Board members are provided with relevant and sufficient information on a timely basis and Non-Executive Directors may challenge Management's assumptions. The Directors have the appropriate competencies and diversity of experience, to enable them to contribute effectively. They are able to objectively raise issues and seek clarification, when necessary, from the Board and the Management, on matters pertaining to their area of responsibilities and render assistance to the Management in the development of strategic proposals and oversee the implementation by Management to achieve the objectives set.

All directors are expected to exercise due diligence and independent judgment, in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions, in the best interests of the Group.

#### **Conflicts of Interest**

The Company requires Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, to declare the nature of their interests in accordance with the provision of the Companies Act 1967, and voluntarily abstain from participation in board discussions or the decision-making processes, on any particular agenda item, when they have a conflict of interest. The abstention is recorded within the minutes and/or the resolutions of the Board and/or Committees. During FY2021, no conflicts of interest from the Directors had arisen.

#### Provision 1.2

#### **Board Orientation and Training**

Newly appointed Directors, if any, receive formal letters setting out their duties and obligations and are also given comprehensive induction briefings and orientations, by the Executive Directors and Management, on the business activities, governance practices of the Group and its strategic decisions.

For any first-time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he or she will be required to also attend certain specific modules of the Listed Entity Director Programme ("Programme") conducted by the Singapore Institute of Directors ("SID"), in order to acquire relevant knowledge of what is expected of a listed company director, this being a mandatory requirement under the SGX-ST Listing Rules. Completion of the Programme, which concentrates on comprehensive training of company directors on compliance, regulatory and corporate governance maters, should provide the first-time Director with a broad understanding of the roles and responsibilities of a director of a listed company, under the requirements of the Companies Act 1967, the Listing Manual of the SGX-ST and the 2018 Code.

The Directors participate in occasional seminars and are furnished with relevant information and updates on changes in laws and regulations, relevant to the Group's businesses and operating environment, on a regular basis. The Company will fund the relevant training. The Directors have attended seminars and courses conducted by the SID and/or other professional bodies.

Pursuant to Listing Rule 720(7), all directors are required to undergo training on sustainability matters as prescribed by the Exchange. The Company will make arrangement for the directors to attend training when the Exchange notifies the Company of the list of sustainability training that the directors can attend to meet the requirement.

During the financial year, the Company's external auditors regularly briefed the Audit and Risk Committee ("ARC") members, on developments in accounting and regulatory requirements. The Board was provided with regular updates in areas such as changes in the requirements of the SGX-ST Listing Rules, Companies Act or other regulations/statutory requirements, from time to time.

The details of seminars, conferences and training programmes attended by the Directors variously in FY2021 included:

- ACRA-SGX-SID Audit Committee Seminar 2021 Enterprise Resilience and Risk Management conducted by ACRA, SGX and SID;
- Ethical Business Conduct: Advanced Cases in Corporate Governance conducted by ISCA;
- Regulatory dialogues: To the Moon (and Back) The GameStop Saga and Regulatory Implications in the Singapore Context conducted by Wong Partnership;
- SGX Regulatory Symposium 2021 Market Needs in a Changing Landscape conducted by SGX;

- ACCA Annual Conference Shaping the Future of Sustainable Finance Green Finance Innovations and Governance conducted by ACCA;
- Bybit Cryptocurrencies : Bitcoin, DeFI & NFT conducted by Singapore Fintech Festival;
- Deloitte Technical Update conducted by Deloitte;
- SID Directors Conference 2021 Hyper Digitalisation, ESG at the Core conducted by SID;
- Bank of Singapore Omicron Update conducted by Bank of Singapore;
- LED 2 Board Dynamics conducted by SID;
- SID Online Webcast Executive and Director conducted by SID;
- UNCLOS and The Rule of Law in Ocean Governance conducted by Permanent Mission of The Republic of Singapore New York Mission;
- SID Online Webcast Accelerating Your Digital Transformation (PwC) conducted by SID;
- Crown Leadership Webinar Fraud & AML Summit 2021 conducted by Crown Leadership International Group;
- Strengthen Understanding of Bar Association in Improving the Rule of Law and Access to Justice for Vulnerable Population, Strategic Role of Bar Association conducted by Asia Foundation;
- The Window Between Arrest and Charge Criminal Legal Aid Scheme, Criminal Law Training Programme 2021 conducted by Law Society Pro Bono Services;
- Digital Technology and Sexual Crimes: The Constant Changing Dangers That Lurk Gender Equality in Singapore: An Action Plan for Progress conducted by Institute of Policy Studies; and
- Dawn Raids and Director Duties in Investigations: Legal Professional Privilege conducted by Drew Network Asia.

#### Provision 1.3

#### **Reserved Matters**

Internal guidelines and authority limits, have been laid down for Management, to administer the Group's day-to-day operations. These guidelines and limits are reviewed by the Board from time to time, and adjusted when necessary. In addition, the Group has in place guidelines and corporate authorisation procedures, for the approval of major capital and revenue expenditures and investments.

Key matters which are specifically reserved for the Board's approval include:

- a) the decisions over the strategic direction, plans and performance objectives of the Group (including its risk appetite); and
- b) the decisions to commence, discontinue, or modify significantly, any business activity, or to enter into or withdraw from a particular market sector, which have or may have material impact on the profitability or performance of the Group

Other matters that require Board approval include appointments to the Board, business plans and strategies, adoption of key corporate policies and corporate governance practices, financing activities, material transactions, public announcements, and dividends to shareholders.

Management is fully apprised of such matters which require the Board's approval, or that of any Committee, and for operational efficiency; the Company also has a structured authority limits matrix, which sets out the delegated authority to various levels of Management to approve operating expenditure, below the thresholds that require the approval of the Board.

#### Provision 1.4

#### Committees of the Board

To discharge its duties effectively and efficiently, and to allow for detailed consideration of issues, the Board has established three standing committees, namely the ARC, Nominating Committee ("NC") and Remuneration Committee ("RC"). In addition, it also has on stand-by, a Committee of Independent Directors ("IDC"). Each committee has its own defined scope of duties and terms of reference, setting out the manner in which it is to operate and the functions for achieving its stated objectives. The compositions of the committees for FY2021 are as follows:

Directors	ARC	NC	RC	IDC
Gilbert Ee Guan Hui	-	Member	-	-
Francis Lee Choon Hui	Member	Member	Chairman	Chairman
Michael Grenville Gray	Chairman	-	Member	Member
Juliette Lee Hwee Khoon	Member	-	Member	-
Huang Lui	-	Chairman	-	Member
Wendell Wong Hin Pkin	-	-	Member	Member
Tam Chee Chong	Member	-	-	Member

Each of these committees operates under delegated authority from the Board, with the Board retaining overall oversight.

Membership of the committees is designed to distribute the responsibilities over the various Board members and to utilise each individual's diversity and experience. The Board reviews from time to time, the committee structure, the membership and their terms of reference.

#### Provision 1.5

#### Meetings of the Board

The Board meets at least once every half-yearly and often, as warranted by particular circumstances. A schedule for Board Meetings and Committee meetings, after consultation with the Board, is circulated a year in advance and kept updated. The Company's Constitution also provides for telephone conference and video conferencing meetings, which are relied upon when required.

In the course of the year under review, the number of formal meetings held and attended by each member of the Board is as follows:

	Board Meetings	ARC Meetings	NC Meeting	RC Meeting	IDC Meeting
Number of meetings held in FY2021	2	4	1	1	1
Name of Director					
Dr Sam Goi Seng Hui	2	N/A	N/A	N/A	N/A
Francis Lee Choon Hui	2	4	1	1	1
Gilbert Ee Guan Hui	2	N/A	1	N/A	N/A
Juliette Lee Hwee Khoon	2	4	N/A	1	N/A
Michael Grenville Gray	2	4	N/A	1	1
Huang Lui <sup>(1)</sup>	2	N/A	1	N/A	1
Goi Kok Ming (Wei Guoming)	2	N/A	N/A	N/A	N/A
Wendell Wong Hin Pkin <sup>(2)</sup>	2	N/A	N/A	1	1
Tam Chee Chong (3)	2	4	N/A	N/A	1

#### N/A: Not Applicable

Note:

<sup>(1)</sup> Ms Huang Lui stepped down as a member of the ARC and a member of RC on 1 February 2021.

<sup>(2)</sup> Mr Wendell Wong Hin Pkin appointed as a member of the RC on 1 February 2021.

 $^{\scriptscriptstyle (3)}$  Mr Tam Chee Chong appointed as a member of the ARC on 1 February 2021.

All the Directors attended the Annual General Meeting held on 26 April 2021.

At the half yearly Board meetings, the Board agenda includes updates by the Management on the Group's investments and developments in Singapore and overseas, and the review of the Group's financial performance. Of the four scheduled ARC meetings, one is scheduled primarily for the ARC (where all directors were invited to attend) to focus on the review of the Company's strategic direction, including specific allocation of assets, and risk appetite and tolerance limits, where applicable.

In addition to the formal meetings, the Board and many Board Committees meet informally, or as working sessions, preparatory to the formal meetings, or to facilitate decision making processes.

#### Multiple Board Representations

All Directors are required to declare their board representations. The NC, when considering the re-nomination of Directors for re-election, will review any multiple board representation held by a Director on an annual basis, to ensure that sufficient time and attention is given to the affairs of the Company. The NC considers that the multiple board representations held presently by the Directors do not impede their performance in carrying out their duties to the Company, taking into account the results of the assessment of the effectiveness of the individual director and his/her actual conduct on the Board.

A significant amount of time had been committed by the Directors towards the many board meetings and board committee meetings held in FY2021 and they had altered their schedules to ensure active participation in board and board committee meetings. The NC is of the view that for the period under review, the Directors were able to carry out and had been adequately carrying out their duties and have committed their time effectively to discharge their responsibilities.

The Board, at the recommendation of the NC, limits the maximum number of outside directorships of listed companies to six. However, the NC may review this recommendation, from time to time, and will also consider the circumstances of individual Directors, or potential candidates, with multiple listed company directorships above the recommended number, to determine their capacity to participate and contribute effectively to the Board. For the financial year under review, no director has exceeded the limit.

#### Sustainability Reporting

The Board also regards sustainable development as a core value of the Group and is committed to developing and adopting sustainable practices, across its businesses.

The Group continued its strategic alliance between its Sutera Harbour Resorts and the University Malaysia Sabah, as well as Jebsen & Jessen (SEA) Pte Ltd, to collaborate on non-profit environmental projects. The Group's 4th Sustainability Report ("SR") for year ended 2020, developed in accordance with the SGX Sustainability Reporting Guidelines, was released on 28 May 2021 via SGXNet announcement. The dedicated report on the Company's sustainability efforts, addresses the social and environmental impacts, that are pertinent to the Company's business. It also identifies the Company's key stakeholders and shares the Company's engagement on sustainable practices with these stakeholders.

The Group's 5th SR for FY2021, will be released before 31 May 2022.

#### Provision 1.6

#### **Board's Access to Information**

Management has an obligation to supply the Board with complete, adequate information, in a timely manner. The Company makes available to all Directors, its quarterly and full-year management accounts and where required, other financial statements and other relevant information, as necessary; so that the Directors can make informed decisions. Directors are also informed on a regular basis, as and when there are any significant developments or events, relating to the Group's business operations.

Board papers and related materials, background, or explanatory information, relating to matters to be brought before the Board, are sent out to the Directors approximately one week before the meetings, so as to enable the directors to have enough time to understand the issues and conduct constructive discussions during the meetings. However, sensitive matters may be tabled at the meeting itself, or discussed without board papers being distributed. If any director is unable to attend any scheduled meetings, he or she may dial in, or provide any comments to the Chairman of the Board, or the Chief Executive Officer ("CEO"). Minutes of the previous meetings are circulated in advance and confirmed at Board meetings.

Draft agendas for Board and Committee meetings are circulated to the Board Vice Chairman and the Chairman of the Committees respectively, in advance, for them to review and suggest items for the agenda. The Board and the Committees are also furnished routine reports, where applicable, from the Management. Each of the Chairmen of the ARC, NC and RC, provides an annual report of the respective Committees' activities, during the year under review, to the Board. The minutes of meetings of the Committees are also circulated to all Board members.

#### Provision 1.7

#### Board's Access to Management and Company Secretary

The Directors have separate and independent access to the Management, including the Company Secretary of the Group, at all times through email, telephone and face-to-face meetings. To facilitate this access, all Directors are provided with the contact details of the Key Management Personnel and other senior management team members.

#### **Company Secretary**

Both the corporate secretarial services and the Company Secretary; were outsourced to Boardroom Corporate & Advisory Services Pte Ltd. The Board has separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations are complied with. The Company Secretary attends and prepares minutes for all formal Board and Board Committee meetings.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

#### Independent Professional Advice

The Directors, either individually or as a group, in the furtherance of their duties, can take independent professional advice, if necessary, at Company's expense.

#### PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

#### Provisions 2.1, 2.2 and 2.3

#### Independence Element of the Board, Composition of Independent Directors and Non-Executive Directors on the Board

The Board comprises nine directors, of which five are non-executive independent directors, one non-executive non-independent director and three are executive directors, with the Chairman being part of the Management team and non-independent.

The nine directors are:

#### Executive Directors

Dr Sam Goi Seng Hui, Executive Chairman Mr Gilbert Ee Guan Hui, CEO Mr Goi Kok Ming (Wei Guoming), Chief Operating Officer ("COO")

#### Non-Executive Independent Directors

Mr Francis Lee Choon Hui, Vice Chairman and Lead Independent Director ("LID") Mr Michael Grenville Gray Ms Huang Lui Mr Wendell Wong Hin Pkin Mr Tam Chee Chong

Non-Executive Non-Independent Director

Ms Juliette Lee Hwee Khoon

The independent directors make up a majority of the Board, where the Chairman of the Board is not independent, which is in compliance with Provision 2.2 and 2.3 of the 2018 Code. No individual or group is able to dominate the Board's decision-making process.

#### Independence of Directors

The NC has adopted the criteria for determining the independence of a Director, as set out in the 2018 Code, and will assess and review the independence of each Director, at least once a year. Each Independent Director is required to complete a Director's Independence Confirmation Form annually, to confirm his/her independence. As part of their consideration, the NC also took into account the Director's other directorships, annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct/ indirect interest, their ability to avoid any apparent conflicts of interests, especially by abstaining from deliberation and decision-making on such transactions and their ability to maintain objectivity in their conduct as Directors of the Company. The NC has ascertained that for the period under review, all Non-Executive Independent Directors are independent and that the Directors have devoted sufficient time and attention to the Group's affairs.

The NC considers an "Independent Director" as 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, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment, in the best interests of the Company.

In accordance with SGX Listing Rule 210(5)(d), none of the independent directors are currently employed, or have been employed by the Company, or any of its related corporations, for the current or any of the past three financial years. None of the independent directors have immediate family members who are currently employed, or have been employed by the Company, or any of its related corporations, for the past three financial years, and whose remuneration is determined by the RC. For purposes of determining independence, the independent directors have also provided confirmation that they are not related to the Directors and substantial shareholders of the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Board concurred with the NC's determination of the independence of the independent directors.

As at the end of FY2021, Francis Lee Choon Hui, Michael Grenville Gray and Huang Lui have served on the Board for periods exceeding nine years, from the date of first appointment. The Board has subjected their independence to a particularly rigorous review by all directors, with them abstaining from the review, before deciding if they should continue with the appointment. During the Annual General Meeting ("AGM") held on 1 June 2020 and 26 April 2021 respectively, the shareholders of the Company had approved the continued appointments of Francis Lee Choon Hui and Michael Grenville Gray as Independent Directors, via two-tier voting, and their appointment will remain in force until the earlier of their retirement, or resignation, or the conclusion of the third AGM. Huang Lui, who is due for retirement at the Company's forthcoming AGM, will be seeking shareholders' approval via the two-tier voting, for her continued appointment as an Independent Director.

The NC recognises that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. The independence of the independent directors, must be based on the substance of their professionalism, integrity, and objectivity. After particular scrutiny, Francis Lee Choon Hui, Michael Grenville Gray and Huang Lui have been determined as being independent. They continue to express their viewpoints, debate issues and objectively scrutinise and challenge Management. They also seek clarification and amplification of relevant matters, as deemed required, in discharging their duties as Independent Directors. After careful consideration of the relevant factors and to avoid an abrupt loss of a member with experience and institutional memory, the Board, with the concurrence of the NC, has determined that the tenure of Francis Lee Choon Hui, Michael Grenville Gray and Huang Lui, have not affected their independence, or ability to bring judgement to bear, in the discharge of their duties as a Board and Committee member. In the determination of the independence of Francis Lee Choon Hui and Huang Lui by the NC, they recused themselves.

#### Provision 2.4

#### Board Composition and Size; Board Diversity Policy

With the assistance of the NC, the Board actively reviews its size and composition, with a view of determining the impact of the number on its effective decision making, taking into account the scope and nature of the Group's operations. The NC also reviews the composition of the Board and the Board Committees, to ensure that as a group they provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company and core competencies, annually. The core competencies include accounting or finance, business or management experience, industry knowledge, strategic planning, business experience, legal and regulatory requirements and risk management.

The Board recognises and embraces the importance and benefits of having a diverse board to enhance its performance and has adopted a formal Board Diversity Policy, setting out its policy and framework, for promoting diversity on the Board so as to mitigate any 'groupthink' and to ensure the Company has the opportunity to benefit from all available talents. Recognising the importance and value of gender diversity in the composition of the Board, the Board has two female directors out of nine directors. This represents 22.2% of total Board membership. The Board also consists of directors with ages ranging from forties to more than seventies, who have served on the Board for different tenures. With their combined business, management and professional experience, knowledge and expertise, the Board members collectively provide the core competencies that allow for diverse and objective perspectives, on the Group's business and strategic direction.

Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current composition, mix and size of the Board, provide for diversity and allow for informed and constructive discussion and effective decision making, at meetings of the Board and Board Committees. The Board will however continue to review opportunities to refresh the Board, with a view to expanding the skills, experience and diversity of the Board as a whole, from time to time.

#### Provision 2.5

#### Meetings of Non-Executive Independent Directors

The Non-Executive Independent Directors hold informal meetings on a need to basis without the presence of Management and other directors, led by the LID, and the LID provides feedback to the Chairman and CEO, as appropriate. During the year, several of these meetings have been held. The Independent Directors constitute an ad hoc Independent Directors Committee of the Board, which is called into session, as and when necessary.

#### PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

# There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

#### Provisions 3.1 and 3.2

#### Role of Chairman and Chief Executive Officer

The 2018 Code outlines that the roles of Chairman and CEO should in principle be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The positions of Chairman and CEO are held by separate individuals, with Dr Sam Goi Seng Hui as the Executive Chairman, and Gilbert Ee Guan Hui as the CEO. The CEO of the Company is not related to the Chairman of the Board. The CEO is the most senior executive in the Company and his responsibilities, inter alia, include:

- Determining and formulating operational policies and providing overall direction of the Company, within policies laid down by the Board; Translating the strategic directions stipulated by the Board, into tactical plans for operationalisation; and
- Overseeing operational activities led by the head of functions/divisions, to ensure it aligns with overall organisational objectives.

The responsibilities of the Chairman include those as set out in Practice Guideline 3 of the 2018 Code together with the following:

- Providing leadership and strategic direction to GSH, so as to build and sustain a leading, reputable and high performing organisation in the industry;
- Formulating GSH's vision and mission, to shape the existence, identity and direction of GSH, with the objective of building a stronger organisation;
- Building relationships with key GSH stakeholders, to garner support for its strategic plans and establish strong partnerships; Providing opportunities to grow senior leadership capabilities, to ensure a strong succession pipeline; and
- Reviewing the strategic initiatives of the organisation, to ensure it meets GSH's strategic goals and improves the organisational profitability, market value and returns on capital.

The Chairman is assisted in these functions by the Vice Chairman of the Board.

#### Provision 3.3

#### Lead Independent Director

Taking cognisance that the Board Chairman is an Executive Director and thus not independent, the Board had on 27 February 2015 appointed Francis Lee Choon Hui as LID to comply with Provision 3.3 of the 2018 Code. Shareholders of the Company are able to contact the LID if they have concerns and for which contact through the normal channels of communications with the Chairman or Management are inappropriate or inadequate.

No query or request on any matter which requires the LID's attention, was received from shareholders in FY2021.

#### **PRINCIPLE 4: BOARD MEMBERSHIP**

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

#### Provision 4.1 and 4.2

#### Nominating Committee

The Nominating Committee ("NC") comprises the following three directors:

Ms Huang Lui, Chairman[Non-Executive Independent Director]Mr Francis Lee Choon Hui[Non-Executive Independent Director and LID]Mr Gilbert Ee Guan Hui[CEO and Executive Director]

The NC's principal functions are to:

- a) Make recommendations to the Board, on all Board appointments;
- b) Be responsible for the re-nomination of Directors, having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candor) including, if applicable, as an Independent Director;
- c) Determine, at least annually, whether or not a Director is independent;
- d) Decide whether or not a Director is able to, and has been adequately carrying out his duties as a Director of the Company;
- e) Assess the effectiveness of the Board as a whole, the contribution by each individual Director to the effectiveness of the Board, and to decide how the Board's performance may be evaluated. The NC takes into consideration the frequency of the Board meetings, the rate at which issues raised are adequately dealt with and the reports from the various Board Committees;
- f) Review the board succession plans for directors, in particular, the Chairman and CEO; and
- g) Review the training and professional development programs for the Board.

#### Provision 4.4

#### **Determining Directors' Independence**

Each Independent Director completes a declaration to confirm his or her independence, on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Principle 2 of this report. In the opinion of the NC, all Non-Executive Independent Directors are independent, based on the criteria given in the Listing Manual and the 2018 Code and their respective declarations.

#### Provisions 4.3 and 4.5

#### Selection, Appointment and Re-appointment of Directors

All new appointments to the Board are subject to the recommendations of the NC based on the following criteria:-

- a) Integrity;
- b) Diversity possession of competencies that meet the Company's present and projected needs;
- c) Ability to commit time and effort to carry out duties and responsibilities effectively;
- d) Independent mind;
- e) Experience; and
- f) Financial literacy.

For the nomination process in search for the right candidates for appointment of new Directors, the NC seeks potential candidates widely and beyond directors/management recommendations and is empowered to engage professional search firms, to undertake research on or assessment of candidates, as it deems necessary.

The NC then meets with the shortlisted potential candidates to assess suitability and ensure that the candidates are aware of the expectations and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as director.

When considering the re-appointment of Directors for re-election, the NC takes into account the director's integrity, independence mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Article 91 of the Company's Constitution and SGX Listing Rule 720(5), every Director shall retire from office once every three years, at each AGM, and for this purpose, Messrs Francis Lee Choon Hui, Gilbert Ee Guan Hui and Tam Chee Chong, shall retire from office by rotation, at the upcoming AGM.

Mr Tam Chee Chong has notified the Board that he would not be seeking for re-election at the forthcoming AGM. Consequently, he will cease to be the Independent Director and member of the ARC.

The NC having satisfied itself that the above individual Directors are competent to continue, the NC has recommended to the Board, the re-appointment of the individual Directors concerned, at the forthcoming AGM.

In addition, the NC has recommended that the continued appointment of Ms Huang Lui be sought by way of separate resolutions by (i) shareholders; and (ii) shareholders, excluding the Directors and the CEO, and associates of such Directors and the CEO. Such resolutions to remain in force until the earlier of the retirement or resignation of Ms Huang Lui; or the conclusion of the third annual general meeting of the Company following the passing of the resolution. The Board has accepted the NC's recommendation.

The NC ensures that new directors are aware of their duties and obligations. For re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to GSH.

Each director is required to confirm annually to the NC, as to whether he or she has any issue with competing time commitments, which may impact his or her ability to provide sufficient time and attention to his or her duties as a director of the Company. Based on the directors' confirmation and their commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all Directors have discharged their duties adequately for FY2021 and expects that the Directors will continue to discharge their duties adequately in FY2022.

#### Key information on the Directors

The profile of the directors and key information, including the dates of their first appointments and last re-election of each Director, together with their current and past preceding three years' directorship in other listed companies, are included under the "Board of Directors" section in this Annual Report. Key information on Directors is also available on the Company's website.

#### Alternate Directors

No Alternate Directors have been appointed during FY2021.

#### **PRINCIPLE 5: BOARD PERFORMANCE**

The Board undertakes a formal annual assessment of the effectiveness as a whole, and that each of its board committees and individual directors.

#### Provisions 5.1 and 5.2

#### **Review of Board and Board Committee Performance**

The NC has conducted performance evaluations for the Board, Board Committees and all individual Directors, based on the performance criteria that were determined by the NC, in respect of FY2021. The performance criteria does not change yearly, and was reviewed and determined by the NC to be comparable to its industry peers and approved by the Board, to enhance long-term shareholder value. This process, which is conducted annually, involves the completion of a questionnaire by Board members seeking their views on various aspects of Board performance, such as Board size and composition, Board information and accountability, Board processes, effectiveness of risk management and internal control systems.

The objective of the board evaluation exercise is to create a platform for the Board and Board Committees' members, to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

As regard to the individual director evaluation, each director carries out an individual peer assessment on the other directors. This assessment includes detailed questions in the areas of interactive skills, knowledge and director's duties. A summary of the findings is prepared based on the completed questionnaire and is reviewed and deliberated by the NC and the Board. The Chairman of the NC confers with the Chairman of the Board, on the findings and appropriate follow-up actions are taken as necessary.

The individual director evaluation exercise assists the NC in determining whether to re-nominate directors who are due for retirement at the forthcoming AGM, and in determining whether the directors with multiple board representations are able to and have adequately discharged their duties as directors of the Company.

For FY2021, the NC duly observed the aforesaid process and criteria and was satisfied with the results of the review. The Company does not engage an external facilitator, in respect of the Board Performance Evaluation.

#### **REMUNERATION MATTERS**

#### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

#### Provisions 6.1, 6.2 and 6.3

#### **Remuneration Committee**

The RC comprises the following four directors:

Mr Francis Lee Choon Hui, Chairman	[Non-Executive Independent Director and LID]
Mr Michael Grenville Gray	[Non-Executive Independent Director]
Mr Wendell Wong Hin Pkin	[Non-Executive Independent Director]
Ms Juliette Lee Hwee Khoon	[Non-Executive Non-Independent Director]

The primary functions of the RC are to review and recommend the remuneration terms of individual Directors and key management personnel ("KMP").

The principal functions of the RC are:

- i. To recommend to the Board a framework of remuneration, which covers all aspects of remuneration including Executive Directors and Independent Directors' fees, salaries, allowances, bonuses, options and benefits in kind, and KMP of the Company;
- ii. To determine specific remuneration terms for the Executive Chairman, the CEO, and the COO and other KMP;
- iii. To consider and approve salary and bonus recommendations in respect of KMP; and
- iv. To consider and recommend to the Board all aspects of remuneration for Non-Executive Directors, including but not limited to Directors' fees.

On at least an annual basis, the RC reviews and approves the annual increments and variable bonuses to be granted to the Executive Directors and the KMP, which are within specific mandates sought from the Board. In the year under review, the RC also held a mid-year review.

#### Review of Significant Contracts of Service

The RC has reviewed the Company's obligations arising, in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that their contracts of service contain fair and reasonable termination clauses that are neither overly generous nor onerous.

#### Provision 6.4

#### Engagement of Remuneration Consultants

The RC has access to the professional advice of external experts in the area of remuneration, where required. No remuneration consultant was appointed for FY2021.

#### PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

#### Provisions 7.1 and 7.3

#### Remuneration of Executive Directors and KMP

The salary and other remuneration terms of the Executive Directors and KMP are bench-marked against the remuneration of its industry peers and comparable companies. The remuneration policy of the Group is to provide compensation packages at competitive market rates, which reward successful performance and attract, retain and motivate Directors and employees.

The remuneration packages of each of the Executive Directors and KMP comprise a fixed and a variable component. The variable component forms a significant proportion of the remuneration package and is dependent on the performance and profitability of the Company and individual performance. This ensures a close alignment of the interests of the executives with those of the shareholders. In setting remuneration packages, the RC ensures the Directors and KMP are adequately but not excessively remunerated, as compared to the industry and in comparable companies.

There are no provisions in the contracts of the Executive Directors and KMP, to allow the Company to reclaim incentive components of remuneration, in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company.

#### Provision 7.2

#### Remuneration of Non-Executive Directors

The Non-Executive Independent Directors and Non-Executive Non-Independent Director, receive directors' fees. Directors' fees are set in accordance with a framework comprising basic fees and additional fees, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board committees. These fees are subject to approval by shareholders as a lump sum at each AGM.

The RC is mindful that the remuneration for Non-Executive Directors should not be excessive so as to compromise or reasonably be perceived to compromise their independence.

The remuneration structure for Non-Executive Directors' fees, which is being reviewed by the RC periodically, is as follows:

Roles	Per Annum	Per Annum
Board of Directors	S\$40,000 (Member)	S\$58,000 (Vice Chairman)
Audit & Risk Committee	S\$15,000 (Member)	S\$30,000 (Chairman)
Other Committees	S\$7,500 (Member)	S\$15,000 (Chairman)

The Board concurred with the RC that the proposed directors' fees for FY2021 is appropriate and not excessive, taking into consideration the level of contribution by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as their responsibilities and obligations of the directors. Directors' fees are recommended by the Board for shareholders' approval at the Company's AGM. Taking cognisance of the COVID-19 pandemic, the Board concurred with the RC's recommendation to extend a 15% cut to the directors' fees for FY2022.

#### **PRINCIPLE 8: DISCLOSURE ON REMUNERATION**

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

#### Provisions 8.1, 8.2 and 8.3

#### **Remuneration Policies**

The Company's remuneration policy is designed to attract and retain outstanding individuals, who are aligned to the long-term interests of the Group. The role to be performed and market factors are taken into account when determining remuneration packages. Performance related pay, is obtained by linking total compensation to the achievement of the performance of the Group and of the individual. To ensure that its remuneration packages are competitive, the Company regularly reviews its base salary ranges and benefits package, using market data provided by Korn Ferry and HR Guru.

#### Level and Mix of Remuneration

The Executive Directors do not receive any directors' fees. Bonuses are determined as follows:

- Executive Chairman, CEO and COO, as a percentage of the Group's Total Comprehensive Income, from the annual audited accounts.
- KMP, at a rate determined based on their own personal performance and that of the Group.

#### Procedures for Setting Remuneration

On an annual basis, Management provides to the RC recommendations for remuneration changes for Executive Directors and KMP, which includes increments and bonuses. Based on making a considered assessment, the RC will then submit its recommendations to the Board. Korn Ferry and HR Guru may be consulted from time to time, for their input on benchmarking, industry practice and the market situation.

No Director participated in decisions on his/her own remuneration.

#### Service Agreements

The Company has entered into Service Agreements with Dr Sam Goi Seng Hui, Executive Chairman and Gilbert Ee Guan Hui, CEO, for a fixed period of three years, with effect from 1 January 2014, and thereafter renewable from year to year, for a fixed period of one year. Likewise, with Goi Kok Ming (Wei Guoming), Executive Director, COO, for a fixed period of three years, with effect from 1 September 2013, and thereafter renewable from year to year, for a fixed period of one year.

The Non-Executive Independent Directors and Non-Executive Non-Independent Director have no service agreement contracts. They are appointed pursuant to, and hold office under and in accordance with, the Company's Constitution.

#### Disclosure of the Executive Director's Remuneration and Top Five KMP

The remuneration of the Executive Directors has been presented, in deviation from Provision 8.1 of the 2018 Code, taking into consideration the highly competitive industry conditions and the sensitivity and confidentiality of remuneration matters. The breakdown of the total remuneration of the Executive Directors of the Company for FY2021 is set out below:

Name of Director	Salary (%)	Bonus (%)	Directors' Fee (%)	Total Remuneration (%)
Dr Sam Goi Seng Hui, Executive Chairman (between S\$250,000 to S\$500,000)	100.0%	0.0%	0.0%	100.0%
Gilbert Ee Guan Hui, Chief Executive Officer (between S\$250,000 to S\$500,000)	100.0%	0.0%	0.0%	100.0%
Goi Kok Ming (Wei Guoming), Chief Operating Officer (between S\$250,000 to S\$500,000)	100.0%	0.0%	0.0%	100.0%

The remuneration banding of the top five KMP of the Company for FY2021 is set out below:

Remuneration Banding	Number of KMP(s)
Less than S\$250,000	5

Provision 8.1 of the 2018 Code requires the Company to name and disclose the remuneration of at least the top five KMP (who are not directors or the CEO), in bands of \$\$250,000. The Board is of the view that it is not in the interests of the Company to disclose the names and in aggregate, the total remuneration of the top five KMP of the Company in this Report, due to the sensitive and confidential nature of such information and disadvantages that this might bring. There would be negative impact to the Company if members of the experienced and qualified senior management team are poached, which may affect the ability to nurture a sustainable talent pool and ensure the smooth continuity in leadership needed for the achievement of the strategic objectives of the Company.

The Company believes that shareholders' interests will not be prejudiced as a result of such non-disclosure of the amounts and breakdown of remuneration of each Executive Director and for each of the Company's KMP and the names of the Company's KMP. With the Company's partial disclosure of their remuneration in bands of no wider than S\$250,000, shareholders are provided an insight into the level of remuneration paid to the Executive Directors and the top five KMP.

Notwithstanding the abovementioned exceptions (deviations), the Company is of the view that the level of information that has already been disclosed, is consistent with the intent of Principle 8 of the 2018 Code, particularly for the following reasons:

- (a) Transparency on remuneration policies the remuneration policies of the Company have been disclosed on pages 37 to 39 of the Annual Report 2021, not only as part of its compliance with Principle 8 but also in respect of Principle 7. In particular, the differing principles governing the remuneration of Executive Directors and KMP, vis-à-vis the Non-Executive Directors, were elaborated on.
- (b) Level and Mix of Remuneration the level and mix of remuneration has also been disclosed on pages 38 and 41 of the Annual Report 2021, where:
  - (i) the separate remuneration principles governing the remuneration paid to the Executive Chairman and CEO, and that for the other Executive Directors and KMP, were disclosed on page 40 of the Annual Report 2021;
  - (ii) notwithstanding that the exact amounts of the Executive Directors were not disclosed, these have been disclosed in bands of no wider than S\$250,000 and the breakdown of the components of their remuneration – Fixed (Salary) and Variable (Bonus) – were disclosed in page 40 of the Annual Report 2021;

- (iii) the KMPs' remuneration have been disclosed in bands of \$\$250,000 on page 40 of the Annual Report 2021; and
- (iv) the Non-Executive Directors' remuneration had been disclosed to the exact amounts on page 41 of the Annual Report 2021.
- (c) Procedure for Setting Remuneration the procedure for setting remuneration has been disclosed on page 39 the Annual Report 2021.
- (d) Relationships between remuneration, performance and value creation the relationship between remuneration, performance and value creation, is disclosed through the Company's disclosure on its remuneration policies, as well as through the disclosed remuneration. Please refer to the Company's response on transparency and on remuneration policies, in this regard.

The Company is therefore of the view that in light of the abovementioned information that has been disclosed, the Company's disclosures are well aligned with the intent of Principle 8, and the exceptions (deviations), do not materially detract from such alignment.

There is no termination and post-employment benefits granted to Directors, the Executive Chairman, CEO, COO and the top five KMP.

#### Share Option Scheme/ Short-term and long-term incentive schemes

The Company does not have an employee share option scheme or any long-term incentive schemes, but will consider the establishment of other forms of longer term incentive as and when appropriate. If a long-term incentive scheme is established, the Company will consider the inclusion of claw-back provisions within the scheme, which would give the right to the Company to reclaim incentive components from participants in exceptional circumstances of misstatement of financial results, or of misconduct, resulting in financial loss to the Company.

The Company has a short-term incentive scheme for the Executive Directors. The Company compensates the Executive Directors by means of a profit sharing scheme based on achieving the Company's short-term business strategy. The incentive is paid in cash and is expressed as a percentage of the total comprehensive income.

#### Disclosure of the Non-Executive Director's Remuneration

The breakdown of the total remuneration of the Non-Executive Directors of the Company for FY 2021 is set out below:

Name of Director	Salary S\$	Bonus S\$	Directors' Fee S\$	Total Remuneration S\$
Francis Lee Choon Hui Vice Chairman and Lead Independent Director	-	-	101,519	101,519
Michael Grenville Gray Non-Executive Independent Director	-	-	65,875	65,875
Juliette Lee Hwee Khoon Non-Executive Non-Independent Director	-	-	53,125	53,125
Huang Lui (1) Non-Executive Independent Director	-	-	48,397	48,397
Wendell Wong Hin Pkin (2) Non-Executive Independent Director	-	-	39,826	39,826
Tam Chee Chong <sup>(3)</sup> Non-Executive Independent Director	-	-	45,625	45,625

Note:

(1) Ms Huang Lui stepped down as a member of the ARC and a member of RC on 1 February 2021.

(2) Mr Wendell Wong Hin Pkin appointed as a member of the RC on 1 February 2021.

(3) Mr Tam Chee Chong appointed as a member of the ARC on 1 February 2021.

Except for Dr Sam Goi Seng Hui (who is the father of Goi Kok Ming (Wei Guoming)) and Goi Kok Ming (Wei Guoming), there are no employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded \$\$100,000 during FY2021.

#### (C) ACCOUNTABILITY AND AUDIT

#### PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

#### Provision 9.1

#### Nature and extent of risks

The Board is responsible for the risk governance of the Group, which includes establishing risk management policies and tolerance strategies, that set the appropriate tone and direction; and overseeing the implementation of a risk management framework, to ensure that risks are identified and managed. On an ongoing basis, the Board, with the assistance of the ARC, monitors and assesses the adequacy of the risk management systems that have been put in place, as well as the system of internal controls, to ascertain that Management takes the appropriate steps to manage and mitigate risks. The ARC fulfills its responsibilities in safeguarding the Company's assets through providing oversight of the Company's financial reporting process, risk management and internal control systems, as well as monitoring internal and external audit functions. At the Management level, the Board has established a Management Risk Committee, chaired by the Group Financial Controller ("GFC"), who has taken on the role of Chief Risk Officer. This Committee oversees and ensures that risks are being managed by appropriate units, holistically, across the Group.

#### Risk Tolerance and Risk Policies

The Board evaluates the level of risk tolerance and the risk appetite of the Group, and determines whether acceptable levels of risk are being taken, in the pursuit of the strategic business objectives. Management also maintains a sound system of risk management and internal controls, to safeguard shareholders' interests and the Company's assets, and recommends the nature and extent of the significant risks for the endorsement of the Board in the pursuit of the Group's strategic business objectives, with the oversight from the ARC on behalf of the Board.

#### Enterprise Risk Management (ERM)

During the financial year, Management engaged an independent professional firm, BDO Advisory Pte. Ltd. ("BDO") to conduct an ERM exercise, with the objective of refreshing of the risk register, as part of the process in ensuring the effectiveness and adequacy of the Group's risk management process. This register is meant to be an ongoing record of the major risks affecting the Group. The results of the ERM exercise for the financial year ended 31 December 2021, were reported and presented to the ARC. In this risk assessment, BDO facilitated the identification of the key risks for the Group, including key emerging risks, that could impede the achievement of the Group's business objectives, as well as providing recommendations to enhance the internal controls of the Group, to address the risk. The ERM exercise highlighted pertinent risks in strategic, operational (including information technology areas), financial and regulatory compliance, as well as the treatment methods for such risks.

Management is responsible for ensuring that material risks identified are relevant to the business environment and that controls are either in place, or required to be developed, in order to mitigate these risks to the appropriate target risk levels. The Board reviews and approves policies and procedures for the management of these risks, which are executed by the CEO and the GFC. The ARC provides independent oversight to the effectiveness of the risk management process. Key material risks as identified through the ERM exercise, included the following:

#### **Investment Risk**

All investment proposals are evaluated against a set of investment criteria determined by the Board to mitigate potential investment risk. The investment criteria includes country risks, investment return, competitive landscape and locational attributes.

#### **Financial Risk**

Derivatives, a mix of fixed and floating rate debt and other financial instruments, are used to hedge against the foreign exchange and interest rate exposures, arising from the Group's operations in Malaysia and China.

To manage liquidity risk, cash flow is monitored closely by the Senior Management, to ensure sufficient cash or cash equivalents are maintained, to fulfil the financing, funding and repayment of debt obligations.

#### **Compliance Risk**

Monitoring processes are in place to ensure the applicable laws and regulations of the Group's property and hospitality businesses, are adhered to. Management is updated on latest developments in relevant laws and regulations, through regular engagements with the consultants.

#### **Business Interruption Risk**

The Group is exposed to business interruption risk arising from natural events (e.g. earthquake, typhoons or pandemic, such as COVID-19) or man-made events (e.g terrorist activities, strikes or other malicious acts), which may significantly disrupt the Group's hospitality business in Malaysia.

Business continuity plans have been developed to manage such external unforeseen exigencies. The plans are reviewed periodically, to ensure their effectiveness and relevancy. For any natural disasters occurring, the Group will work closely with the local authorities, in performing the required procedures (e.g evacuation, or containment, etc).

#### Provision 9.2

#### Board's comment on Adequacy and Effectiveness of Internal Controls

In order to arrive at the basis for the opinion on the adequacy and effectiveness of risk management and internal controls, the Board with the assistance of the ARC has evaluated the level of assurance required in accordance with the nature and complexity of the business. The Board has arrived at this level of assurance through a review of the work performed by the external auditors, internal auditors, other assurance mechanisms, and the results of the risk governance and risk assessment processes. This has enabled the Board to assess the adequacy and effectiveness of the Group's key internal controls and risk management practices, pertaining to the financial, operational, compliance and information technology controls. The internal controls have also been assessed in accordance with the COSO internal control framework, which evaluates the key elements, such as control environment, risk assessment, control activities, information and communication and monitoring activities. Any material non-compliance, or lapses in internal controls and recommendations for improvements, are reported to the ARC. All required detective, preventive, or corrective improvement measures, are closely monitored.

Based on the reports from the internal auditors, external auditors and the various management controls put in place, the Board, with the concurrence of the ARC, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls) and the risk management systems, are adequate and effective as at 31 December 2021, to address the risks that the Group considers relevant and material to its operations.

The Board and the ARC are also responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any Sanction Law; and (b) ensuring timely and accurate disclosures to SGX-ST of any such risks and other relevant authorities. The Company will inform shareholders of any sanction-related risks on the Company, the impact of such risk on the financials and operations of the Group, if any, and also the cessation of such risk via announcement to SGXNet.

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

#### Assurance from CEO, GFC and COO

For the financial year under review, written assurance was received from (a) the CEO and GFC that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) from the CEO, COO and GFC that the Group's risk management and internal control systems in place, were adequate and effective to address the financial, operational, compliance and information technology risks, in the context of the current scope of the Group's business operations.

#### Principle 10: Audit and Risk Committee

The Board has an Audit and Risk Committee which discharges its duties objectively.

#### Provisions 10.1 and 10.2

#### Roles, Responsibilities, Authorities of Audit & Risk Committee and Membership

The Board has established a combined ARC. The ARC assists the Board in fulfilling its responsibilities to safeguard the Company's assets, to ensure that Management maintains requisite accounting records, and to develop and maintain effective systems of internal control.

#### Members of the ARC

The ARC comprises the following four directors:

Mr Michael Grenville Gray, Chairman	[Non-Executive Independent Director]
Mr Francis Lee Choon Hui	[Non-Executive Independent Director and LID]
Mr Tam Chee Chong	[Non-Executive Independent Director]
Ms Juliette Lee Hwee Khoon	[Non-Executive Non-Independent Director]

The Board considers Michael Grenville Gray, who has extensive and practical accounting and financial knowledge and experience, well qualified to chair the ARC. The other members of ARC collectively have relevant accounting, legal or related financial management expertise or experience. They keep abreast of relevant changes to accounting standards and issues, which have direct impact on the financial statements. The Board is of the view that the present members of the ARC have sufficient accounting and financial management expertise and experience, to discharge their responsibilities. The Board reviews the composition and effectiveness of the members of the ARC from time to time.

#### Authority of the ARC

The ARC has the explicit authority to conduct investigations into any matters within its terms of reference, including having full access to and co-operation of the Management, has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

#### Terms of Reference

The overall objective of the ARC is to ensure that Management has put in place and maintains an effective control environment in the Group, and that Management by example encourages respect for the internal control systems among all parties.

The terms of reference of the ARC include, inter alia, reviewing the following:

- i. the Company's financial and operating results and accounting policies;
- ii. the Company's internal audit processes and the external / internal auditors' reports;
- iii. the Company's financial statements and consolidated financial statements, as well as the external auditors' reports on those financial statements, before submission to the Board;
- iv. the co-operation given by the Management to the auditors;
- v. the Company's audit plans and reports of the external auditors' examination and evaluation on the internal accounting control system;
- vi. transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- vii. the re-appointment of the external auditors and internal auditors;
- viii. the Company's significant financial reporting issues and judgments; and
- ix. any formal announcements relating to the Company's financial performance.

#### Financial Reporting

The half-yearly unaudited and the annual audited financial statements and the accompanying announcements and all related disclosures to the shareholders, are reviewed by the ARC, before presentation to the Board for approval, to ensure the integrity of the information to be released. In the process, the ARC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made, that would have an impact on the Group's financial performance, so as to ensure the integrity of the financial statements.

#### Review of Interested Person Transactions ("IPTs")

The ARC reviews the IPTs on a regular basis. To assist the ARC in this role, the Management has appointed the internal auditor to carry out agreed upon procedures, to review the IPTs.

#### **External Auditor**

KPMG LLP ("KPMG") was appointed as the external auditors of the Company on 21 April 2014.

Where preparation of audited financial statements is required, all such Company's subsidiaries are audited by KPMG. The Group is in compliance with Rule 712 and Rule 715 of the Listing Manual of SGX, in relation to its external auditors.

The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the listing manual.

#### Activities of the ARC in FY2021

During the ARC meetings through the financial year, the following matters were reviewed:

• Financial matters

In the review of the financial statements, the ARC has discussed with Management and the external auditors, the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditors, and were reviewed by the ARC. Following the review and discussions, the ARC recommended to the Board to approve the full year financial statements.

Significant matters	How the ARC reviewed these matters and what decisions were made
Revenue recognition for sales of development properties	The ARC considered the use of the percentage completion method, in recognising revenue for the sale of development properties. To this end, the ARC had discussed with the external auditors as to whether this method was appropriate and concluded that it was. In addition, the ARC had discussed with Management the conditions of the sales contracts and considered that they are appropriate for this form of revenue recognition.
Valuation for the impairment of development properties	The ARC considered the approach and methodology applied to the valuation of development properties. Where external valuers have been used, ARC was provided by Management, with details of the external valuers and the amounts of the valuations. Where an independent external valuer was not engaged, ARC assessed the reasonableness of the Group's estimated selling prices of the development properties, by comparing it to the sales prices of comparable properties. Having discussed with Management and the external auditors, the ARC is satisfied that no impairment is required.
Impairment of property, plant and equipment	The ARC considered the approach and methodology and key assumptions used, in arriving at the valuations. Where an independent external valuer was engaged, ARC was provided by Management with details of the external valuers and assessed the reasonableness of the key assumptions used in the valuations, which included a comparison of the estimated selling price against available market data, taking into consideration comparable and market factors. In addition, the ARC had discussions with Management to understand how they had considered the implications of COVID-19 and market uncertainty, in the valuations. Where an independent external valuer was not engaged, ARC assessed the reasonableness of the Group's key assumptions underpinning the calculations of the recoverable amount. Having discussed with Management and the external auditors the ARC is satisfied that no impairment is required and key assumptions used, were considered to be consistent with current market data.

The above three items were also an area of focus for the external auditors and the external auditors has included these items as Key Audit Matters, in its audit report for the financial year ended 31 December 2021. Refer to page 56-58 of this Annual Report.

#### Review of Chairman/Directors/ Managers expenses

The entertainment, travelling and expense accounts for the Chairman, Directors and Managers, are provided for the ARC's review, on a quarterly basis.

• Review of Audit Findings

The ARC approved the scope and audit plans undertaken by the external auditors, and reviewed the results of the audits, significant findings and recommendations, as well as Management responses. The ARC also reviewed the corrected and uncorrected audit misstatements, and was of the view that there was no need for an adjustment to the uncorrected misstatements.

• Performance Evaluation of the External Auditors

The Management completed a checklist on the performance evaluation of the external auditors concerning a number of factors, such as qualification and calibre, expertise and resources, effectiveness, independence, leadership and audit fees. The evaluation was reviewed by the ARC. The ARC undertook the review of the independence and objectivity of KPMG, through discussions with them, as well as the non-audit services provided and the fees paid to them. Based on the review, the ARC is of the opinion that KPMG is, and is perceived to be, independent, for the purpose of the Group's statutory audit.

The ARC has recommended to the Board that Baker Tilly TFW LLP be nominated for appointment as the external auditors for the financial year ending 31 December 2022, subject to the approval of shareholders at the forthcoming AGM scheduled to be held on 29 April 2022.

Further details on the proposed change of auditors can be found in the Notice of AGM and Appendix dated 13 April 2022.

#### Internal Controls and Regulatory Compliance

The ARC reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems, through discussions with Management and its internal auditors and reports to the Board annually. The ARC also reviews the assurance from the CEO and the GFC, on the financial records and financial statements.

#### Non-audit Services

The ARC has conducted an annual review of the non-audit services provided by the external auditors, and has satisfied itself that the nature and extent of such services do not prejudice the independence and objectivity of the external auditor. For details of the fees paid and/or payable by the Group, in respect of audit and non-audit services for FY2021, please refer to note 25 of the Notes to the Financial Statements.

#### The ARC Members Technical Updates

Changes to accounting standards and issues which have a direct impact on financial statements, are highlighted to the ARC, from time to time, by the external auditors. The external auditors work with Management to ensure that the Group complies with the new accounting standards, if applicable.

The ARC members have also attended courses provided by the SID and other organisations during the financial year, including those on accounting and auditing issues. The Audit Committee Guide issued by SID is used as a reference for the ARC matters.

#### Whistle Blowing Policy

The ARC has in place a whistle-blowing policy, by which employees of the Group and any other persons may, in confidence, raise concerns about possible improprieties, in matters of financial reporting, or other matters, without fear of reprisals in any form. The ARC is satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow up action, if and whenever needed. Anonymous reporting will also be attended to and anonymity honoured. A set of guidelines was reviewed by the ARC and approved by the Board, and issued to assist the ARC in managing allegations of fraud, or other misconduct, which may be made, in line with the whistle-blowing policy.

In order to facilitate and encourage the reporting of such matters, the whistle-blowing policy, together with the dedicated whistleblowing communication channels are available. The Whistle-Blowing Committee comprises the ARC Chairman and the Non-Executive Vice Chairman cum Lead Independent Director. No reports were made during the year in review.

#### Provision 10.3

#### The ARC Members being Former Partners of the Auditing Firm

Neither the members nor the Chairman of the ARC are former partners or directors of the Group's auditing firm. None of them hold any financial interest in the Group's auditing firm.

#### Provision 10.4

#### Internal Auditors

The internal audit function has been outsourced to an independent professional firm, BDO. BDO is a global professional advisory service firm, which is independent to the Company. BDO is a full-resourced service provider, providing internal audit, corporate governance and risk management services, to various industries, such as building & construction, property development & management, leisure and hospitality.

The engagement team is led by a Partner who has more than 25 years of internal audit and risk advisory experience. BDO is currently serving clients primarily listed on SGX-ST, privately held entities and public sector entities, ranging from multi-national companies to local small and medium enterprises, in a wide range of industries.

The BDO team engaged to undertake the Company's internal audit function, is a team of approximately 3 to 5 persons for each review. Based on representations by BDO to the Company, BDO follows a global internal audit methodology, which references to the International Standards for the Professional Practice of Internal Auditing, as set by The Institute of Internal Auditors.

BDO report to the Chairman of the ARC. The internal audit function assists the Board and the ARC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control systems.

A risk based internal audit plan, which sets out the areas to be audited by the Internal Auditors, was reviewed and approved by the ARC, before the commencement of the audit work to assess the adequacy and effectiveness of internal controls, regarding areas which are of significant or higher risk to the Group's business activities.

The internal audits are performed:

- i. To determine that internal controls are in place and functioning as intended, to address the key business and operational risks;
- ii. To assess whether operations of the business processes under review, are conducted efficiently and effectively; and
- iii. To identify opportunities for improvement of internal controls.

The ARC approves the hiring, removal, evaluation and compensation of the outsourced internal audit function. The Internal Auditor had unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

The ARC reviews the adequacy and effectiveness of the internal audit function annually and together with the Board, they are satisfied that the Internal Auditor is independent, effective and have adequate resources and appropriate standing, within the Group and the Company, and are staffed with persons with the relevant qualifications and experience.

The ARC will meet with the Internal Auditors at least once a year to discuss their findings on the Group's observance of internal control measures that are in place. The last meeting with the Internal Auditors was held in February 2022.

#### Provision 10.5

#### Meeting with External Auditors

The ARC meets the external auditors without the presence of Management, to discuss the reasonableness of the financial process, system of internal controls, fraud risk, quality of accounting and any other matters which the ARC or external auditors may wish to raise, at least once a year.

#### Meeting with Internal Auditors

The ARC meets with the Internal Auditors, without the presence of Management, at least once a year. The internal audit findings, categorised according to their priority, are submitted to and discussed with the ARC. The progress of the implementation of the corrective actions for the outstanding audit findings, is closely monitored by the ARC.

#### (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

#### Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospect.

#### Provision 11.1

#### Sufficient information to Shareholders

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights, and continually reviews and updates governance arrangements. Shareholders were informed of changes in the Company, or its business, which would be likely to materially affect the price or value of the Company's shares, via disclosures through SGXNet.

Shareholders had the opportunity to participate effectively in and vote at the general meetings of shareholders. Shareholders are informed of shareholders' meetings, through notices contained in annual reports, or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNet.

The notice of meetings together with the relevant documents, is distributed to all shareholders at least 14 days before the scheduled meetings. Shareholders are invited to attend the general meetings to put forth any questions they may have, on the motions to be debated and decided upon. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM and were informed of the rules, including voting procedures that govern general meetings of shareholders.

#### Provision 11.2

#### Separate Resolutions for Separate Issues

Resolutions are, as far as possible, structured separately and may be voted on independently, including the election or re-election of each director, as a separate subject matter. Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the annual report.

#### Provision 11.3

#### Attendance of Directors at General Meetings

It is the policy of the Board that all directors must attend General Meetings, unless any director has a good reason not to.

All directors, including the Chairman of the Board and Chair persons of the ARC, NC, RC and IDC, were present at the last AGM. All directors will endeavour to be present at the Company's forthcoming virtual AGM, to be held in April 2022 to address shareholders' questions. In addition, the external auditors were present at the AGM to address shareholders' queries about the conduct of audit and the preparation and contents of the Auditors' Report.

#### Provision 11.4

#### Participation of Shareholders at General Meetings

Currently, the Company's Constitution does not allow a shareholder to vote in absentia, as the authentication of a shareholder identity and other related information, still remains an area of concern.

The Company supports active shareholder participation at general meetings and annual reports are distributed to shareholders at least 14 days before the scheduled meeting date. To ensure high level of accountability and to stay informed of the Group's strategies and visions, all shareholders are encouraged to attend the general meetings. To facilitate participation by the shareholders, the Company's Constitution allows for shareholders who are not relevant intermediaries to appoint not more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as indicated in the notice of the general meeting at least 72 hours before the time set for the general meetings.

Under the Singapore Companies (Amendment) Act 2014, investors who hold the Company's shares through a nominee company, or custodian bank, or through a CPF agent bank, may attend and vote at the general meetings of shareholders.

#### Voting by Poll and the results of voting

In support of greater transparency and to allow for a more efficient voting process, the Company has been conducting poll voting since 2016 at the general meetings and will continue to do so for all the resolutions to be tabled at the forthcoming general meetings. The detailed procedures for the poll voting is explained at all general meetings. An external firm is appointed as scrutineers for the voting process, which is independent of the firm appointed to undertake the poll voting process. The total numbers and percentage of votes cast for or against the resolutions are announced after the meeting via SGXNet. Electronic poll voting has not been adopted by the Company for the time being, as the turnout of the shareholders is still considerably small.

#### Forthcoming AGM to be convened and held by electronic means

In view of the COVID-19 situation, the AGM held in respect of FY2020, was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronically accessed live audio-visual webcast, or live audio-only stream; submission of questions to the Chairman of the Meeting in advance of the AGM; addressing of substantial and relevant questions at, or prior to, the AGM; and voting by appointing the Chairman of the Meeting as proxy at the AGM; was put in place for the AGM.

For the forthcoming AGM to be held in April 2022, the arrangements will be the same as FY2020. The Notice of AGM and proxy form and the appendices will be made available on SGXNet (URL <u>https://www.sgx.com/securities/company-announcements</u>) and on the Company's corporate website (<u>www.gshcorporation.com</u>).

Shareholders will be invited to submit their questions for the AGM in advance and all substantial and relevant questions received from shareholders prior to a general meeting will be addressed, via publication on SGXNet and the Company's corporate website, by the Board of Directors and Management at least 48 hours prior to the closing date and time for the lodgement of the proxy forms. After the cut-off time for the submission of questions, if there are subsequent clarifications sought, or follow-up questions, this will be addressed at the general meeting.

#### Provision 11.5

#### Minutes of General Meetings

All minutes of general meetings include substantial and relevant comments or queries from shareholders, relating to the agenda of the meeting, and responses from the Board and Management, are publicly available to shareholders on the Company's website and SGXNet, within one month from the date of the meeting.

#### Provision 11.6

#### **Dividend Policy**

The Company does not have a specific policy on the amount of dividends to be paid, due to the nature of the business and the way that income is realised. Nevertheless, the Board has adopted a policy of issuing dividends when there is the availability of both sufficient profits and cash flow, after taking into account the Group's short and long term capital requirements, future investment plans, general global and business economic conditions. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management, with a sustainable dividend policy.

#### Principle 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

#### Provisions 12.1, 12.2 and 12.3

#### Disclosure of Information on a timely basis

The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company, pursuant to SGX-ST Listing Rules, the Board's policy is that all shareholders should be equally and timely informed, of all major developments that impact the Group.

Information is communicated to shareholders on a timely basis through:

- i. annual reports that are prepared and issued to all shareholders;
- ii. a summary of the financial information and affairs of the Group for the half year and full year, that are published through the SGXNet within the mandatory period;
- iii. notices and explanatory memoranda for annual general meetings and extraordinary meetings; and
- iv. information that is material or may influence the price of the Company's shares is posted on SGXNet.

The Company has adopted semi-annual reporting of its financial performance, with effect from FY2020.

In addition, shareholders are encouraged to attend the general meetings, to ensure a high level of participation and accountability, and to stay informed of the Group's strategy and plans. The AGM is the principal forum for any dialogue the shareholders may have, with the Directors and Management of the Company.

#### Dialogue with Shareholders

The Board welcomes questions from shareholders, who have an opportunity to raise issues either informally or formally, before or at the general meetings. All Directors, including the chairpersons of the ARC, NC, RC, IDC, as well as the external auditors, are present at the general meetings, to address any shareholders' queries.

#### Corporate Website

Information about the Group, the Board of Directors, the Annual Reports, the Sustainability Reports and other information which may be relevant to investors, can be found on the Group's website at <u>www.gshcorporation.com</u>.

#### Investor Relations Policy

The Company has adopted an Investor Relations Policy ("IRP"), to formalise the principles and practices adopted by the Company and designed to provide current and prospective investors and its shareholders, with fair access to accurate, comprehensive and timely information.

The Company values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Shareholders can submit their feedback and raise any question to the Company's investor relations contact, as provided in the Company's website. Procedures are in place for following up and responding to stakeholders queries, as soon as applicable.

#### Principle 13: ENGAGEMENT WITH STAKEHOLDERS

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

#### Provisions 13.1 and 13.2

The Company engages its stakeholders via various media and channels, to ensure that the business interests are aligned with those of the stakeholders; to understand and address the concerns, so as to improve services and products' standards; as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations, and those who similarly, are able to impact the Group's business and operations. Six stakeholders groups have been identified and they are:-

- 1. Builders and Suppliers
- 2. Communities
- 3. Customers and Hotel Guests
- 4. Employees
- 5. Governments and Regulators
- 6. Investors

The Company has undertaken a process to determine the environmental, social and governance ("ESG") issues, which are important to these stakeholders. These issues form the sustainability materiality matrix, which are aligned with our principal business and operational risks, and formed our sustainability strategy, which has shaped our approach to sustainability reporting. Metrics have been developed to measure the progress and the Board will review and adjust the metrics each year, as the external and business context changes. More details on the Company's approach to stakeholder engagement and materiality assessment, can be found in the Sustainability Report, which will be released on or before 31 May 2022.

The Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships, based on the stakeholders and the material issues that have been identified.

#### (E) Additional Information

• Dealings in Securities

The Group has adopted a code of conduct, which provides guidance to its officers with regard to dealings in the Company's securities, in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST.

Directors and key employees within the Group, are not allowed to deal in the Company's securities while in possession of pricesensitive information and during the periods commencing one month before the announcement of the Group's half year and full year financial results. Directors and key employees within the Group, are not allowed to share non-public material information about the Company with family members, friends, associates, or anyone else, who may subsequently buy or sell in the Company's securities.

In addition, Directors and key employees are advised not to deal in the Company's securities for short term consideration and are expected to observe the insider trading law at all times, even when dealing in securities within permitted trading periods.

Interested Person Transactions

The Group has established procedures for recording, reporting, reviewing and approving, interested person transactions. The internal auditors carries out agreed upon procedures to review the IPT, on a quarterly basis. Subsequently, ARC and the Board review the IPT reports prepared by the internal auditors to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and the Company's non-controlling shareholders. Below are the IPTs entered by the Group for the financial year ended 2021:

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000)	Aggregate value of all IPTs conducted during the financial year under review under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$\$100,000)
Dr Sam Goi Seng Hui, Executive Chairman (please see Note (i) for further details)	Director and Controlling Shareholder	S\$2,440,025	
Gilbert Ee Guan Hui, CEO (please see Note (ii) for further details)	Director	S\$468,000	Not applicable – the Group does not have a shareholders' mandate pursuant to Rule 920 of the
Goi Kok Ming (Wei Guoming) Director and son of Executive Chairman (please see Note (iii) for further details)	Director	S\$129,538	Listing Manual

Note:

- (i) Interest of \$\$1,867,384 paid for the subscription of 5.15% fixed rate notes due 3 May 2021, and 5.20% fixed rate notes due 21 October 2022, issued by the Company under its \$\$800,000,000 multicurrency medium term note programme, on 8 June 2016; and interest of \$\$572,641 paid for provision of shareholder's loans to the Company during 2021.
- (ii) Interest paid of \$\$468,000 for the subscription of 5.20% fixed rate notes due 12 October 2022, issued by the Company under its \$\$800,000,000 multicurrency medium term note programme, on 8 June 2016.
- (iii) Interest paid for the subscription of 5.15% fixed rate notes due 3 May 2021, and 5.20% fixed rate notes due 21 October 2022, issued by the Company under its \$\$800,000,000 multicurrency medium term note programme, on 8 June 2016.
- Material Contracts

Save for the service agreements between the Executive Directors and the Company, there were no material contracts of the Company or its subsidiaries, involving the interest of the Executive Chairman, the CEO, the COO, or any Director or controlling shareholders, subsisting at the end of the financial year ended 2021.

• Use of Proceeds from the Rights Issue

On 12 October 2021, the Company received \$78.3 million, from the issuance of Rights Issue (as defined in the Offer Information Statement announced on 16 September 2021).

As at 31 January 2022, approximately S\$51.7 million of the net proceeds have been used for the intended purposes, being (1) repayment of shareholder's loan provided by Dr Sam Goi Seng Hui; (2) general working capital purpose, specifically for funding of the Group's property developments in China and Malaysia; and (3) repayment of existing loans and interest. The Company will make further announcements on the use of the remaining proceeds of the Rights Issue until such proceeds have been fully utilised.

### DIRECTORS' STATEMENT YEAR ENDED 31 DECEMBER 2021

#### **Directors' statement**

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS87 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

#### Directors

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

Dr Sam Goi Seng Hui Gilbert Ee Guan Hui Goi Kok Ming (Wei Guoming) Francis Lee Choon Hui Michael Grenville Gray Juliette Lee Hwee Khoon Huang Lui Wendell Wong Hin Pkin Tam Chee Chong

#### **Directors' interests**

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares or debentures in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporations in which interests are held	Description of interests	At beginning of the year	At end of the year
Dr Sam Goi Seng Hui			
GSH Corporation Limited	Ordinary Shares (Direct)	870,586,275	945,088,408
	Ordinary Shares (Deemed)	300,000,000	300,000,000
GSH Corporation Limited	\$50,000,000 5.15% fixed rate notes due in 2021 (Direct)	\$10,000,000	-
	\$80,000,000 5.20% fixed rate notes due in 2022 (Direct)	\$31,000,000	\$31,000,000
	\$50,000,000 5.15% fixed rate notes due in 2021 (Deemed)	\$500,000	-
	\$78,277,342 5.20% convertible notes due in 2024 (Direct)	-	\$44,602,213
	\$78,277,342 5.20% convertible notes due in 2024 (Deemed)	_	\$12,000,000



#### Directors' interests (cont'd)

Name of director and corporations in which interests are held	Description of interests	At beginning of the year	At end of the year
Gilbert Ee Guan Hui			
GSH Corporation Limited	Ordinary Shares (Direct)	629,478	629,478
	Ordinary Shares (Deemed)	157,913,600	157,913,600
	\$80,000,000 5.20% fixed rate notes due in 2022	\$9,000,000	\$9,000,000
	\$78,277,342 5.20% convertible notes due in 2024 (Deemed)	_	\$3,500,000
Goi Kok Ming (Wei Guoming)			
GSH Corporation Limited	\$50,000,000 5.15% fixed rate notes due in 2021	\$1,000,000	-
	\$80,000,000 5.20% fixed rate notes due in 2022	\$2,000,000	\$2,000,000
Juliette Lee Hwee Khoon			
GSH Corporation Limited	\$50,000,000 5.15% fixed rate notes due in 2021	\$250,000	_
	\$80,000,000 5.20% fixed rate notes due in 2022	\$250,000	\$250,000
Michael Grenville Gray			
GSH Corporation Limited	\$50,000,000 5.15% fixed rate notes due in 2021	\$250,000	-
	\$80,000,000 5.20% fixed rate notes due in 2022	\$500,000	\$500,000

There were no changes in the Directors' interests in the Company between the end of the financial year and 21 January 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

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

#### Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.



#### Audit and Risk Committee

The members of the Audit and Risk Committee during the year and at the date of this statement are:

- Michael Grenville Gray (Chairman), non-executive independent director
- Francis Lee Choon Hui, non-executive lead independent director
- Juliette Lee Hwee Khoon, non-executive non-independent director
- Huang Lui, non-executive independent director (stepped down on 1 February 2021)
- Tam Chee Chong, non-executive independent director (appointed on 1 February 2021)

The Audit and Risk Committee performed the functions specified in Section 201B of the Act, the SGX-ST Listing Manual and the Code of Corporate Governance.

The Audit and Risk Committee has held three meetings since the last directors' statement. In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Committee has made its recommendations to the Board of Directors, and the Board of Directors is satisfied with the proposed appointment of Baker Tilly TFW LLP as external auditors of the Company in place of the retiring auditors, KPMG LLP, at the forthcoming Annual General Meeting of the Company.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual, with regards to the appointment of the auditors of the Company and subsidiaries.

#### Auditors

The retiring auditor, KPMG LLP, will not be seeking re-appointment at the forth coming Annual General Meeting.

On behalf of the Board of Directors

**Gilbert Ee Guan Hui** Director Goi Kok Ming (Wei Guoming) Director

30 March 2022

56

# Members of the Company

#### GSH Corporation Limited

#### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of GSH Corporation 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 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 61 to 133.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of the financial position 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 financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' 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 requirement that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

#### Revenue recognition for sales of development properties

(Refer to Note 3.14 and Note 21 to the financial statements)

#### **RISK:**

The Group enters into contracts with customers to deliver specified building units to the customers based on the plans and specifications as set out in the contracts. In accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, the analysis of whether the contracts comprises one or more performance obligations, determining whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition where performance obligations are satisfied over time represent areas requiring critical judgement and estimates by the Group.

There is a broad possible range of outcomes resulting from these judgements that could lead to different revenue and profit being reported in the financial statements.

#### **OUR RESPONSE:**

We evaluated the Group's processes and controls over revenue recognition for sales of development properties and assessed the basis for the identification of performance obligations. We also read the sales and purchase agreements of development properties and discussed each of the developments with management to obtain an understanding of the specific terms to identify performance obligations. Also, we assessed whether the criteria are met for recognising revenue over time.

We assessed the appropriateness of methods and amounts used to measure the progress of the construction of specified building units by reference to construction costs incurred to date compared to the estimated total construction costs where the performance obligation is satisfied over time.

# Members of the Company

GSH Corporation Limited

#### OUR RESPONSE: (cont'd)

We assessed the adequacy of the estimated total construction costs by comparing them with the actual costs incurred to-date and discussed with management on the progress of the projects, taking into consideration any significant deviation in design plans or potential delay, which may require revision in the estimated total construction costs. For construction work that has been contracted to third parties, we agreed the contract sum to the contracts. For construction costs incurred to date, we have tested the significant items of cost components to the supporting documents such as supplier's invoices, to ascertain the existence and accuracy of the costs of work done.

#### **OUR FINDINGS:**

We found the basis and result for the identification of performance obligations and the assessment of whether the identified performance obligations are satisfied over time by the Group to be appropriate.

We also found the method used to recognise revenue from the construction of specified building units to be consistent with the transfer of control of the goods or services to the customers.

We found the estimated total construction costs and costs of work performed to date to be appropriate.

#### Valuation for the impairment of development properties

(Refer to Note 3.7 and Note 8 to the financial statements)

#### **RISK:**

The Group has residential development properties held for sale in Malaysia and China. Development properties are stated at the lower of cost and net realisable value. Net realisable value ("NRV") represents the estimated future selling price, less estimated costs of completion and estimated costs necessary to make the sale.

The estimation of future selling prices is dependent on the Group's expectation of the market development in the respective markets. There is therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in losses when these properties are sold and an overstatement of the current carrying value of such properties.

#### **OUR RESPONSE:**

Where external independent valuers were engaged, our procedures included assessment of the competence, capabilities and objectivity of the valuers.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We compared the valuers' underlying assumptions on the market value to market comparables and, when necessary, held further discussions with the valuers to understand how they have considered the ongoing market uncertainty in the valuations.

Where external independent valuers were not engaged, we assessed the reasonableness of the Group's estimated selling prices of the development properties by independently validating to recent transacted sales prices of comparable properties.

We assessed the reasonableness of the budgeted costs to completion by comparing the budgeted costs to costs incurred to date, taking into consideration the construction progress and any significant deviation in design plans.

#### **OUR FINDINGS:**

We are satisfied with the competence, capabilities and objectivity of the external independent valuers. The valuers are members of generally recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies adopted by the valuers were found to be appropriate and comparable to the methods used for similar property types and those used in the prior years. The key assumptions used in the valuations were found to be consistent with current market data.

Where external independent valuers were not engaged, we found the Group's estimated selling prices used in determining the net realisable values to be comparable to the range of observable selling prices of comparable properties.

58

### Members of the Company GSH Corporation Limited

#### OUR FINDINGS: (cont'd)

#### Impairment of property, plant and equipment

(Refer to Note 3.6 and Note 4 to the financial statements)

#### **RISK:**

As at 31 December 2021, the Group has property, plant and equipment with a carrying amount of \$428 million in the consolidated statement of financial position. Property, plant and equipment comprises mainly hospitality properties in Malaysia. Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses and are subject to an annual review to assess if there are indicators of impairment.

The process of identifying indicators of impairment and assessing the recoverable amount of each hotel property involves significant judgement in determining an appropriate model and the underlying assumptions to be applied; coupled with the inherent estimation uncertainties that arise when estimating and discounting future cash flows. The recoverable amount of a property is the higher of its fair value less cost to sell and value in use. The recoverable amount is sensitive to inputs and assumptions underlying the models used. Some of the key inputs and assumptions relate to expectations of occupancy rates and room rates.

Certain valuers have highlighted in the valuation reports that as a result of the COVID-19 pandemic, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the uncertain future impact that the COVID-19 pandemic might have on the real estate market, the values might change more rapidly and significantly than during standard market condition. The valuers have also recommended to keep the valuation of these properties under frequent review.

#### **OUR RESPONSE:**

Where external independent valuers were engaged, our procedures included assessment of the competence, capabilities and objectivity of the valuers.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We compared the valuers' underlying assumptions on the market value to market comparables and, when necessary, held further discussions with the valuers to understand how they have considered the ongoing market uncertainty in the valuations.

We evaluated the historical accuracy of management's calculations of the recoverable amounts of hotel properties by comparing the forecasts at the end of the previous financial year for occupancy rates and room rates with the actual outcomes in the current year.

We performed sensitivity analysis to determine the extent of change in those estimates that, either individually or collectively, would be required for the properties to be materially misstated and considering the likelihood of such a movement in those key estimates arising and whether there was any evidence of management bias.

#### **OUR FINDINGS:**

We are satisfied with the competence, capabilities and objectivity of the external independent valuers. The valuers are members of generally recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies adopted by the valuers were found to be appropriate and comparable to the methods used for similar property types and those used in the prior years. The key assumptions used in the valuations were found to be consistent with current market data.

Where external independent valuers were not engaged, we found the Group's key assumptions underpinning the calculations of the recoverable amount to be reasonable.

#### Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

### Members of the Company GSH Corporation Limited

#### OUR FINDINGS: (cont'd)

#### Other information (cont'd)

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

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

#### Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)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.

#### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

### Members of the Company GSH Corporation Limited

#### OUR FINDINGS: (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations 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 auditors' report is Lee Chin Siang Barry.

**KPMG LLP** Public Accountants and Chartered Accountants

Singapore 30 March 2022

# STATEMENTS OF FINANCIAL POSITION As at 31 December 2021

		Gi	roup	Com	pany
	Note	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Assets					
Property, plant and equipment	4	427,830	426,089	27,652	28,163
Investment property	5	4,557	4,472	_	_
Subsidiaries	6	-	-	56,825	28,291
Deferred tax assets	19	833	1,110	540	847
Other investments	7 _		15,739		15,739
Non-current assets	_	433,220	447,410	85,017	73,040
Development properties	8	549,880	412,603	_	_
Contract costs	9	4,164	14,690	_	_
Contract assets	10	52,434	21,254	_	_
Inventories	11	11,233	8,819	_	_
Trade and other receivables	12	34,756	69,357	589	1,087
Amounts due from related parties	13	671	567	545,440	558,807
Tax receivables		1,563	879		
Time deposits	14	2,505	2,548	_	_
Cash and cash equivalents	14	, 71,048	81,666	30,963	997
Current assets	··· _	728,254	612,383	576,992	560,891
	_				
Total assets	_	1,161,474	1,059,793	662,009	633,931
Equity					
Share capital	15	343,458	343,458	343,458	343,458
Treasury shares	15	(5,580)	(5,580)	(5,580)	(5,580)
Reserves	16	(34,888)	(32,351)	908	645
Accumulated profits/(losses)		45,595	66,633	(20,735)	(3,881)
Equity attributable to owners of the Company		348,585	372,160	318,051	334,642
Non-controlling interests		137,566	114,548	-	_
Total equity	_	486,151	486,708	318,051	334,642
Liabilities Trade and other payables	17	416	399		
Contract liabilities	17	1,336	1,243	_	_
Loans and borrowings	10	314,820		 203,337	 107,933
Deferred tax liabilities	18	43,841	247,552 47,242	205,557	107,955
Non-current liabilities	19 _	360,413	296,436	203,337	107,933
Non-current nasinties	_	500,415	250,450	205,557	107,555
Trade and other payables	17	85,055	73,733	3,121	1,605
Contract liabilities	10	20,235	3,549	-	_
Amounts due to related parties	13	37,198	37,703	15,507	44,905
Derivative financial liabilities	20	-	1,260	-	1,260
Loans and borrowings	18	172,360	160,027	121,933	143,526
Current tax liabilities		62	377	60	60
Current liabilities	_	314,910	276,649	140,621	191,356
Total liabilities		675,323	573,085	343,958	299,289
Total equity and liabilities	_	1,161,474	1,059,793	662,009	633,931
iotal oparty and naminos	_	1,101,777	1,000,100	002,005	

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

### GSH CORPORATION LIMITED

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Revenue Cost of sales	21	95,780 (89,507)	120,213 (97,176)
Gross profit		6,273	23,037
Other net income Selling and marketing expenses	22	2,767 (2,569)	3,202 (1,959)
Administrative expenses Other expenses		(16,236) (13)	(20,394) (1,916)
Results from operating activities		(9,778)	1,970
Finance income Finance expenses		576 (20,771)	2,020 (20,428)
Net finance costs	23	(20,195)	(18,408)
		(20.072)	(4.5, 42.0)
Loss before tax Tax credit	24	(29,973) 774	(16,438) 603
Loss for the year	25	(29,199)	(15,835)
Loss attributable to: Owners of the Company		(21,038)	(14 120)
Non-controlling interests		(8,161)	(14,139) (1,696)
Loss for the year		(29,199)	(15,835)
Earnings per share Basic loss per share (cents)	26	(1.08)	(0.72)
Diluted loss per share (cents)	26 —	(1.08)	(0.72)
		, , , , , , , , , , , , , , , , ,	
Other comprehensive income, net of tax*			
Items that will not be reclassified to profit or loss: Equity investments at fair value through other comprehensive income – net change in fair value		_	(5,006)
			(3,000)
Items that are or may be reclassified subsequently to profit or loss:		120	(225)
Debt investments at fair value through other comprehensive income – net change in fair value Debt investments at fair value through other comprehensive income – loss on derecognition		138	(225)
reclassified to profit or loss		(783)	1,851
Exchange differences on monetary items forming part of net investments in a foreign operation		(2,816)	(813)
Foreign currency translation differences relating to foreign operations		1,887	2,267
Foreign currency translation differences realised on disposal of an associate, reclassified to profit or loss		_	3,446
Other comprehensive income, net of tax*		(1,574)	1,520
		/	
Total comprehensive loss for the year		(30,773)	(14,315)
Total comprehensive loss attributable to:			
Owners of the Company		(24,483)	(14,146)
Non-controlling interests		(6,290)	(169)
Total comprehensive loss for the year		(30,773)	(14,315)

\* There was no tax effect on the components included in other comprehensive income.

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

# Year ended 31 December 2021

			Attributable	Attributable to owners of the Company	the Compan	~			
1	Share capital \$'000	Treasury shares \$'000	Asset revaluation reserve \$'000	Translation reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 January 2020	343,458	(5,131)	4,132	(40,501)	4,820	84,869	391,647	87,669	479,316
Total comprehensive loss for the year Loss for the year	I	I	I	I	I	(14,139)	(14,139)	(1,696)	(15,835)
Other comprehensive income / (loss) Foreign currency translation differences relating to foreign operations	I	I	I	740	I	I	740	1,527	2,267
Exclininge dimensiones on monetary items forming part of net investment in a foreign operation Foreign currency translation	I	I	I	(813)	I	I	(813)	I	(813)
differences realised on disposal of an associate, reclassified to profit or loss Equity investments at fair value throuch other	I	I	I	3,446	I	I	3,446	I	3,446
comprehensive income – reclassified to retained earnings Debt investments at fair	I	I	I	I	(795)	795	I	I	I
value unough other comprehensive income – reclassified to profit or loss Net change in fair value –	I	I	I	I	1,851	I	1,851	I	1,851
equity investments at FVOCI debt investments at FVOCI	1 1	1 1	1 1	ΙI	(5,006) (225)	1 1	(5,006) (225)	I I	(5,006) (225)
Total other comprehensive income / (loss), net of tax	I	I	I	3,373	(4,175)	795	(2)	1,527	1,520
Total comprehensive income / (loss) for the year	I	I	I	3,373	(4,175)	(13,344)	(14,146)	(169)	(14,315)

63

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2021

			Attributab	Attributable to owners of the Company	rs of the (	Company				
	Share capital \$'000	Treasury shares \$'000	Asset revaluation reserve \$'000	ion Translation e reserve \$'000		Fair value Ac reserve \$'000	Accumulated profits \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Transactions with owners, recognised directly in equity Contributions by and distributions to owners lssuance of ordinary shares by a										
subsidiary	I			I	I	I			27,341	27,341
Dividend paid	I		ı ĉ	I	I	I	(4,892)	(4,892)	(293)	(5,185)
Total transactions with owners		(449)	() ()	1	I	I	- (008 1/)	(449) (F 241)	- 21070	(449) 21 707
As at 31 December 2020	343,458	(5	4,1	32 (37	,128)	645	66,633	372,160	114,548	486,708
				Attributak	ole to owr	Attributable to owners of the Company	Company			
	Share capital \$'000	Treasury rev shares i \$'000	Asset revaluation T reserve \$'000	Translation reserve \$'000	Capital reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	d Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 January 2021	343,458	(5,580)	4,132	(37,128)	I	645	66,633	372,160	114,548	486,708
Total comprehensive loss for the year Loss for the year	1	1	1	1	1		(21,038)	(21,038)	() (8,161)	(29,199)
Other comprehensive income/ (loss)										
Foreign currency translation differences relating to foreign										
operations Exchange differences on	I	I	I	16	I	I	I	. 16	1,871	1,887
monetary items forming part of net investment in a foreign										
operation	I	I	I	(2,816)	Ι	I	I	. (2,816)	-	(2,816)
Gain on derecognition of debt investments FVOCI reclassified										
from OCI to profit or loss	I	I	I	I	I	(783)	-	. (783)	I	(783)
debt investments at FVOCI	Ι	I	I	Ι	Ι	138	I	138	I	138
Total other comprehensive income / (loss), net of tax	I	I	I	(2,800)	I	(645)	-	. (3,445)	) 1,871	(1,574)
Total comprehensive loss for the year	I	I	I	(2,800)	I	(645)	) (21,038)	() (24,483)	) (6,290)	(30,773)
×				•		r				

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2021

ANNUAL REPORT 2021

908 908 29,308 29,308 486,151 29,308 29,308 ī I 137,566 908 908 I I 348,585 I ī 45,595 I L I I I T. I 908 908 908 I I I I I I (39,928) I I 132 T T 4 (5,580)I I T T I I 343,458 Т L Capital injection in subsidiary with Total transactions with owners Total transactions with owners recognised directly in equity Transactions with owners, Issuance of convertible notes **Contributions by owners** interests in subsidiaries As at 31 December 2021 non-controlling interests (Note 18)

Changes in ownership

# Year ended 31 December 2021

Cash flows from operating activities         (29, 199)         (15,835)           Loss for the year         (20)         76           Adjustments for:         -         150           Change in far value of investment property         -         150           Debt investments at fair value through other comprehensive income – reclassified to profit or loss         (783)         1,851           Depreciation of property, plant and equipment         4         11,456         11,104           Interest income         -         (1,220)         904           Net change in fair value of financial derivatives         (1,260)         904           Net change in fair value of financial derivatives         (1,260)         904           Net torsign exchange loss arising from fixed deposit pledged         1         8           Net (gain)floss on disposal of property, plant and equipment         (2)         10           Write-down of inventories         (2)         5,067         13,479           Changes in:         -         (14,01)         9,788           - Contract costs         10,526         13,137           - Contract costs         10,526         13,137           - Contract costs         (14,401)         9,788           - Invetories         (2,2,23)		Note	2021 \$'000	2020 \$'000
Adjustments for:       (20)       76         (Reversal of allowance for//Allowance for trade receivables       (20)       76         Change in fair value of investment property       –       150         Debt investments at fair value through other comprehensive income – reclassified to profit or loss       (783)       1,851         Depreciation of property, plant and equipment       4       11,456       11,104         Interest income       -       (1,260)       904         Net change in fair value of financial derivatives       (1,260)       904         Net foreign exchange loss anising from fixed deposit pledged       1       8         Net (gain)/loss on disposal of property, plant and equipment       (2)       10         Witte-down of inventories       (2)       5         Tax credit       24       (774)       (603)         Changes in:       -       (13,9,08)       (56,878)         - Development properties       (13,9,08)       (56,878)         - Contract costs       10,526       13,137         - Trade and other payables       (2,523)       13,550         - Trade and other payables       (2,6,252)       (2,523)         - Trade and other payables       -       (662)         - Tade and other payables       <	Cash flows from operating activities			
(Reversal of allowance for)/Allowance for trade receivables         (20)         76           Change in fair value of investment property         -         150           Debt investments at fair value through other comprehensive income – reclassified to profit or loss         (783)         1,851           Depreciation of property, plant and equipment         4         11,456         11,104           Interest expense         19,699         17,829           Interest income         (776)         (780)           Dividend income         -         (1,240)           Net toring exchange loss arising from fixed deposit pledged         1         8           Net (gain)/loss on disposal of property, plant and equipment         (2)         10           Write-down of inventories         (2)         5           Tax credit         24         (774)         (603)           Contract costs         10,526         13,479           Contract costs         10,526         13,137           Contract assets/liabilities, net         (14,401)         9,788           Invertories         (2,523)         10,526           Tade and other receivables         34,623         (2,523)           Contract assets/liabilities, net         (602)         283         (2,525)	Loss for the year		(29,199)	(15,835)
Change in fair value of investment property         -         150           Debt investments at fair value through other comprehensive income – reclassified to profit or loss         (783)         1,851           Depreciation of property, plant and equipment         4         11,456         11,104           Interest income         (576)         (780)         1,851           Depreciation of property, plant and equipment         4         11,456         11,104           Interest income         -         (1,260)         904           Net torigin exchange loss arising from fixed deposit pledged         1         8           Net foreign exchange loss arising from fixed deposit pledged         1         8           Net foreign exchange loss arising from fixed deposit pledged         1         8           Net foreign exchange loss arising from fixed deposit pledged         1         8           Net foreign exchange loss arising from fixed deposit pledged         1         8           Net compone in inventories         (2)         10           Changes in:         -         (2)         5           Development properties         (13,9,086)         (56,878)           - Contract costs         10,526         13,137           - Contract assets/liabilities, net         18,690         (4,102) <td></td> <td></td> <td></td> <td></td>				
Debt investments at fair value through other comprehensive income – reclassified to profit or loss(783)1,851 1,851Depreciation of property, plant and equipment411,45611,104Interest expense19,69917,829Interest income(576)(780)Dividend income-(1,240)Net foreign exchange loss arising from fixed deposit pledged18Net cabuse for jupertis6,527Caveradi of allowance for inventories(2)5Tax credit24(774)(603)Changes in:11,9261,3137- Outract assets/labilities, net(1,401)9,798- Inventories34,623(2,523)- Trade and other receivables34,623(2,529) <td< td=""><td></td><td></td><td>(20)</td><td>76</td></td<>			(20)	76
loss         (783)         1.851           Depreciation of property, plant and equipment         4         11,456         11,104           Interest exponse         19,699         17,829           Interest income         (576)         (780)           Dividend income         -         (1,240)           Net change in fair value of financial derivatives         (1,260)         904           Net foreign exchange loss arising from fixed deposit pledged         1         8           Net (gain)/loss on disposal of property, plant and equipment         (2)         10           Virite-down of inventories         6,527         -           (Reversal of allowance for)/Allowance for inventories         (2)         5           Tax credit         24         (774)         (603)           - Development properties         (139,086)         (56,878)           - Contract costs         10,526         13,137           - Contract costs         10,526         13,137           - Contract costs         10,526         13,137           - Contract costs         18,690         (4,102)           - Balances with related parties         -         (602)           - Trade and other receivables         34,623         (2,523)			-	150
Depreciation of property, plant and equipment         4         11,456         11,104           Interest expense         19,699         17,829           Interest income         -         (1,240)           Dividend income         -         (1,240)           Net foreign exchange loss arising from fixed deposit pledged         1         8           Net (gain)/loss on disposal of property, plant and equipment         (2)         10           Wite-down of inventories         6,527         -           (Reversal of allowance for inventories         (2)         5           Tax credit         24         (774)         (603)           Contract costs         (19,086)         (56,878)           - Contract costs         (19,086)         (56,878)           - Contract costs         (14,401)         9,798           - Intertories         (3,623)         (2,523)           - Trade and other receivables         34,623         (2,523)           - Tade and other payables         18,690         (4,102)           - Bahnces with related parties         -         (602)           Cash used in operations         (2,713)         (6,529)           Net cash used in operating activities         -         55,451           Acqui				
Interest expense19,69917,829Interest income(576)(780)Divided income–(1,260)Net foreign exchange loss arising from fixed deposit pledged18Net (gain/Joss on disposal of property, plant and equipment(2)10Write-down of inventories6,527–(Reversal of allowance for inventories(2)5Tax credit24(774)(603)Changes in:–(139,086)(56,878)– Development properties(139,086)(56,878)– Contract costs10,52613,137– Contract costs(14,401)9,798– Inventories34,623(2,523)– Trade and other receivables34,623(2,523)– Tade and other payables(8,939)1,066– Trade and other payables(93,520)(26,625)Vet cash used in operations(2,713)(6,529)Net cash used in operating activities–(602)Cash flows from investing activities–(5,54)Acquisition of property, plant and equipment(26,362)(28,253)Proceeds from disposal of associated company–55,451Acquisition of other investments–(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in deposits pledged554847Changes in deposits pledged554847Dividend received–1,240Proceeds			( /	
Interest income         (576)         (780)           Dividend income         –         (1,240)           Net change in fair value of financial derivatives         (1,260)         904           Net foreign exchange loss arising from fixed deposit pledged         1         8           Net (gain)/loss on disposal of property, plant and equipment         (2)         10           Write-down of inventories         (2)         5           Tax credit         24         (774)         (603)           Changes in:         -         (14,401)         9,788           - Development properties         (139,086)         (56,878)           - Contract costs         10,526         13,137           - Contract costs         10,526         13,137           - Inventories         (34,623         (2,523)           - Trade and other receivables         34,623         (2,523)           - Trade and other payables         18,690         (4,102)           - Balances with related parties         –         (602)           Cash used in operating activities         (2,713)         (6,529)           Net cash used in operating activities         –         (26,362)           Cash used in operating activities         –         (16,615) <tr< td=""><td></td><td>4</td><td></td><td></td></tr<>		4		
Dividend income-(1,240)Net change in fair value of financial derivatives(1,260)904Net foreign exchange loss arising from fixed deposit pledged18Net (gain)/loss on disposal of property, plant and equipment(2)10Wite-down of inventories $6,527$ -(Reversal of allowance for)/Allowance for inventories(2)5Tax credit24(774)(603)Changes in:-(139,086)(56,878)- Development properties(139,086)(56,878)- Contract costs10,52613,137- Contract costs10,52613,137- Contract asset/labilities, net(14,401)9,798- Inventories34,623(2,523)- Trade and other receivables34,623(2,523)- Tade and other receivables-(602)Cash used in operations(93,520)(26,625)Tax paid(2,713)(6,529)Net cash used in operating activities-(16,615)Proceeds from disposal of associated company-55,451Acquisition of other investment15,95583,249Proceeds from disposal of associated company-55,451Acquisition of other investment435,716Interest received554847Dividend received-554847Dividend received-1,240Proceeds from ale of property, plant and equipment-1,240Proceeds from disposal of other investment-				
Net change in fair value of financial derivatives $(1,260)$ 904Net foreign exchange loss arising from fixed deposit pledged18Net (gain/Joss on disposal of property, plant and equipment $(2)$ 10Write-down of inventories $(2)$ 5Tax credit $(774)$ $(603)$ Changes in: $(139,086)$ $(56,878)$ - Development properties $(14,401)$ $9,798$ - Inventories $(14,401)$ $9,798$ - Inventories $(2,523)$ $(74,401)$ - Trade and other receivables $34,623$ $(2,523)$ - Trade and other receivables $(2,523)$ $(33,154)$ - Cash used in operations $(2,713)$ $(6529)$ Net cash used in operating activities $(26,362)$ $(28,253)$ Proceeds from disposal of associated company $ (525)$ Proceeds from disposal of associated company $ (16,615)$ Proceeds from disposal of property, plant and equipment $(2,367)$ $(2,367)$ Proceeds from disposal of associated company $ (16,615)$ Proceeds from disposal of associated company $ (16,615)$ Proceeds from disposal of associated company $ (3,367)$ $2,353$ Changes in time deposits $43$ $5,716$ $437$ Proceeds from disposal of of property, plant and equipment $ (16,615)$ Proceeds from disposal of of property, plant and equipment $ (16,615)$ Proceeds from disposal of associated company $ 554$ $847$ Di			(576)	
Net foreign exchange loss arising from fixed deposit pledged18Net (gain)/loss on disposal of property, plant and equipment(2)10Write-down of inventories(2)5Tax credit24(774)(603)Changes in:5,06713,479- Development properties(14,901)9,798- Contract costs10,52613,137- Contract costs(14,401)9,798- Inventories(8,939)1,066- Trade and other receivables34,623(2,523)- Trade and other receivables18,690(4,102)- Balances with related parties-(602)Cash used in operating activities(93,520)(26,625)Tax paid(26,362)(28,253)Proceeds from disposal of other investment-(56,478)Acquisition of property, plant and equipment-(622)Proceeds from disposal of other investment18,690(4,102)- Sa,451(622)Net cash used in operating activities-(16,615)Proceeds from disposal of associated company-55,451Acquisition of other investments(16,615)Proceeds from disposal of other investment15,95583,249Changes in time deposits435,71611Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment-1,240Proceeds from sale of property, plant and eq			_	
Net (gain)/loss on disposal of property, plant and equipment       (2)       10         Witk-down of inventories       6,527       -         (Reversal of allowance for)/Allowance for inventories       (2)       5         Tax credit       24       (774)       (603)         Changes in:       -       5,067       13,479         Changes in:       -       (139,086)       (56,878)         - Contract costs       10,526       13,137         - Contract costs       10,526       13,137         - Contract assets/liabilities, net       (14,401)       9,798         - Inventories       (8,939)       1,066         - Trade and other receivables       34,623       (2,523)         - Trade and other payables       18,690       (4,102)         - Balances with related parties       -       (602)         Cash used in operations       (2,713)       (6,529)         Tax paid       (2,713)       (6,529)         Net cash used in operating activities       -       (16,615)         Proceeds from disposal of associated company       -       55,451         Acquisition of property, plant and equipment       -       (16,615)         Proceeds from disposal of other investment       15,955				
Write-down of inventories         6,527         -           (Reversal of allowance for)/Allowance for inventories         (2)         5           Tax credit         24         (774)         (603)           - Development properties         (139,086)         (56,878)           - Contract costs         10,526         13,137           - Contract costs         10,526         13,137           - Contract costs         (14,401)         9,798           - Inventories         (8,939)         1,066           - Trade and other receivables         34,623         (2,523)           - Trade and other payables         18,690         (4,102)           - Balances with related parties         -         (602)           Cash used in operating activities         (2,713)         (6,529)           Net cash used in operating activities         (2,713)         (6,529)           Net cash used in operating activities         -         (16,615)           Cash flows from investing activities         -         (16,615)           Proceeds from disposal of associated company         -         55,451           Acquisition of other investments         -         (16,615)           Proceeds from disposal of other investment         15,955         83,249 <td></td> <td></td> <td></td> <td></td>				
(Reversal of allowance for inventories         (2)         5           Tax credit         24         (774)         (603)           Changes in:         5,067         13,479           - Development properties         (139,086)         (56,878)           - Contract costs         10,526         13,137           - Contract assets/liabilities, net         (14,401)         9,798           - Inventories         (8,939)         1,066           - Trade and other receivables         34,623         (2,523)           - Trade and other payables         34,623         (2,523)           - Trade and other payables         18,690         (4,102)           - Balances with related parties         -         (602)           Cash used in operations         (2,713)         (6,529)           Tax paid         (2,713)         (6,529)           Net cash used in operating activities         (26,362)         (28,253)           Proceeds from disposal of associated company         -         55,451           Acquisition of property, plant and equipment         -         (16,615)           Proceeds from disposal of other investment         15,955         83,249           Changes in deposits pledged         (3,367)         2,353 <t< td=""><td></td><td></td><td></td><td>10</td></t<>				10
Tax credit       24       (774)       (603)         Changes in:       5,067       13,479         - Development properties       (139,086)       (56,878)         - Contract costs       10,526       13,137         - Contract assets/liabilities, net       (14,401)       9,798         - Inventories       (14,401)       9,798         - Trade and other receivables       34,623       (2,523)         - Trade and other payables       18,690       (4,102)         - Balances with related parties       -       (602)         Cash used in operations       (93,520)       (26,625)         Tax paid       (2,713)       (6,529)         Net cash used in operating activities       (96,233)       (33,154)         Cash flows from investing activities       -       (16,615)         Proceeds from disposal of associated company       -       55,451         Acquisition of property, plant and equipment       15,955       83,249         Changes in deposits pledged       (3,367)       2,353         Changes in deposits pledged       33,671       2,353         Changes in time deposits       43       5,716         Interest received       554       847         Dividend received				
Changes in:       5,067       13,479         - Development properties       (139,086)       (56,878)         - Contract costs       10,526       13,137         - Contract assets/liabilities, net       (14,401)       9,798         - Inventories       (8,939)       1,066         - Trade and other receivables       34,623       (2,523)         - Trade and other payables       18,690       (4,102)         - Balances with related parties       -       (602)         Cash used in operations       (93,520)       (26,625)         Tax paid       (2,713)       (6,529)         Net cash used in operating activities       (96,233)       (33,154)         Cash flows from investing activities       -       (16,615)         Proceeds from disposal of associated company       -       55,451         Acquisition of property, plant and equipment       -       (16,615)         Proceeds from disposal of other investments       -       (16,615)         Proceeds from disposal of other investment       15,955       83,249         Changes in deposits pledged       (3,367)       2,353         Changes in deposits pledged       43       5,716         Interest received       554       847		2.4		
Changes in:(139,086)(56,878)- Development properties(139,086)(56,878)- Contract costs10,52613,137- Contract assets/liabilities, net(14,401)9,798- Inventories(8,939)1,066- Trade and other receivables34,623(2,523)- Trade and other payables18,690(4,102)- Balances with related parties-(602)Cash used in operations(93,520)(26,625)Tax paid(2,713)(6,529)Net cash used in operating activities(96,233)(33,154)Cash flows from investing activitiesProceeds from disposal of associated company-55,451Acquisition of property, plant and equipment(26,615)(28,253)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61	lax credit	24		
- Development properties       (139,086)       (56,878)         - Contract costs       10,526       13,137         - Contract assets/liabilities, net       (14,401)       9,798         - Inventories       (8,939)       1,066         - Trade and other receivables       34,623       (2,523)         - Trade and other receivables       34,623       (2,523)         - Trade and other payables       18,690       (4,102)         - Balances with related parties       -       (602)         Cash used in operations       (93,520)       (26,625)         Tax paid       (2,713)       (6,529)         Net cash used in operating activities       (96,233)       (33,154)         Cash flows from investing activities       (96,233)       (33,154)         Proceeds from disposal of associated company       -       55,451         Proceeds from disposal of other investment       15,955       83,249         Changes in deposits pledged       (3,367)       2,353         Changes in deposits pledged       43       5,716         Interest received       554       847         Dividend received       -       1,240         Proceeds from sale of property, plant and equipment       -       1,240 </td <td></td> <td></td> <td>5,067</td> <td>13,479</td>			5,067	13,479
- Contract costs       10,526       13,137         - Contract assets/liabilities, net       (14,401)       9,798         - Inventories       (8,939)       1,066         - Trade and other receivables       34,623       (2,523)         - Trade and other payables       -       (602)         - Balances with related parties       -       (602)         Cash used in operations       (93,520)       (26,625)         Tax paid       (2,713)       (6,529)         Net cash used in operating activities       (96,233)       (33,154)         Cash flows from investing activities       -       (16,615)         Proceeds from disposal of associated company       -       55,451         Acquisition of other investments       -       (16,615)         Proceeds from disposal of other investment       15,955       83,249         Changes in dieposits pledged       (3,367)       2,353         Changes in time deposits       43       5,716         Interest received       554       847         Dividend received       -       1,240         Proceeds from sale of property, plant and equipment       6       1			(120,096)	(FC 070)
- Contract assets/liabilities, net $(14,401)$ $9,798$ - Inventories $(8,939)$ $1,066$ - Trade and other receivables $34,623$ $(2,523)$ - Trade and other payables $18,690$ $(4,102)$ - Balances with related parties $ (602)$ <b>Cash used in operations</b> $(93,520)$ $(26,625)$ Tax paid $(92,713)$ $(6,529)$ Net cash used in operating activities $(96,233)$ $(33,154)$ Cash flows from investing activitiesAcquisition of property, plant and equipment $(26,362)$ $(28,253)$ Proceeds from disposal of associated company $ 55,451$ Acquisition of other investments $ (16,615)$ Proceeds from disposal of other investment $15,955$ $83,249$ Changes in deposits pledged $(3,367)$ $2,353$ Changes in time deposits $43$ $5,716$ Interest received $554$ $847$ Dividend received $ 1,240$ Proceeds from sale of property, plant and equipment $6$ $1$				
- Inventories $(8,939)$ $1,066$ - Trade and other receivables $34,623$ $(2,523)$ - Trade and other payables $18,690$ $(4,102)$ - Balances with related parties $ (602)$ Cash used in operations $(93,520)$ $(26,625)$ Tax paid $(2,713)$ $(6,529)$ Net cash used in operating activities $(96,233)$ $(33,154)$ Cash flows from investing activities $(26,362)$ $(28,253)$ Proceeds from disposal of associated company $ 55,451$ Acquisition of other investments $ (16,615)$ Proceeds from disposal of other investment $15,955$ $83,249$ Changes in deposits pledged $(3,367)$ $2,353$ Changes in time deposits $43$ $5,716$ Interest received $554$ $847$ Dividend received $ 1,240$ Proceeds from sale of property, plant and equipment $6$ $1$				
- Trade and other receivables $34,623$ $(2,523)$ - Trade and other payables $18,690$ $(4,102)$ - Balances with related parties $ (602)$ <b>Cash used in operations</b> $(93,520)$ $(26,625)$ Tax paid $(2,713)$ $(6,529)$ Net cash used in operating activities $(96,233)$ $(33,154)$ Cash flows from investing activitiesCash flows from investing activities $(96,233)$ $(33,154)$ Cash flows from investing activities $(96,233)$ $(33,154)$ Cash flows from disposal of associated company $ 55,451$ Acquisition of other investments $ (16,615)$ Proceeds from disposal of other investment $15,955$ $83,249$ Changes in deposits pledged $(3,367)$ $2,353$ Changes in time deposits $43$ $5,716$ Interest received $554$ $847$ Dividend received $ 1,240$ Proceeds from sale of property, plant and equipment $6$ $1$				
- Trade and other payables18,690(4,102)- Balances with related parties-(602)Cash used in operations(93,520)(26,625)Tax paid(2,713)(6,529)Net cash used in operating activities(96,233)(33,154)Cash flows from investing activities(26,362)(28,253)Proceeds from disposal of associated company-55,451Acquisition of other investments-(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61				
- Balances with related parties-(602)Cash used in operations(93,520)(26,625)Tax paid(2,713)(6,529)Net cash used in operating activities(96,233)(33,154)Cash flows from investing activities(96,233)(33,154)Cash flows from investing activities(26,362)(28,253)Proceeds from disposal of associated company-55,451Acquisition of other investments-(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61				
Cash used in operations(93,520)(26,625)Tax paid(2,713)(6,529)Net cash used in operating activities(96,233)(33,154)Cash flows from investing activities(26,362)(28,253)Acquisition of property, plant and equipment(26,362)(28,253)Proceeds from disposal of associated company-55,451Acquisition of other investments-(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61			18,090	
Tax paid(2,713)(6,529)Net cash used in operating activities(96,233)(33,154)Cash flows from investing activities(26,362)(28,253)Acquisition of property, plant and equipment(26,362)(28,253)Proceeds from disposal of associated company–55,451Acquisition of other investments–(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received–1,240Proceeds from sale of property, plant and equipment61			(02 520)	
Net cash used in operating activities(96,233)(33,154)Cash flows from investing activities(26,362)(28,253)Acquisition of property, plant and equipment(26,362)(28,253)Proceeds from disposal of associated company-55,451Acquisition of other investments-(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61				
Cash flows from investing activitiesAcquisition of property, plant and equipment(26,362)(28,253)Proceeds from disposal of associated company-55,451Acquisition of other investments-(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61		_		
Acquisition of property, plant and equipment(26,362)(28,253)Proceeds from disposal of associated company–55,451Acquisition of other investments–(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received–1,240Proceeds from sale of property, plant and equipment61	Net cash used in operating activities		(50,255)	(55,154)
Acquisition of property, plant and equipment(26,362)(28,253)Proceeds from disposal of associated company–55,451Acquisition of other investments–(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received–1,240Proceeds from sale of property, plant and equipment61	Cash flows from investing activities			
Proceeds from disposal of associated company–55,451Acquisition of other investments–(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received–1,240Proceeds from sale of property, plant and equipment61			(26,362)	(28,253)
Acquisition of other investments–(16,615)Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received–1,240Proceeds from sale of property, plant and equipment61			_	
Proceeds from disposal of other investment15,95583,249Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61			_	
Changes in deposits pledged(3,367)2,353Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61			15,955	
Changes in time deposits435,716Interest received554847Dividend received-1,240Proceeds from sale of property, plant and equipment61				
Interest received554847Dividend received–1,240Proceeds from sale of property, plant and equipment61				
Proceeds from sale of property, plant and equipment 6 1	5		554	
	Dividend received		_	1,240
Net cash (used in)/from investing activities(13,171)103,989	Proceeds from sale of property, plant and equipment		6	. 1
	Net cash (used in)/from investing activities	_	(13,171)	103,989

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

# Year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from financing activities			
Capital contribution by non-controlling interest		29,308	27,340
Dividend paid		_	(5,185)
Interest paid		(16,014)	(17,136)
Payment of lease liabilities		(758)	(780)
Purchase of treasury shares		-	(449)
Proceeds from loans and borrowings		243,051	211,531
Repayment of loans and borrowings		(162,393)	(315,357)
Net cash from/(used in) financing activities		93,194	(100,036)
Net decrease in cash and cash equivalents		(16,210)	(29,201)
Cash and cash equivalents at 1 January		51,488	80,550
Effect of exchange rate fluctuations on cash held		2,225	139
Cash and cash equivalents at 31 December	14	37,503	51,488

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

# NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 March 2022.

#### 1. Domicile and activities

GSH Corporation Limited (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 20 Cecil Street #28-01 PLUS Singapore 049705.

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activity of the Company is investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are set out in note 6 to the financial statements.

#### 2. Basis of preparation

#### 2.1. Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The changes to significant accounting policies are described in note 2.5.

#### 2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

#### 2.3. Functional and presentation currency

The financial statements are presented in Singapore dollars ("\$"), which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

#### 2.4. Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

• Note 3.14 - Revenue recognition

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 Measurement of recoverable amounts of property, plant and equipment
- Note 8 Estimation of allowance for foreseeable losses for development properties
- Note 19 Estimation of current and deferred tax liabilities/(assets)

## NOTES TO THE FINANCIAL STATEMENTS

#### 2. Basis of preparation (cont'd)

#### 2.4. Use of estimates and judgements (cont'd)

#### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Group Financial Controller.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuations. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation and valuation methodologies.

Significant valuation issues are reported to the Group Financial Controller and the Group's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 investment property; and
- Note 31 financial instruments

#### 2.5 Changes in accounting policies

#### New standards and amendments

The Group has applied the following amendments to SFRS(I)s for the first time for the annual period beginning on 1 January 2021:

• Amendments to SFRS(I) 9, 1-39, 7, 4 and 16: Interest Rate Benchmark Reform – Phase 2

The application of these amendments to standards does not have a material effect on the financial statements.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2020, there is no impact on opening equity balances as a result of retrospective application.

# NOTES TO THE FINANCIAL STATEMENTS

#### 2. Basis of preparation (cont'd)

#### 2.5 Changes in accounting policies (cont'd)

#### New standards and amendments (cont'd)

#### Specific policies applicable from 1 January 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in SFRS(I) Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications to the additional changes.

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

#### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

#### 3.1. Basis of consolidation

#### (i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

### 3. Significant accounting policies (cont'd)

### 3.1. Basis of consolidation (cont'd)

### (i) Business combinations (cont'd)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

### (ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### (iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

### (iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related noncontrolling interests and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### 3. Significant accounting policies (cont'd)

### 3.1. Basis of consolidation (cont'd)

### (v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (vi) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 3.2 Foreign currency

### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation;
- an investment in equity securities designated at fair value through other comprehensive income (FVOCI) (except on
  impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. However, if the foreign operation is a nonwholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### 3. Significant accounting policies (cont'd)

### 3.2 Foreign currency (cont'd)

### (ii) Foreign operations (cont'd)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

### 3.3 Financial instruments

### (i) Recognition and initial measurement

### Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### (ii) Classification and subsequent measurement

### Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

### Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. Significant accounting policies (cont'd)

### 3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

### Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

### Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### 3. Significant accounting policies (cont'd)

### 3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

### Non-derivative financial assets: Subsequent measurement and gains and losses

### Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

### Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

### (iii) Derecognition

### **Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
  - it transfers the rights to receive the contractual cash flows in a transaction in which either:
    - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
    - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### 3. Significant accounting policies (cont'd)

### 3.3 Financial instruments (cont'd)

### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### (v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

### (vi) Derivative financial instruments and hedge accounting

### Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

### (vii) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in Singapore dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

### (viii) Share capital

### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

### 3. Significant accounting policies (cont'd)

### 3.3 Financial instruments (cont'd)

### (viii) Share capital (cont'd)

### Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

### Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

### (ix) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Expected credit loss ("ECL") is a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as 'loans and borrowings'.

### 3.4 Property, plant and equipment

### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

### 3. Significant accounting policies (cont'd)

### 3.4 Property, plant and equipment (cont'd)

### (i) Recognition and measurement (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Assets under construction are not depreciated.

The estimated useful lives for the current and comparative years are as follows:

•	Leasehold land	The remaining useful lives of land lease
•	Leasehold properties	99 years
•	Golf club and hotel buildings, improvements and renovation	50 years
•	Golf course renovation and operating equipment	5 to 15 years
•	Hotel and other operating equipment, office equipment and furniture and fittings	3 to 15 years
٠	Motor vehicles and vessels	5 to 15 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

### 3. Significant accounting policies (cont'd)

### 3.4 Property, plant and equipment (cont'd)

### (i) Reclassification from development properties

When the use of a property changes from development with a view to sell to owner-occupation, the property is transferred from development properties (note 3.7) to property, plant and equipment.

### 3.5. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

### 3.6. Impairment

### (i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI;
- contract assets (as defined in SFRS(I) 15); and
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

### Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

### General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

### 3. Significant accounting policies (cont'd)

### 3.6. Impairment (cont'd)

### (i) Non-derivative financial assets and contract assets (cont'd)

### General approach (cont'd)

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

### 3. Significant accounting policies (cont'd)

### 3.6. Impairment (cont'd)

### (i) Non-derivative financial assets and contract assets (cont'd)

Presentation of allowance for ECLs in the statements of financial position (cont'd)

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### (ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment property, development properties, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3. Significant accounting policies (cont'd)

### 3.7 Development properties for sale

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-downs to net realisable value are presented as allowance for foreseeable losses.

### 3.8. Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised if these costs are recoverable. Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations, and are expected to be recovered. These costs are amortised consistently with the pattern of revenue for the related contract. Other costs are expensed as incurred.

An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

### 3.9 Contract assets and liabilities

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.

Contract liabilities relate primarily to:

- advance consideration received from customers for the sale of development property;
- progress billings issued in excess of the Group's rights to the consideration; and
- upfront golf membership fees received from customers.

### 3.10 Inventories

Inventories comprise principally food and beverages and other hotel related consumable supplies.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method and includes expenditures incurred in acquiring the inventories, or conversion costs and other costs incurred in bringing them to their existing location and condition.

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

### 3.11 Leases

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

### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

### 3. Significant accounting policies (cont'd)

### 3.11 Leases (cont'd)

### (i) As a lessee (cont'd)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those for property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-ofuse assets that meet the definition of investment property are carried at fair value in accordance with note 3.5.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes 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 the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-ofuse asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

From 1 January 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform (see note 2.5), the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statements of financial position.

### Short-term leases and leases of low-value assets

The Group has elected not to recognised right-of-use assets and lease liabilities for leases of low-value assets with a value, when new, of \$8,000 or less, and short-term lease. The Group recognised the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 84

# NOTES TO THE FINANCIAL STATEMENTS

### 3. Significant accounting policies (cont'd)

### 3.11 Leases (cont'd)

### (i) As a lessee (cont'd)

### COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

### (ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

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

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see note 3.6(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of "other net income".

### 3.12 Employment benefits

### (i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

### (ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 3.13 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### 3. Significant accounting policies (cont'd)

### 3.14 Revenue recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of any goods or services that have not previously been sold on a stand-alone basis, or have a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The following is a description of principal activities separated by reportable segments from which the Group generates its revenue. For more detailed information about reportable segments, see Note 27.

### Property segment

(i) Sale of development properties

Revenue is recognised when control over the property has been transferred to the customer. In respect of a development property where the Group has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion. The percentage of completion is measured by reference to the construction costs incurred to-date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

In respect of a development property where the Group has no enforceable right to payment until the property is delivered to the customer, revenue is recognised when the legal title has been transferred to the customer.

Revenue is measured at the transaction price agreed under the contract. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

Where the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception.

### Critical judgements in identifying performance obligations and measuring progress

Under the terms of the contract, the Group contracted with the customer to deliver a specified building unit to the customer in accordance with the plans and specifications set out in the contract. The contract includes the specified building unit and an undivided share in the land and the common property. The analysis of whether the contract comprises one or more performance obligations, the method used to measure progress for revenue recognition and the amounts to be included as fulfilment cost for calculating the percentage of completion represent areas requiring critical judgement by the Group.

### 3. Significant accounting policies (cont'd)

### 3.14 Revenue recognition (cont'd)

### Hospitality segment

(ii) Rendering of services – hotel income

Revenue from operations of a hotel is recognised in the accounting period in which the accommodation and the related services are rendered.

The Group sells hotel packages to customers which include hotel stay, breakfast, spa services, and golf club services, amongst others. The hotel packages offered combine distinct goods and services and are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Payment of the transaction price is due immediately when the customer purchases the hotel package.

(iii) Rendering of services – golf club related income

The Group provides annual golf club memberships and golf club memberships for a term until 2055. Customers are required to pay an up-front cash payment upon signing of the contracts. Golf club membership fees are recognised on a straight-line basis over the membership term. Deferred income is recognised for the fees relating to the unexpired terms of the memberships.

For the golf club memberships for a term until 2055, there is an element of financing as the term of the membership exceeds one year. Consequently, the Group adjusts the transaction prices for the time value of money. The financing component is recognised as interest expense and is presented separately from revenue from customers.

Monthly subscription fees are recognised when the services are rendered. The monthly subscription fees are billed and paid on a monthly basis.

Fees charged for the use of the marina club and golf course facilities are recognised in the accounting period in which the services are rendered. Payment of the transaction price is due immediately when the customer purchases the services.

### Trading segment

(iv) Sale of goods

The Group sells food and beverages, souvenirs, frozen food and other products as part of its trading business. Revenue from the sale of goods is recognised at the point of sale which coincides with when the Group transfers the product to the customer. Payment of the transaction price is due immediately when the customer purchases the goods.

### 3.15 Deferred income

Deferred income comprises government grants related to assets.

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are recognised as a deduction from the cost of the related asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as a deduction from the related expenses on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

### 3. Significant accounting policies (cont'd)

### 3.16 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on the disposal of debt investments measured at FVOCI;
- the foreign currency gain or loss on financial assets and financial liabilities;
- impairment losses (and reversals) on debt investments carried at amortised cost or FVOCI;
- the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;
- hedge ineffectiveness recognised in profit or loss; and
- the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of interest rate risk and foreign currency risk for borrowings.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### 3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax and liabilities are offset only if certain criteria are met.

### 3. Significant accounting policies (cont'd)

### 3.17 Tax (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### 3.18. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### 3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management of the Group to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 3. Significant accounting policies (cont'd)

### 3.19 Segment reporting (cont'd)

Segment results that are reported to the management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

### 3.20 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have significant impact on the Group's consolidation financial statements and the Company's statement of financial position.

- SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts
- Reference to the Conceptual Framework (Amendments to SFRS(I) 3)
- Property, plant and equipment Proceeds before Intended Use (Amendments to SFRS(I) 1-16)
- Onerous Contracts Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)
- Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)
- Annual Improvements to SFRS(I)s 2018-2020
- Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)

# 4. Property, plant and equipment

Total \$'000		498,221	30,046	(158)		(1,793)	I		(2,093)	524,223	577 773	26.362	(510)		(8,982)	I		(5,122)	535,971
Assets under construction \$'000		2,328	5,756	I		(861)	(3,681)		2	3,544	2 544	25.063	(48)		(8,980)	(1,624)		(275)	17,680
Motor vehicles / and vessels o \$'000		3,821	88	I		(25)	Ι		(6)	3,875	3 875 2	300	(370)		I	76		(484)	3,135
Hotel and other operating equipment, office equipment and fittings \$'000		47,200	629	(52)		(319)	493		(168)	47,783	587 TA	561	(54)		(2)	287		(1,178)	47,397
Golf course renovation e and operating equipment \$'000		3,928	I	I		I	I		(13)	3,915	ی 10 م		(8)		I	I		(740)	3,167
Golf club and hotel buildings, improvements and renovation \$'000		227,698	3,186	(106)		I	3,275		(1,105)	232,948	227 948	700	(30)		I	1,261		(857)	234,022
Leasehold i properties a \$'000		26,788	I	I		I	I		I	26,788	76 788		I		I	I		I	26,788
Leasehold land \$`000		186,458	20,387	I		(588)	(87)		(800)	205,370	205 370		I		I	I		(1,588)	203,782
	Group Cost	At 1 January 2020	Additions	Disposals/Write-off	Government grants	utilised	Reclassification	Effect of movements	in exchange rates	At 31 December 2020	01 1 January 2021	Additions	Disposals/Write-off	Government grants	utilised	Reclassification	Effect of movements	in exchange rates	At 31 December 2021

# NOTES TO THE FINANCIAL STATEMENTS

# 4. Property, plant and equipment (cont'd)

Total \$'000	87,550 11,104 (83)	(437) 98,134	98,134 11,456 (260)	(1,189) 108,141	410,671 426,089 427,830
Assets under construction \$'000	1 1 1	1 1	1 1 1	1 1	2,328 3,544 17,680
Motor vehicles A and vessels c	2,118 344 -	(5) 2,457	2,457 273 (184)	(25) 2,521	1,703 1,418 614
Hotel and other operating equipment, office equipment and furniture and fittings \$'000	35,141 1,570 (41)	(133) 36,537	36,537 1,638 (43)	(947) 37,185	12,059 11,246 10,212
e Golf course renovation eq and operating fu equipment \$'000	1,611 240 -	(6) 1,845	1,845 236 (3)	(25) 2,053	2,317 2,070 1,114
Golf club and hotel buildings, improvements and renovation \$'000	33,469 5,963 (42)	(117) 39,273	39,273 6,037 (30)	15 45,295	194,229 193,675 188,727
Leasehold i properties a \$'000	957 375 -	- 1,332	1,332 412 -	- 1,744	25,831 25,456 25,044
Leasehold land \$'000	14,254 2,612 -	(176) 16,690	16,690 2,860 -	(207) 19,343	172,204 188,680 184,439
	<b>Group</b> Accumulated depreciation and impairment losses At 1 January 2020 Depreciation charge Disposals/Write-off	Effect of movements in exchange rates At 31 December 2020	At 1 January 2021 Depreciation charge Disposals/Write-off	Effect of movements in exchange rates At 31 December 2021	<b>Carrying amounts</b> At 1 January 2020 At 31 December 2020 At 31 December 2021

# NOTES TO THE FINANCIAL STATEMENTS

92

# NOTES TO THE FINANCIAL STATEMENTS

### 4. Property, plant and equipment (cont'd)

	Leasehold properties \$'000	Office equipment and furniture and fittings \$'000	Motor vehicles \$'000	Total \$′000
Company	·			
Cost				
At 1 January 2020	29,438	731	653	30,822
Additions	-	10	-	10
Disposals	-	(8)	-	(8)
At 31 December 2020	29,438	733	653	30,824
Additions	-	5	-	5
Disposals		(9)	_	(9)
At 31 December 2021	29,438	729	653	30,820
Accumulated depreciation				
At 1 January 2020	1,053	432	600	2,085
Depreciation charge	413	117	53	583
Disposals		(7)	-	(7)
At 31 December 2020	1,466	542	653	2,661
Depreciation charge	412	104	-	516
Disposals		(9)	_	(9)
At 31 December 2021	1,878	637	653	3,168
Carrying amounts				
At 1 January 2020	28,385	299	53	28,737
At 31 December 2020	27,972	191	_	28,163
At 31 December 2021	27,560	92	_	27,652

### Impairment losses

The Group reviews the carrying amounts of the assets as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment and other long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

### Assets held under finance lease

The carrying amounts of property, plant and equipment under hire purchase agreements is as follows:

	Gro	up
	2021 \$'000	2020 \$'000
Motor vehicles	31	131
Office equipment	65	76
	96	207

### 4. Property, plant and equipment (cont'd)

### Leasehold land (excluding leasehold land under finance lease)

At 31 December 2021, leasehold land of the Group with carrying amounts of \$184,439,000 (2020: \$188,680,000) represents the land located in Malaysia and China. The land leases will expire between 22 April 2060 to 31 December 2117.

### Security

At 31 December 2021, properties of the Group and Company with carrying amounts of \$193,245,000 (2020: \$181,471,000) and \$27,561,000 (2020: \$27,973,000) respectively, are pledged as security to secure bank loans (see Note 18).

### 5. Investment property

		Group			
	Note	2021 \$'000	2020 \$'000		
At 1 January		4,472	4,694		
Change in fair value	22	_	(150)		
Effect of movements in exchange rates		85	(72)		
At 31 December		4,557	4,472		

Investment property comprises leasehold commercial property leased to external customers, held for capital appreciation and rental income. The leasehold property is situated in Jebel Ali Free Zone Area, Dubai, with an initial non-cancellable lease period of 15 years and an option to renew.

Changes in fair values are recognised as gains in profit or loss and included in 'other net income'.

### Fair value hierarchy

The fair value of investment property was determined by an external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for investment property of \$4,557,000 (2020: \$4,472,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (note 2.4).

### Level 3 fair value

The reconciliation from the opening balances to the closing balances for Level 3 fair value is shown as above.

94

# NOTES TO THE FINANCIAL STATEMENTS

### 5. Investment property (cont'd)

### Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models:

Valuation Techniques	Significant unobservable inputs	Inter-relationship between unobservable input and fair value measurement
Direct income capitalisation: The valuation model is a method used to convert an estimate of a single year's income expectancy into an indication of value. The value of the property is derived by dividing a property's net operating income ("NOI") by the market capitalisation rate. NOI is equal to a property's yearly gross income	<ul> <li>Capitalisation rate: 9%-11% (2020: 9%-11%)</li> <li>Expected gross rental income: \$7 to \$8 per sq feet (2020: \$7 to \$9 per sq feet)</li> <li>Expected operating expenses: \$1.9 per sq feet (2020: \$2 per sq feet)</li> </ul>	<ul> <li>The estimated fair value would increase (decrease) if the:</li> <li>capitalisation rate is lower (higher);</li> <li>expected gross rental income is higher (lower); or</li> <li>expected operating expenses is lower (higher).</li> </ul>

### 6. Subsidiaries

less operating expenses.

	Comp	bany
	2021 \$'000	2020 \$'000
Equity investment, at cost	56,825	28,291

Details of subsidiaries are as follows:

Name of Subsidiaries	Principal activities	Country of incorporation		e equity he Group
			2021 %	2020 %
GSH (Xiamen) Property Development Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
GSH Properties (PRC) Pte Ltd <sup>1, 6</sup>	Investment holding	Singapore	100	100
GSH Properties Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
GSH Properties (Malaysia) Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
GSH (Zhengzhou) Investments Pte Ltd <sup>7</sup>	Investment holding	Singapore	_	100
Borneo Ventures Pte Ltd 1	Investment holding	Singapore	100	100
Ocean View Ventures Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
Ocean View Point Pte Ltd 1	Investment holding	Singapore	100	100
MXIM Holdings Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
Prime Peninsular Holdings Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
GSH International Enterprise Pte Ltd <sup>1</sup>	Investment holding	Singapore	98.3	98.3

### 6. Subsidiaries (cont'd)

Jame of Subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Grou		
			2021 %	2020 %	
GSH Island Investments Pte Ltd <sup>1</sup>	Investment holding	Singapore	90	90	
City View Ventures Sdn Bhd <sup>2</sup>	Property development	Malaysia	100	100	
Mewabumi Sdn Bhd <sup>2</sup>	Investment holding	Malaysia	75.0	75.0	
Linyi Properties Sdn Bhd <sup>2</sup>	Property development	Malaysia	75.0	75.0	
Xing Asia Impel Sdn Bhd <sup>2</sup>	Investment holding	Malaysia	100	100	
Investasia Sdn Bhd <sup>2</sup>	Property development	Malaysia	100	100	
The Sutera Harbour Group Sdn Bhd $^{2}$	Investment holding	Malaysia	77.5	77.5	
Sutera Harbour Resort Sdn Bhd <sup>2</sup>	Investment holding	Malaysia	77.5	77.5	
The Little Shop Sdn Bhd <sup>2</sup>	Retailing of clothing, souvenirs and convenience items	Malaysia	77.5	77.5	
Sutera Harbour Travel Sdn Bhd <sup>2</sup>	Upmarket train services	Malaysia	77.5	77.5	
Sutera Harbour Golf & Country Club Berhad <sup>2</sup>	Operation of a 27-hole golf course and a marina together with clubhouse and other facilities	Malaysia	77.5	77.5	
Eastworth Source Sdn Bhd <sup>2</sup>	Hotel operation	Malaysia	77.5	77.5	
Advanced Prestige Sdn Bhd <sup>2</sup>	Hotel operation	Malaysia	77.5	77.5	
Sutera Yacht Services Sdn Bhd <sup>2,5</sup>	Sale of fuel and other related bunkering services	Malaysia	23.2	23.2	
Aspirasi Kukuh Sdn Bhd <sup>2, 5</sup>	Property development	Malaysia	50	50	
Rainbow Properties Sdn Bhd <sup>2</sup>	Island resort operation	Malaysia	90	90	
GSH Facilities Management (Malaysia) Sdn Bhd $^{\rm 2}$	Facilities management company	Malaysia	100	100	
GSH (Middle East) Pte Ltd <sup>4</sup>	Investment holding	British Virgin Islands	100	100	
Altheim International Ltd <sup>4</sup>	Investment holding	British Virgin Islands	75.0	75.0	
Mainfield Holdings Ltd <sup>4</sup>	Investment holding	British Virgin Islands	100	100	
Twin Towers Properties Limited <sup>4</sup>	Investment holding	British Virgin Islands	100	100	
Qingdao Timi Supply Chain Co., Ltd <sup>3, 5</sup>	Frozen food trading	People's Republic of China ("PRC")	50.4	50.4	
GSH Properties (Chongqing) Co., Ltd <sup>3, 5</sup>	Property development	People's Republic of China ("PRC")	51.0	51.0	

### 96

# NOTES TO THE FINANCIAL STATEMENTS

### 6. Subsidiaries (cont'd)

- 1 Audited by KPMG LLP, Singapore
- 2 Audited by KPMG, Malaysia
- 3 Audited by KPMG, China
- 4 Not required to be audited in accordance with the laws of country of incorporation
- 5 The company is considered a subsidiary of the Group as the Group was exposed to variable returns from the company and had the ability to affect those returns through managements' control over the financial and operating policies of the company
- 6 During the financial year, the Company made a capital contribution to its wholly owned subsidiary amounting to \$28,534,000, resulted in no change in the Company's effective equity interests in GSH Properties (PRC) Pte Ltd
- 7 The company was struck off during the year.

### Impairment of investment in subsidiaries

The Company assesses at the end of each reporting date whether there is objective evidence that the investment in subsidiaries is impaired and recognises an impairment charge when such evidence exists.

Management is of the view that no allowance for impairment loss is required for the investment in subsidiaries as at 31 December 2021 and 2020.

### 7. Other investments

	Group a	nd Company
	2021 \$′000	2020 \$'000
Non-current investments Debt investments – at FVOCI	_	15,739

During the year, the Group and the Company had disposed the following investments measured at FVOCI as they are no longer in line with the Group and the Company's strategy:

	Fair value at derecognition \$'000	Cumulative gain on disposal \$'000
Debt investments	15,955	783

The Group recognised dividend income of \$Nil (2020: \$1,240,000) from the other investments.

### Credit and market risks, and fair value measurement

Information about the Group's and the Company's exposures to credit and market risks, and fair value measurement, is included in Note 31.

### 8. Development properties

Development propertiesDevelopment properties comprise the following:

	Gro	oup
	2021 \$′000	2020 \$'000
Development properties for sale		
Land and land related costs	143,287	20,896
Development costs	210,338	178,493
	353,625	199,389
Properties under development		
Land and land related costs	205,498	214,080
Government grants utilised	(9,243)	(866)
	196,255	213,214
	549,880	412,603

### Securities

Certain development properties of the Group are mortgaged to the banks as collateral for credit facilities provided to the Group as disclosed in Note 18.

### Estimation of allowance for foreseeable losses for development properties

The Group assesses at every reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

### Contingent liability

In relation to one of the Group's development properties in Malaysia, there were several lower Court decisions which may materially affect how liquidated ascertained damages are computed. These cases are being challenged and are pending appeal in the higher Courts. The Directors of the Group, in consultation with its solicitor, are of the view that the Group has reasonably good defense against any claims for potential liquidated damages claims that may arise. In the Directors' opinion, the disclosure of any further information on this matter would be prejudicial to the interests of the Group.

### 9. Contract costs

	Group	
	2021 \$'000	2020 \$'000
Contract costs	4,164	14,690

(i) Capitalised commission

The amount relates to commission fees paid to property agents and legal fees for securing sale contracts. The Group has therefore capitalised the commission fees and amortised these commission fees when the related revenue is recognised. No impairment was recorded.

### 9. Contract costs (cont'd)

### (i) Capitalised commission (cont'd)

	Gro	Group	
	2021 \$′000	2020 \$'000	
At beginning of the year	4,205	7,080	
Addition	145	2,135	
Amortised to profit or loss	(3,113)	(4,982)	
Exchange differences	(49)	(28)	
At end of the year	1,188	4,205	

### (ii) Fulfilment cost

Costs that are attributable to the sold units are capitalised as fulfilment cost. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue are recognised. No impairment was recorded.

	Group		
	2021 \$'000	2020 \$'000	
At beginning of the year Addition	10,485 311	19,994 213	
Amortised to profit or loss Exchange differences	(7,697) (123)	(9,642) (80)	
At end of the year	2,976	10,485	

### 10. Contract assets/(liabilities)

			Group	
	Note	2021 \$′000	2020 \$'000	
Contract assets	(i)	52,434	21,254	
Contract liabilities	(ii)			
- Non-current		(1,336)	(1,243)	
- Current		(20,235)	(3,549)	
		(21,571)	(4,792)	
Net contract assets		30,863	16,462	

### (i) 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.

### 10. Contract assets/(liabilities) (cont'd)

### (ii) Contract liabilities

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	Group	
	2021 \$'000	2020 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of		
the year	(986)	(4,186)
Increases due to cash received, excluding amounts recognised as revenue during the year	17,827	926
Exchange differences	(62)	28
—	16,779	(3,232)

### 11. Inventories

	Gro	Group	
	2021 \$′000	2020 \$'000	
Food and beverage	256	309	
Spare parts and consumables	342	392	
Merchandise	39	64	
Trading goods	10,596	8,054	
	11,233	8,819	

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$42,561,000 (2020: \$46,818,000). In 2021, the Group has a write-down on inventory amounting to \$6,527,000 (2020: \$Nil) which is included in cost of sales.

### 12. Trade and other receivables

	Group		Group Company		any	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000		
Trade receivables	16,601	24,141	11	7		
Less: Allowance for doubtful receivables	(131)	(151)	_	_		
	16,470	23,990	11	7		
Deposits	1,192	1,240	47	3		
Interest receivables	63	128		_		
Other receivables	15,870	7,559	429	929		
	33,595	32,917	487	939		
Advances to suppliers	466	2,867	_	40		
Prepayments	695	33,573	102	108		
	34,756	69,357	589	1,087		
Current	34,756	69,357	589	1,087		

### 12. Trade and other receivables (cont'd)

In 2020, the Group won the tender for a land tender exercise for 4 plots of land in Chongqing, China. Whilst pending the issuance of the land titles for 3 out of 4 plots of land, an amount of \$32,571,000 was included as prepayments. This amount has been reclassified to Development Properties upon the issuance of land titles in 2021.

Included in other receivables is an amount of \$11,464,000 (2020: \$5,383,000) due from its joint venture partner in relation to potential penalties for the late commencement of construction for one of the Group's projects. The provision for potential penalties has been recorded as other payables (see Note 17).

Information about the Group and Company's exposure to credit risks and impairment losses for trade and other receivables are included in Note 31.

### 13. Amounts due from/(to) related parties

### Amounts due from related parties

	Gro	Group		pany
	2021 \$'000	2020 \$′000	2021 \$'000	2020 \$'000
Non-trade amounts due from: - subsidiaries	_	_	545,440	558,807
- non-controlling interests	671	567	_	_
	671	567	545,440	558,807

Non-trade amounts due from non-controlling interests and subsidiaries are unsecured, interest-free and repayable on demand.

The Group and the Company uses the general approach for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

### Amounts due to related parties

	Gro	Group		bany
	2021 \$′000	2020 \$'000	2021 \$'000	2020 \$'000
Non-trade amounts due to: - subsidiaries	_	_	(15,507)	(44,905)
- non-controlling interests	(37,198)	(37,703)	_	_
	(37,198)	(37,703)	(15,507)	(44,905)

Non-trade amounts due to subsidiaries and non-controlling interests are unsecured, interest-free and repayable on demand.

### 14. Cash and cash equivalents

	Group		Group Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Time deposits				
Bank deposits	2,505	2,548	_	_
Cash and cash equivalents Cash at bank and on hand	41,048	51,338	30.963	997
Fixed deposits with financial institutions	30,000	30,328		_
Cash and cash equivalents in the statements of financial position Deposits pledged	71,048 (33,545)	81,666 (30,178)	30,963	997
Cash and cash equivalents in the consolidated statement of cash flows	37,503	51,488	30,963	997

Interest rates are repriceable as and when notified by the banks. The effective interest rates relating to cash and cash equivalents as at the reporting date for the Group is 0.01% to 3.10% (2020: 0.01% to 3.85%) per annum.

Deposits pledged represent bank balances of the Group and the Company pledged as security to obtain credit facilities (see Note 18).

### 15. Share capital

	2021		2020	
Company	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary shares:				
At 1 January	1,977,036,050	343,458 1	,977,036,050	343,458
Treasury shares	(20,102,500)	(5,580)	(20,102,500)	(5,580)
At 31 December	1,956,933,550	337,878 1	,956,933,550	337,878

All issued ordinary shares are fully paid, with no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Company has not acquired shares through purchases on the Singapore Exchange during the financial year ended 31 December 2021 (2020: 1,999,800).

### **Capital management**

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to continue to develop and grow the business.

The Group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total equity. For this purpose, adjusted net debt is defined as total loans and borrowings less cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company and reserves.

### 15. Share capital (cont'd)

2021 20. \$'000 \$'0	
	J0
Total loans and borrowings487,180407,	579
Attributable to owners of the Company456,209381,Attributable to non-controlling interests30,97126,	434 145
Less: Cash and cash equivalents and time deposit (73,553) (84,	214)
	263) 951)
Net debt 413,627 323,	
Total equity 486,151 486,	
Net debt equity ratio 0.85 0	.66
Net debt equity ratio (excluding non-controlling interests) 1.11 C	.85

No changes were made to the above objectives, policies and processes during the year ended 31 December 2021 and 2020.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### Dividends

The following exempt (one-tier) dividends in respect of the previous financial year was paid by the Group and Company:

### For the year ended 31 December

	Group and	Group and Company	
	2021	2020	
Paid by the Company to owners of the Company	\$'000	\$'000	
Interim exempt 2021 dividend of Nil (2020: 0.25 cents) per qualifying ordinary share		4,892	

### 16. Reserves

	Gro	Group		pany
	2021 \$′000	2020 \$'000	2021 \$'000	2020 \$'000
Asset revaluation reserve	4,132	4,132	_	_
Translation reserve	(39,928)	(37,128)	_	_
Capital reserve	908	_	908	_
Fair value reserve	_	645	_	645
	(34,888)	(32,351)	908	645

### 16. Reserves (cont'd)

### Asset revaluation reserve

Asset revaluation reserve represents increases in the fair value of leasehold building, net of tax, and decreases to the extent that such decrease relates to an increase in the same asset previously recognised in other comprehensive income. In 2014, the leasehold building was transferred to investment property. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

### **Translation reserve**

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations.

### **Capital reserve**

The capital reserve represents the equity component on convertible notes issued on 12 October 2021 (see Note 18).

### Fair value reserve

The fair value reserve comprises:

- the cumulative net change in the fair value of equity investments designated at FVOCI; and
- the cumulative net change in fair value of debt investments at FVOCI until the assets are derecognised or reclassified. This amount is reduced by derecognition of equity and debt investments.

### 17. Trade and other payables

	Group		Group Com		bany
	2021 \$′000	2020 \$'000	2021 \$'000	2020 \$'000	
Trade payables Accruals	58,333	40,416	_	-	
- operating expenses	8,600	6,292	3,035	1,493	
- provisions	11,464	5,383	_	_	
Rental and other deposits	962	1,012	5	5	
Other payables	5,240	1,169	15	45	
Advance payments from customers	164	981	_	_	
Deferred income	708	18,879	66	62	
	85,471	74,132	3,121	1,605	
Non-current	416	399	—	-	
Current	85,055	73,733	3,121	1,605	
	85,471	74,132	3,121	1,605	

The Group and the Company's exposures to liquidity risk related to trade and other payables are disclosed in Note 31.

A provision of \$11,464,000 (2020: S\$5,383,000) was made for potential penalties in respect of the late commencement of construction for one of the Group's projects. The Group has obtained an indemnity from its joint venture partner for the project against any potential penalties, and accordingly a receivable of the same amount was recorded (see Note 12).

Other payable include advances received from a third party of \$2,123,000 (2020: \$Nil).

### 17. Trade and other payables (cont'd)

In 2020, the Group received a government grant equivalent to \$21,886,000 in relation to one of its property projects.

The government grant may be required to be repaid in full if the following conditions are not met:

- a) The project is not completed to the required specifications;
- b) The project is not completed by the end of 2022.

At the reporting date, the Group has assessed that it will comply with the relevant conditions of the grant and has recognised the grant in full as deferred income when received. The grant utilised is recognised as a deduction of the related costs after they are approved for use by the relevant government authorities.

The grant utilised during the year was recognised as follows:

- a) \$8,982,000 was recognised as a deduction from the cost of property, plant and equipment (see Note 4);
- b) \$8,377,000 was recognised as a deduction from the cost of development properties (see Note 8); and
- c) \$631,000 was recognised in the profit or loss as a deduction from the related expenses on a systematic basis against the allowable expenses incurred.

### 18. Loans and borrowings

	Group		iroup Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current liabilities				
Unsecured bank loans	3,588	5,000	3,588	5,000
Secured bank loans	232,760	161,583	122,431	23,327
Convertible notes	77,318	-	77,318	-
Medium term note	-	79,606	-	79,606
Lease liabilities	734	937	-	-
Redeemable preference shares	420	426	-	-
	314,820	247,552	203,337	107,933
<b>Current liabilities</b> Unsecured bank loan	1.213	51,976	1.213	51,976
Secured bank loans	91,011	57,331	40,895	41,611
Medium term note	79,825	49,939	79,825	49,939
Lease liabilities	311	781	-	
	172,360	160,027	121,933	143,526
Total loans and borrowings	487,180	407,579	325,270	251,459
Maturities of liabilities				
Within 1 year	172,360	160,027	121,933	143,526
After 1 year but within 5 years	295,758	228,492	184,475	89,084
After 5 years	19,062	19,060	18,862	18,849
	487,180	407,579	325,270	251,459

### 18. Loans and borrowings (cont'd)

### Classification of redeemable preference shares

Redeemable preference shares do not carry the right to vote and rank equally with other shares with regard to the Sutera Harbour Golf & Country Club Berhad's residual assets.

The redeemable preference shares are mandatorily redeemable at par on 31 December 2091 by a subsidiary, Sutera Harbour Golf & Country Club Berhad. The Group has the obligation to pay at par value to preference shareholders at the redeemption date. As such, the Group has determined that the redeemable preference shares are classified as liabilities.

### Convertible notes

	Group and Company 2021 \$'000
Proceeds from issue of convertible notes (78,277,342 notes at \$1 par value) Transaction costs	78,277 (128)
Net proceeds	78,149
Amount classified as equity Amortised transaction costs	(908) 11
Accreted interest	66
Carrying amount of liability at 31 December 2021	77,318

On 12 October 2021, the Company issued \$78,277,342 in principal amount of convertible notes due on 12 October 2024. The convertible notes bear interest at 5.20% per annum, payable semi-annually in-arrears. The initial conversion price is \$0.17 and is subject to adjustments as set out in the Term and Conditions of the convertible notes. They are convertible at the option of the holder at any time on or after 15 December 2021 up to the close of business on a date 30 days prior to 12 October 2024, on the basis of four convertible notes for every 100 existing shares.

### Medium term note

The Company established a \$800,000,000 Multicurrency Medium Term Note Programme in 2016. In 2020, the Company issued additional tranche of \$30,000,000 3 years unsecured fixed rate notes due in 2022. These fixed rate notes bear interest at a rate of 5.20% (2020: 5.20%) per annum payable semi-annually in arrears and are listed on the SGX-ST.

### 106

# NOTES TO THE FINANCIAL STATEMENTS

### 18. Loans and borrowings (cont'd)

### Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	Carrying amount \$'000
Group				
At 31 December 2021 Unsecured bank loan Secured bank loans <sup>1, 2</sup> Secured bank loans <sup>1</sup> Secured bank loans <sup>1</sup> Convertible notes Medium term note Lease liabilities Redeemable preference shares Total loans and borrowings	SGD SGD MYR CNY SGD SGD MYR MYR	2.25 0.80 - 5.29 3.76 - 4.01 6.00 5.20 5.20 2.45 - 5.94 NIL	2022 - 2025 2022 - 2045 2025 2024 2022 2022 2022 - 2037 2091	4,801 200,588 112,632 10,551 77,318 79,825 1,045 420 487,180
Group	Currency	Nominal interest rate per annum %	Year of maturity	Carrying amount \$'000
Group				
At 31 December 2020 Unsecured bank loan Secured bank loans <sup>1,2</sup> Secured bank loans <sup>1</sup> Secured bank loans <sup>1</sup> Medium term note Lease liabilities Redeemable preference shares Total loans and borrowings	SGD SGD MYR USD SGD MYR MYR	1.72 - 2.37 0.80 - 2.10 3.73 - 3.98 0.84 5.15 - 5.20 2.45 - 6.65 NIL	2021 - 2025 2021 - 2045 2025 2021 2021 - 2022 2021 - 2037 2091	56,976 93,264 113,994 11,656 129,545 1,718 426 407,579
Company				
At 31 December 2021 Unsecured bank loan Secured bank loans <sup>1,2</sup> Convertible notes Medium term note Total loans and borrowings	SGD SGD SGD SGD	2.25 0.80 – 5.29 5.20 5.20	2022 – 2025 2022 – 2045 2022 2022 	4,801 163,326 77,318 79,825 325,270
<b>At 31 December 2020</b> Unsecured bank loan Secured bank loans <sup>2</sup> Secured bank loans <sup>1</sup> Medium term note Total loans and borrowings	SGD SGD USD SGD	1.72 – 2.37 0.84 – 2.10 0.84 5.15 – 5.20	2021 - 2025 2021 - 2045 2021 2021 - 2022	56,976 53,282 11,656 129,545 251,459

#### 18. Loans and borrowings (cont'd)

#### Terms and debt repayment schedule (cont'd)

- 1 The loans are secured by:
  - (a) pledged fixed deposit and bank balances of \$33,545,000 (2020: \$32,548,000) by the Group;
  - (b) a first legal mortgage over certain development properties of the Group's subsidiaries with a carrying amount of \$248,152,000 (2020: \$102,993,000);
  - (c) corporate guarantees executed by the Company;
  - (d) the Group's shares in Sutera Harbour Resort Sdn Bhd, Advanced Prestige Sdn Bhd, Eastworth Source Sdn Bhd, Sutera Harbour Travel Sdn Bhd, The Little Shop Sdn Bhd and GSH Properties (PRC) Pte Ltd;
  - (e) debenture incorporating a fixed and floating charge over generally all its present and future assets of the Sutera Harbour Resort Sdn Bhd; Advanced Prestige Sdn Bhd, Eastworth Source Sdn Bhd, Sutera Harbour Travel Sdn Bhd, The Little Shop Sdn Bhd and Sutera Harbour Golf and Country Club Berhad;
  - (f) a first legal mortgage over the Group's property, plant and equipment with a carrying amount of \$193,245,000 (2020: \$181,471,000);
  - (g) assignment of revenues or sales proceeds from the assets and properties of Sutera Harbour Resort Sdn Bhd and its subsidiaries;
  - (h) Debentures incorporating a fixed and/or floating charge over generally all its present and future assets in connection with the Company and some of the Group's subsidiaries' assets;
  - (i) a first legal charge over certain debt service reserve account; and
  - (j) an undertaking from the Company to provide additional funds/advances required to meet any cashflow shortfalls in certain of the Group's subsidiaries debt service obligations.
- 2 First legal mortgage charge over the Company's property, plant and equipment with a carrying amount of \$27,561,000 (2020: \$27,973,000).

#### 108

## NOTES TO THE FINANCIAL STATEMENTS

#### 18. Loans and borrowings (cont'd)

#### Reconciliation of movements of liabilities to cash flows arising from financing activities

.

	Note	Secured and unsecured bank loans \$'000	Medium term note \$'000	Lease liabilities \$'000	-	nterest Dayable \$'000	Total \$'000
Balance at 1 January 2020		339,641	169,184	4,426		1,913	515,164
<b>Changes from financing cash flows</b> Interest paid Derecognition of finance lease Payment of lease liabilities				(96) (1,922) (780)		(17,040) _	(17,136) (1,922) (780)
Repayments of loans and borrowings Proceeds from loans and borrowings Total changes from financing cash			(70,000) 29,872	(780) -		-	(315,357) 211,531
flows		(63,698)	(40,128)	(2,798)		(17,040)	(123,664)
The effect of changes in foreign exchange rates		(398)	(1)	(17)		(131)	(547)
Other changes Interest expenses New leases Amortisation of transaction costs	23			96 11		16,548 –	16,644 11
previously capitalised Total other changes	23	<u> </u>	490 490	 107		_ 16,548	835 17,490
Balance at 31 December 2020		275,890	129,545	1,718		1,290	408,443
Balance at 1 January 2021		275,890	129,545	-	1,718	1,290	408,443
Changes from financing cash flows Interest paid Payment of lease liabilities Repayments of loans and borrowings Proceeds from loans and borrowings		_ (112,393) 164,774	_ _ (50,000) _	- - - 78,277	(77) (758) _	(15,937) _ _ _	(16,014) (758) (162,393) 243,051
Total changes from financing cash flows		52,381	(50,000)	78,277	(835)	(15,937)	63,886
The effect of changes in foreign exchange rates		(1,406)		_	(21)	(8)	(1,435)
Other changes Interest expenses New leases	23	- -		66 _	77 106	16,877 _	17,020 106
Amortisation of transaction costs previously capitalised Capital reserve	23	1,707	280	11 (908)	-		1,998 (908)
Capitalised transaction costs Total other changes		1,707	280	(128) (959)	183	16,877	(128) 18,088
Balance at 31 December 2021		328,572	79,825	77,318	1,045	2,222	488,982

#### 19. Deferred tax assets and liabilities

Movements in the deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

Group	At 1 January 2020 \$'000	Recognised in profit or loss (Note 24) \$'000	Effect of movements in exchange rates \$'000	At 31 December 2020 \$'000	Recognised in profit or loss (Note 24) \$'000	Effect of movements in exchange rates \$'000	At 31 December 2021 \$'000
Deferred tax assets Unutilised tax losses Unutilised deductible temporary	2,737	1,221	(8)	3,950	273	(29)	4,194
differences	4,772	675	(4)		(624)	(30)	4,789
-	7,509	1,896	(12)	9,393	(351)	(59)	8,983
Deferred tax liabilities Property, plant and							
equipment	(59,777)	4,038	214	(55,525)	2,816	718	(51,991)
-	(59,777)	4,038	214	(55,525)	2,816	718	(51,991)
Total	(52,268)	5,934	202	(46,132)	2,465	659	(43,008)
Company							
Deferred tax assets Unutilised deductible temporary							
differences	_	847		847	(307)	-	540

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are included in the statement of financial position as follows:

	Group		Company	
	2021		2021	2020
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	833	1,110	540	847
Deferred tax liabilities	(43,841)	(47,242)	-	_

#### Unrecognised deferred tax assets

The Group has certain unutilised tax losses of \$7,918,000 (2020: \$4,523,000) as at 31 December 2021 for which related tax benefits have not been included in the financial statements. These unutilised tax losses expire in 2028 – 2031 (2020: 2025 – 2027). The tax losses are available for offset against future taxable profits of the companies in which the losses arose but for which no deferred tax asset has been recognised due to uncertainty of their recoverability. The use of tax losses is subject to the agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates.

#### 20. Derivative financial liabilities

	20	2021		)20
	Contract/ notional amount \$'000	Liabilities \$'000	Contract/ notional amount \$'000	Liabilities \$'000
Group				
Non-hedging instruments				
- Forward exchange contracts	_	-	32,726	(1,260)
Derivative financial liabilities		_	32,726	(1,260)
Company				
Non-hedging instruments				
- Forward exchange contracts	_	_	32,726	(1,260)
Derivative financial liabilities		_	32,726	(1,260)

#### 21. Revenue

In the following table, revenue is disaggregated by primary geographical market, major product and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 27).

	Hospitality		Prope	Property Tra		Trading		Total	
	2021 \$′000	2020 \$'000	2021 \$′000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
Primary geographical markets									
Malaysia	17,475	22,674	46,852	50,365	_	_	64,327	73,039	
China		_	_	_	31,453	47,174	31,453	47,174	
	17,475	22,674	46,852	50,365	31,453	47,174	95,780	120,213	
Major products and services lines									
Hotel income	6,253	9,930	-	-	-	-	6,253	9,930	
Golf club related income	4,426	4,944	_	_	_	_	4,426	4,944	
Sale of goods	6,775	7,691	-	-	31,453	47,174	38,228	54,865	
Sale of development									
properties	-	_	46,852	50,365	-	_	46,852	50,365	
Others	21	109	_	_	_	_	21	109	
	17,475	22,674	46,852	50,365	31,453	47,174	95,780	120,213	
Timing of revenue recognition									
Products transferred at a point in time	6,775	7,691	_	_	31,453	47,174	38,228	54,865	
Products and services transferred over time	10,700	14,983	46,852	50,365	-	-	57,552	65,348	
	17,475	22,674	46,852	50,365	31,453	47,174	95,780	120,213	

#### 21. Revenue (cont'd)

#### Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

		Group		
	Note	2021 \$'000	2020 \$'000	
Aggregate amount of the transaction price allocated to golf club membership contracts that are partially or fully unsatisfied as at 31 December	a	1,376	1,279	
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially or fully unsatisfied as at 31 December	b	51,964 53,340	101,230	

(a) The Group expects that 2.5% (2020: 2.5%) of the transaction price allocated to the unsatisfied contracts will be recognised as revenue for each financial year until 2055.

(b) The Group expects the full transaction price allocated to the unsatisfied contracts to be recognised as revenue over the next one to two years (2020: one to two years).

#### 22. Other net income

	Group	
	2021 \$′000	2020 \$'000
Rental income	778	725
Rental rebate	_	68
Late interest income	511	1,589
Change in fair value of investment property	_	(150)
Reversal of allowance for/(Allowance for):		
- trade receivables	20	(76)
- inventories	2	(5)
Net loss on disposal of property, plant and equipment	2	(10)
Debt investments at fair value through other comprehensive income – reclassed to profit or loss	783	-
Forfeiture income and compensation income	6	98
Insurance income	18	126
Others	647	837
_	2,767	3,202

#### 23. Net finance costs

	Gro	up
	2021 \$'000	2020 \$'000
Interest income Dividend income:	576	780
- Equity investments – at FVOCI	_	198
- Debt investments – at FVOCI	_	1,042
Finance income	576	2,020
Financial liabilities measured at amortised cost – interest expense		
- bank loans	(16,429)	(15,964)
- finance liabilities	(514)	(584)
- lease liabilities	(77)	(96)
- others	(681)	(350)
Amortisation of transaction costs previously capitalised	(1,998)	(835)
	(19,699)	(17,829)
Net change in fair value of financial derivatives	1,260	(904)
Net foreign exchange loss	(2,332)	(1,695)
Finance costs	(20,771)	(20,428)
Net finance costs recognised in profit or loss	(20,195)	(18,408)

#### 24. Tax credit

	Group		
	2021 \$′000	2020 \$'000	
Current tax expense			
Current year	366	5,136	
Adjustment in prior years	(15)	195	
	351	5,331	
Deferred tax credit			
Current year	(1,917)	(5,391)	
Adjustment in prior years	(548)	(543)	
	(2,465)	(5,934)	
Withholding tax expenses	1,340		
Tax credit	(774)	(603)	

#### 24. Tax credit (cont'd)

	Gro	oup
	2021 \$′000	2020 \$'000
Reconciliation of effective tax rate		
Loss before tax	(29,973)	(16,438)
Tax using the Singapore tax rate of 17% (2020: 17%)	(5,095)	(2,795)
Effect of tax rates in foreign jurisdictions	(1,784)	1,145
Non-deductible expenses	5,619	1,775
Income not subject to tax	(1,156)	(498)
Deferred tax asset not recognised	846	116
Adjustment in prior years:		
- current tax	(15)	195
- deferred tax	(548)	(543)
Withholding tax	1,340	_
Others	19	2
	(774)	(603)

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

Tax expense includes the capital gains tax on the sale of asset held for sale amounting to \$Nil (2020: \$1,545,000).

#### 25. Loss for the year

The following items have been included in arriving at loss for the year:

	Group		
	2021 \$′000	2020 \$'000	
Audit fees paid to:			
- auditors of the Company	159	154	
- other member firms of KPMG International	159	147	
Non-audit fees paid to:			
- other auditors	149	117	
Write-down of inventories	6,527	_	
Employee benefits expenses (see below)	12,993	15,730	
Operating lease expense	115	197	
Operating expenses arising from rental of investment properties	144	145	
	Gro	oup	
	2021	2020	
	\$'000	\$'000	
Employee benefits expense			
Staff costs	11,979	14,346	
Contribution to defined contribution plans included in staff costs	1,014	1,384	
	12,993	15,730	

#### 25. Loss for the year (cont'd)

Included in staff costs for 2021 are wage support grants of \$2,405,000 (2020: \$679,000) from the Singapore and Malaysia Governments' enhanced measures in response to the COVID-19 coronavirus pandemic.

#### 26. Earnings per share

The basic and diluted earnings per share are as follows:

#### Loss attributable to ordinary shareholders (basic)

		Grou	up
	202		2020
Earnings per share is based on:	\$'00	00	\$'000
Loss attributable to ordinary shareholders	(21,0	)38)	(14,139)

The financial impact of the convertible notes was excluded from the calculation of the loss attributable to ordinary shareholders (diluted) for the year ended 31 December 2021 as their effect would have been anti-dilutive.

#### Weighted-average number of ordinary shares

	Group Number of shares	
	2021 ′000	2020 ′000
lssued ordinary shares at 1 January Effect of treasury shares Weighted-average number of ordinary shares during the year	1,977,036 (20,102) 1,956,934	1,977,036 (19,638) 1,957,398

The weighted average number of ordinary shares detailed above is used for both the basic and diluted earnings per share as there are no dilutive potential ordinary shares outstanding.

	Group	
	2021	2020
<b>Earnings per share</b> Basic loss per share (cents)	(1.08)	(0.72)
Diluted loss per share basic (cents)	(1.08)	(0.72)

#### 27. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- (i) Hospitality operation of hotels, golf and marina club.
- (ii) Property sale of properties and rental income from investment properties owned by the Group.
- (iii) Trading frozen food trading.
- (iv) Others mainly investment holdings.

#### 27. Operating segments (cont'd)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Hospitality \$'000	Property \$'000	Trading \$'000	Others \$'000	Total \$'000
<b>31 December 2021</b> Segment revenue Elimination of inter-segment revenue	17,475	46,852 _	31,453	2,678 (2,678)	98,458 (2,678)
External revenue	17,475	46,852	31,453	_	95,780
Interest income	88	396	65	27	576
Interest expense	(4,487)	(1,130)	(144)	(13,938)	(19,699)
Other material non-cash items: - Net change in fair value of financial derivatives - Depreciation - Write-down of inventories	; – (9,482) –	(1,409) _	(49) (6,527)	1,260 (516) –	1,260 (11,456) (6,527)
Reportable segment profit/(loss) before tax Tax credit/(expense) Reportable segment profit/(loss) after tax	(11,713) 2,571 (9,142)	10,519 (1,479) 9,040	(9,440) (1) (9,441)	(19,339) (317) (19,656)	(29,973) 774 (29,199)
Reportable segment assets	373,017	718,665	12,915	56,877	1,161,474
Reportable segment liabilities	(173,023)	(170,162)	(3,684)	(328,454)	(675,323)
Capital expenditure	1,124	25,231	2	5	26,362
<b>31 December 2020</b> Segment revenue Elimination of inter-segment revenue <b>External revenue</b>	22,674  22,674	50,365 _ 50,365	47,174  47,174	4,206 (4,206) –	124,419 (4,206) 120,213
Interest income	139	440	79	122	780
Interest expense	(4,999)	(1,578)	_	(11,252)	(17,829)
Other material non-cash items: - Net change in fair value of financial derivatives - Depreciation	- (8,966)	148 (1,546)	_ (46)	(1,052) (546)	(904) (11,104)
Reportable segment profit/(loss) before tax Tax expense Reportable segment profit/(loss) after tax	(10,930) 3,201 (7,729)	10,936 (2,875) 8,061	2,372 (570) 1,802	(18,816) 847 (17,969)	(16,438) 603 (15,835)
Reportable segment assets	388,719	607,663	19,496	43,915	1,059,793
Reportable segment liabilities	(177,608)	(139,599)	(1,494)	(254,384)	(573,085)
Capital expenditure	7,482	22,552	2	10	30,046

#### 27. Operating segments (cont'd)

#### **Geographical information**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of service is rendered or product is located. Segment assets are based on the geographical location of the assets.

	Reve	Revenue		ent assets*
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Malaysia Middle East	64,327	73,039	365,985 4,557	379,987 4,472
Singapore	_	_	25,133	25,645
China	31,453	47,174	36,712	20,457
	95,780	120,213	432,387	430,561

\* Non-current assets relate to the carrying amounts of investment properties, property, plant and equipment.

#### 28. Leases

#### Leases as lessee

The Group leases office and staff accommodation space under non-cancellable operating lease agreements. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

The Group leases motor vehicles and office equipment under a number of leases. The Group also leases IT equipment and furniture and fittings with contract term of one to three years. These leases are short-term/or leases of low-value assets with a value, when new, of \$8,000 or less. The Group has elected not to recognised right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

#### Right-of-use assets

Right-of-use assets related to leased assets that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

#### 28. Leases (cont'd)

#### Right-of-use assets (cont'd)

Group         Balance at 1 January 2021       435       883       273       1,591         Depreciation charge for the year       (344)       (272)       (85)       (701)         Additions to right-of-use of assets       -       351       -       351         Derecognition of right-of-use of assets       -       (11)       (185)       (196)         Effect of movements in exchange rates       (5)       (10)       (3)       (18)         Balance at 1 January 2020       785       1,141       322       2,248         Depreciation charge for the year       (347)       (264)       (48)       (659)         Additions to right-of-use of assets       -       11       -       11         Effect of movements in exchange rates       (3)       (5)       (1)       (9)         Balance at 1 January 2020       785       1,141       322       2,248         Depreciation charge for the year       (347)       (264)       (48)       (659)         Additions to right-of-use of assets       -       11       -       11         Effect of movements in exchange rates       (3)       (5)       (1)       (9)         Balance at 31 December 2020       435       883       273 </th <th></th> <th>Golf club and hotel buildings, improvements and renovation \$'000</th> <th></th> <th>Motor vehicles and vessels \$'000</th> <th>Total \$'000</th>		Golf club and hotel buildings, improvements and renovation \$'000		Motor vehicles and vessels \$'000	Total \$'000
Depreciation charge for the year(344)(272)(85)(701)Additions to right-of-use of assets-351-351Derecognition of right-of-use of assets-(11)(185)(196)Effect of movements in exchange rates(5)(10)(3)(18)Balance at 31 December 202186941-1,027Balance at 1 January 20207851,1413222,248Depreciation charge for the year(347)(264)(48)(659)Additions to right-of-use of assets-11-11Effect of movements in exchange rates(3)(5)(1)(9)	Group				
Additions to right-of-use of assets $ 351$ $ 351$ Derecognition of right-of-use of assets $ (11)$ $(185)$ $(196)$ Effect of movements in exchange rates $(5)$ $(10)$ $(3)$ $(18)$ Balance at 31 December 2021 $86$ $941$ $ 1,027$ Balance at 1 January 2020 $785$ $1,141$ $322$ $2,248$ Depreciation charge for the year $(347)$ $(264)$ $(48)$ $(659)$ Additions to right-of-use of assets $ 11$ $ 11$ Effect of movements in exchange rates $(3)$ $(5)$ $(1)$ $(9)$	Balance at 1 January 2021	435	883	273	1,591
Derecognition of right-of-use of assets-(11)(185)(196)Effect of movements in exchange rates(5)(10)(3)(18)Balance at 31 December 202186941-1,027Balance at 1 January 20207851,1413222,248Depreciation charge for the year(347)(264)(48)(659)Additions to right-of-use of assets-11-11Effect of movements in exchange rates(3)(5)(1)(9)	Depreciation charge for the year	(344)	(272)	(85)	(701)
Effect of movements in exchange rates       (5)       (10)       (3)       (18)         Balance at 31 December 2021       86       941       -       1,027         Balance at 1 January 2020       785       1,141       322       2,248         Depreciation charge for the year       (347)       (264)       (48)       (659)         Additions to right-of-use of assets       -       11       -       11         Effect of movements in exchange rates       (3)       (5)       (1)       (9)	Additions to right-of-use of assets	-	351	-	351
Balance at 31 December 202186941-1,027Balance at 1 January 20207851,1413222,248Depreciation charge for the year(347)(264)(48)(659)Additions to right-of-use of assets-11-11Effect of movements in exchange rates(3)(5)(1)(9)	Derecognition of right-of-use of assets	-	(11)	(185)	(196)
Balance at 1 January 20207851,1413222,248Depreciation charge for the year(347)(264)(48)(659)Additions to right-of-use of assets-11-11Effect of movements in exchange rates(3)(5)(1)(9)	Effect of movements in exchange rates	(5)	(10)	(3)	(18)
Depreciation charge for the year(347)(264)(48)(659)Additions to right-of-use of assets-11-11Effect of movements in exchange rates(3)(5)(1)(9)	Balance at 31 December 2021	86	941	_	1,027
Additions to right-of-use of assets–11–11Effect of movements in exchange rates(3)(5)(1)(9)	Balance at 1 January 2020	785	1,141	322	2,248
Effect of movements in exchange rates (3) (5) (1) (9)	Depreciation charge for the year	(347)	(264)	(48)	(659)
Effect of movements in exchange rates (3) (5) (1) (9)	Additions to right-of-use of assets	_	11	_	11
	Effect of movements in exchange rates	(3)	(5)	(1)	(9)
	Balance at 31 December 2020	435	883	273	

#### Amount recognised in profit or loss

	Group	
	2021 \$'000	2020 \$'000
Interest on lease liabilities	77	96
Expenses relating to leases of short-term leases and low-value assets	115	197
	192	293

#### Amount recognised in consolidated statement of cash flows

	Gro	up
	2021 \$′000	2020 \$'000
Total cash outflow for leases	(835)	(876)

#### Extension option

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options in circumstances within its control.

#### 28. Leases (cont'd)

#### Rent concessions

The Group received rent concessions with respect to the lease of \$10,000 (2020: \$68,000) during the year. The Group applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its leases. The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concessions is \$10,000 (2020: \$68,000).

#### Leases as lessor

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment property.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Grou	Group	
	2021 \$′000	2020 \$'000	
Operating leases under SFRS(I) 16			
Less than one year	774	671	
Between one year and five years	1,379	1,728	
Total	2,153	2,399	

#### 29. Financial guarantee contracts

#### Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities granted to subsidiaries. The maximum exposure of the Company is \$149,892,000 (2020: \$153,977,000). At the reporting date, the Company has not recognised an ECL provision as the Company does not consider it probable that a claim will be made against the Company under the guarantee. As at 31 December 2021, the carrying amount represented the initial fair value less the cumulative amount of income recognised and the amount that would have been recognised if they had been accounted for as contingent liabilities. The period in which the financial guarantees will expire are as follows:

	Com	Company	
	2021 \$'000	2020 \$'000	
Within one year	50,115	15,720	
After one year but within five years	99,777	138,257	
	149,892	153,977	

#### 30. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

2 directors subscribed to convertible notes issued by the Company during the year amounting to \$60,102,000 (2020: \$Nil).

No directors subscribed to fixed rate medium term notes issued by the Company during the year (2020: 4 directors subscribed to fixed rate medium term notes issued by the Company during the year amounting to \$27,250,000). The interest on the loans and borrowings that was paid to the five directors amounted to \$3,089,000 (2020: \$3,533,000).

#### Key management personnel remuneration

Key management personnel remuneration is as follows:

	Group	
	2021 \$'000	2020 \$'000
Short-term employee benefits	1,913	2,188
Post-employment benefits (including Central Provident Fund)	61	90
	1,974	2,278

#### 31. Financial instruments

Financial risk management

#### Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks.

#### **Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

#### 120

## NOTES TO THE FINANCIAL STATEMENTS

#### 31. Financial instruments (cont'd)

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and debt investments.

At the reporting date, there is no significant concentration of credit risk for the Group. At the reporting date, the amounts owing by subsidiaries represent a significant portion of the Company's financial assets. Except as disclosed, there is no significant concentration of credit risk for the Company. The carrying amounts of financial assets and contract assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held.

Impairment losses on trade receivables recognised in profit or loss were as follows:

	2021 \$'000	2020 \$'000
(Reversal of)/ allowance for impairment loss on trade receivables arising from contracts with		
customers	(20)	76

#### Trade and other receivables and contract assets

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets. The Group does not have trade receivables and contract assets for which no allowance is recognised because of collaterals.

The Group establishes an allowance for impairment that represents its estimate of the specific loss component in respect of trade and other receivables. The allowance account in respect of trade receivables and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

#### Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for trade and other receivables (excluding advances to suppliers and prepayments) by geographical region was as follows.

		Group	
	2021 \$'000	2020 \$'000	
Malaysia Singapore	15,568 488	25,890 940	
China	17,495	6,051	
Other countries	44	36	
	33,595	32,917	

The maximum exposure to credit risk for trade and other receivables (excluding advances to suppliers and prepayments) at the reporting date by business segment is set out below:

	Gro	oup	Com	bany
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Hotel operations	2,079	2,084	_	_
Property development	29,366	29,536	_	_
Others	2,150	1,297	487	939
	33,595	32,917	487	939

#### 31. Financial instruments (cont'd)

#### Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are based on actual credit loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECL for trade receivables is insignificant.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables (excluding advances to suppliers and prepayments):

	Gross carrying	oup Impairment	Com Gross carrying	pany Impairment
	amount \$'000	loss allowance \$'000	amount \$'000	loss allowance \$'000
2021	+	+	+	+
Not past due	24,173	(11)	487	_
Past due less than 30 days	462	(8)	_	_
Past due 31 to 60 days	642	(9)	_	-
Past due over 60 days	8,449	(103)	-	-
	33,726	(131)	487	_
2020				
Not past due	12,066	(23)	939	_
Past due less than 30 days	3,874	(19)	_	_
Past due 31 to 60 days	2,508	(18)	_	_
Past due over 60 days	14,620	(91)	_	-
	33,068	(151)	939	_

#### Movements in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group Lifetime ECL \$'000
At 1 January 2020	75
Impairment loss reversed	(71)
Impairment loss recognised	147
At 31 December 2020	151
Impairment loss reversed	(123)
Impairment loss recognised	103
At 31 December 2021	131

Impairment losses recognised/(reversed) were included in "other net income".

#### Derivatives

Derivatives are entered into with bank and financial institution counterparties, which are regulated.

#### 31. Financial instruments (cont'd)

#### Debt investments

The Group limits its exposure to credit risk on investments held by investing only in liquid debt securities and only with counterparties that are of acceptable credit quality. The Group considers that its debt investments have low credit risk as the investments are principal protected notes.

#### Cash and cash equivalents and time deposits

The Group and Company held cash and cash equivalents and time deposits of \$71,048,000 and \$2,505,000, respectively at 31 December 2021 (2020: cash and cash equivalents and time deposits of \$81,666,000 and \$2,548,00). The amounts are held with banks, which are regulated.

Impairment on cash and cash equivalents and time deposits have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and time deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents and time deposits were negligible.

#### Guarantees

The maximum exposure of the Company in respect of the intra-group financial guarantee at the end of the reporting period is \$149,892,000 (2020: \$153,977,000).

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the financial guarantees.

#### Non-trade amounts due from related parties

The Group and Company held non-trade receivables from related parties of \$671,000 (2020: \$567,000) and \$545,440,000 (2020: \$558,807,000) respectively. The Group and Company uses a similar approach for assessment of ECLs for these receivables to those used for debt investments. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements and management accounts, if available, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis and the amount of the allowance is insignificant.

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### 31. Financial instruments (cont'd)

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Cash flows After 1 year but within 5 years \$'000	After 5 years \$'000
At 31 December 2021 Non-derivative financial liabilities Trade and other payables* Amounts due to related parties Unsecured bank loan Secured bank loans Convertible notes Medium term note Lease liabilities Redeemable preference shares	84,599 37,198 4,801 323,771 77,318 79,825 1,045 420 608,977	(84,599) (37,198) (5,132) (362,568) (89,380) (172,536) (172,536) (1,359) (420) (753,192)	(84,599) (37,198) (1,320) (90,004) (4,021) (87,177) (432) – (304,751)	- (3,812) (248,076) (85,359) (85,359) (653) - (423,259)	- - (24,488) - - (274) (420) (25,182)
At 31 December 2020 Non-derivative financial liabilities Trade and other payables* Amounts due to related parties Unsecured bank loan Secured bank loans Medium term note Finance lease liabilities Redeemable preference shares	54,272 37,703 56,976 218,914 129,545 1,718 426 499,554	(54,272) (37,703) (57,788) (243,350) (137,867) (1,903) (426) (533,309)	(54,272) (37,703) (52,363) (52,963) (54,938) (867) – – (253,106)	– (5,425) (168,191) (82,929) (758) – (257,303)	- - (22,196) - (278) (426) (22,900)

1)/4

## NOTES TO THE FINANCIAL STATEMENTS

#### 31. Financial instruments (cont'd)

				Cash flows	
	Carrying amount \$′000	Contractual cash flows \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
Company					
At 31 December 2021 Non-derivative financial liabilities Trade and other payables* Amounts due to related parties	3,055 15,507	(3,055) (15,507)	(3,055) (15,507)	- -	-
Unsecured bank Ioan Secured bank Ioans Convertible notes Medium term note	4,801 163,326 77,318 79,825	(4,801) (184,438) (89,380) (172,536)	(1,213) (47,529) (4,021) (87,177)	(3,588) (112,421) (85,359) (85,359)	 (24,488) 
Recognised financial liabilities Intra-group financial guarantees	343,832	(172,533) (469,717) (149,892) (619,609)	(158,502) (50,115) (208,617)	(286,727) (99,777) (386,504)	(24,488) - (24,488)
At 31 December 2020 Non-derivative financial liabilities					
Trade and other payables* Amounts due to related parties Unsecured bank loan	1,543 44,905 56,976	(1,543) (44,905) (57,788)	(1,543) (44,905) (52,363)	_ _ (5,425)	-
Secured bank loans Medium term note	64,938 129,545	(37,788) (71,168) (137,867)	(42,568) (54,938)	(6,404) (82,929)	(22,196)
Recognised financial liabilities Intra-group financial guarantees	297,907  297,907	(313,271) (153,977) (467,248)	(196,317) (15,720) (212,037)	(94,758) (138,257) (233,015)	(22,196) (22,196)
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\* Excludes advance payments from customers and deferred income

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities based on their earliest possible contractual maturity. Except for the cash flows arising from the intra-group financial guarantees, it is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's interest-bearing loan obligations and fixed deposits placed with financial institutions. The Group is not exposed to significant interest rate fluctuation. The Group does not use derivative financial instruments to hedge its interest rate risk.

#### 31. Financial instruments (cont'd)

#### Interest rate risk (cont'd)

At the reporting date, the interest rate profile of the Group and the Company's interest-bearing financial instruments is as follows:

	Gro	oup	Com	pany
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Lease liabilities	1,045	1,718	_	_
Medium term note	79,825	129,545	79,825	129,545
Convertible notes	77,318	_	77,318	_
Unsecured bank loan	4,801	_	4,801	_
	162,989	131,263	161,944	129,545
Variable rate instruments				
Unsecured bank loan	_	56,976	_	56,976
Secured bank loans	323,771	218,914	163,326	64,938
	323,771	275,890	163,326	121,914

#### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

#### Cash flow sensitivity analysis for variable rate instruments

A change of 50 bp in interest rates at the reporting dates would have (increased)/decreased loss before tax by the amounts shown below. There is no effect to the equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

Group	Loss befo 50 bp Increase \$'000	ore tax 50 bp Decrease \$'000
2021		
Variable rate instruments	(1,619)	1,619
<b>2020</b> Variable rate instruments	(1,379)	1,379
Company		
2021 Variable rate instruments	(817)	817
2020		
Variable rate instruments	(610)	610

The sensitivity analysis is illustrative only and is based on simplified scenarios. The table shows interest rate risk exposures arising in interest-bearing liabilities. These particular exposures form only part of the Group's overall interest rate exposures.

#### 31. Financial instruments (cont'd)

#### Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings, including intercompany sales, purchases and intercompany balances are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which those transactions primarily are denominated are Malaysian Ringgit ("MYR"), United States Dollars ("USD"), United Arab Emirates Dirham ("AED") and Chinese Renminbi ("RMB").

The Group's risk management policy is to hedge all of its foreign currency exposure in respect of debt investments over the following 12 months. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date. Such contracts generally are designated as cash flow hedges.

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. Most of these contracts have a maturity of less than one year from the reporting date. The forward elements of forward exchange contracts are excluded from designation as the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by entering into certain financial derivative instruments including forward exchange contracts.

The Group's exposure to foreign currency risk based on notional amounts is as follows:

Group	MYR \$'000	USD \$'000	AED \$'000	RMB \$'000
As at 31 December 2021		25	15	
Cash and cash equivalents Net exposure		35	<u> </u>	
As at 31 December 2020 Debt investments – at FVOCI Cash and cash equivalents	(22, 726)	15,739 96	_ 14	_ 7
Forward exchange contracts	(32,726)	—	-	
Net exposure	(32,726)	15,835	14	7

#### 31. Financial instruments (cont'd)

#### Foreign currency risk

	MYR \$'000	USD \$'000
Company		
As at 31 December 2021 Cash and cash equivalents		35
Net exposure		35
As at 31 December 2020		
Debt investments – at FVOCI	-	15,739
Cash and cash equivalents	-	96
Forward exchange contracts	(32,726)	_
Net exposure	(32,726)	15,835

#### Sensitivity analysis

A 5% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting dates held by the Group would increase/(decrease) equity and loss by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2021	Group Loss \$'000	Company Loss \$'000
USD	2	2
AED	1	
	3	2
31 December 2020		
MYR	(1,636)	(1,636)
USD	792	792
AED	1	_
	(843)	(844)

# 31. Financial instruments (cont'd)

# Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

				Carrying amounts	nounts –	,			— Fair value	/alue	Î
	Note	Fair value – hedging instruments	FVTPL	Amortised cost	FVOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Group		\$,000		\$,000	\$,000	\$,000		\$,000	\$,000	\$,000	\$,000
31 December 2021											
Financial assets not											
measured at fair value											
Trade and other receivables*	12	I	I	33,595	I	Ι	33,595				
Amount due from related											
parties	13	I	I	671	I	Ι	671				
Time deposits	14	I	I	2,505	I	Ι	2,505				
Cash and cash equivalents	14	I	I	71,048	I	Ι	71,048				
		I	I	107,819	I		107,819				
Financial liabilities not											
measured at fair value											
Trade and other payables**	17	I	Ι	I	Ι	(84,599)	(84,599) (84,599)				
Loans and borrowings <sup>®</sup>	18	I	Ι	I	I	(486,135) (486,135)	(486,135)	I	- (474,950)	I	(474,950)
Amounts due to related parties	13	I	I	I	I	(37,198)	(37,198) (37,198)				

## NOTES TO THE FINANCIAL STATEMENTS

(607,932) (607,932)

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Other         Total         Level 1           iiabilities         Total         Level 1           \$'000         \$'000         \$'000           39         -         15,739           -         -         32,917           -         -         32,917           -         -         2,548           -         -         2,548           -         -         117,698           -         -         -           -         -         11,260)           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -      (1,256)     -          - </th <th></th> <th></th> <th></th> <th></th> <th>Carrying amounts</th> <th>nounts -</th> <th></th> <th></th> <th></th> <th>Eair V</th> <th>Fair value</th> <th></th>					Carrying amounts	nounts -				Eair V	Fair value	
ember 2020       alinistruments $15,739$ $15,739$ $15,739$ $15,739$ $15,739$ lassets not receivables*       12 $  32,917$ $ 32,917$ $15,739$ $15,739$ lassets not red at fair value       12 $  32,917$ $ 32,917$ $15,739$ lassets not red at fair value       13 $  32,917$ $-$		Note	Fair value – hedging instruments \$'000	FVTPL \$'000	Amortised cost \$'000	FVOCI \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Cl     7     -     -     15,739     15,739     15,739       5*     12     -     -     32,917     -     32,917       5*     12     -     -     32,917     -     32,917       13     -     -     2,548     -     2,548       14     -     2,548     -     2,548       14     -     -     2,548     -     2,548       14     -     -     2,548     -     2,548       14     -     -     2,548     -     2,548       14     -     -     117,698     -     117,698       5     20     -     -     117,698     -     1,1260)       5     20     -     -     1,17,698     -     -       5     20     -     -     1,17,698     -     -       6     -     -     -     -     1,260)     -       5     20     -     -     -     -     1,260)       6     -     -     -     -     -     1,260)       6     -     -     -     -     -     1,260)       6     -     -     -     -	Group											
5*       12       -       -       32,917       -       32,917         13       -       -       567       -       -       567         14       -       -       2,548       -       -       567         -       -       -       2,548       -       -       567         -       -       -       2,548       -       -       2,548         -       -       -       117,698       -       -       117,698         -       -       -       117,698       -       -       1,260)       -         -       -       -       -       117,698       -       -       1,260)       -         *       17       -       -       -       -       -       1,260)       -       -       1,260)       -         *       17       -       -       -       -       -       1,260)       -       -       -       1,260)       -         *       17       -       -       -       -       -       -       1,260)       -       -       -       -       1,260)       -       -       -       1,2	<b>31 December 2020</b> Financial instruments measured at fair value Debt investments – at FVOCI	~	1	I	1	15,739		15,739	15,739	Ι	I	15,739
13       -       -       -       -       -       567       -       -       567         14       -       -       2,548       -       -       2,548       -       567         14       -       -       2,548       -       -       2,548       -       567         -       -       -       17,698       -       -       17,698       -       117,698         -       -       -       117,698       -       -       117,698       -       -       117,698         -       -       -       -       117,698       -       -       -       117,698       -         -       -       -       -       -       117,698       -       -       117,698       -         *       17       -       -       (1,260)       -       -       (1,260)       -         *       17       -       -       -       -       -       -       -       117,600       -         *       17       -       -       -       -       -       -       -       -       -       -       -       -       -       - <td>Financial assets not measured at fair value</td> <td>(</td> <td></td>	Financial assets not measured at fair value	(										
13       -       -       567       -       567         14       -       -       2,548       -       2,548         14       -       -       81,666       -       81,666         -       -       117,698       -       117,698         -       -       117,698       -       117,698         -       -       117,698       -       117,698         -       -       117,600       -       -       112,600         -       -       (1,260)       -       -       (1,260)       -         *       17       -       -       (1,260)       -       -       (1,260)       -         *       17       -       -       -       -       (1,260)       -       -       (1,260)       -         *       17       -       -       -       -       (1,260)       -       -       -       (1,260)       -         *       17       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <t< td=""><td>Irage and other receivables<sup>°</sup> Amount due from related</td><td>7</td><td>I</td><td>I</td><td>32,917</td><td>I</td><td>I</td><td>32,917</td><td></td><td></td><td></td><td></td></t<>	Irage and other receivables <sup>°</sup> Amount due from related	7	I	I	32,917	I	I	32,917				
14     -     -     2,548     -     2,548       14     -     -     81,666     -     -     81,666       -     -     117,698     -     -     117,698       -     -     117,698     -     -     117,698       -     -     117,698     -     -     117,698       -     -     (1,260)     -     -     (1,260)       *     17     -     -     (1,260)     -       *     17     -     -     (1,260)     -       *     17     -     -     (1,260)     -       *     17     -     -     -     (1,260)       *     17     -     -     -     (1,260)       *     17     -     -     -     (1,260)       *     17     -     -     -     (1,260)       *     17     -     -     -     -       *     17     -     -     -       *     -     -     -     -       *     -     -     -     -       *     -     -     -     -       *     -     -     -     - <td>parties</td> <td>13</td> <td>I</td> <td>Ι</td> <td>567</td> <td>Ι</td> <td>I</td> <td>567</td> <td></td> <td></td> <td></td> <td></td>	parties	13	I	Ι	567	Ι	I	567				
14         -         -         81,666         -         -         81,666           -         -         117,698         -         -         117,698         -         117,698         -         -         117,698         -         -         117,698         -         -         117,698         -         -         117,698         -         -         117,698         -         -         117,698         -         -         117,698         -         -         117,698         -         -         -         1,260)         -         -         -         1,260)         -         -         -         1,260)         -         -         -         1,260)         -         -         -         1,260)         -         -         -         -         1,260)         -         -         -         1,260)         -         -         -         -         -         -         1,260)         -	Time deposits	14	I	Ι	2,548	I	I	2,548				
Le 117,698 117,698 - 177,698 117,698 - 117,698 117,698 117,698 117,698 117,698 117,698 11,260) (1,260)	Cash and cash equivalents	14	I	Ι	81,666	Ι	I	81,666				
Le (1,260) - (1,			I	1	117,698	I	I	117,698				
ties 20 <u>- (1,260)</u> - <u>- (1,260)</u> - <u>- (1,260)</u> - <b>Je</b> ** 17 - <u>- (1,260)</u> - <u>- (1,260)</u> - artier 13 <u> (1,260)</u> - <u>- (1,260)</u> - <u>(1,260)</u> - <u>- (1,260)</u> - <u>- (1,260)</u> - <u>- (1,260)</u> - <u>- (1,260)</u> - <u></u>	Financial liabilities measured at fair value											
Le	Derivative financial liabilities	20	I	(1,260)		I	I	(1,260)	I	(1,260)	I	(1,260)
ss** 17 (54,272) (54,272) 18 (405,861) (405,861) - parties 13 (407,861) (37,703) 	Financial liabilities not measured at fair value											
18         -         -         -         (405,861)         -         -           parties         13         -         -         -         (37,703)         (37,703)         -           -         -         -         -         (497,836)         -	Trade and other payables**	17	I	Ι	I	I	(54,272)	(54,272)				
13	Loans and borrowings <sup>®</sup>	18	I	Ι	Ι	Ι	(405,861)	(405,861)		(388,553)	I	(388,553)
	Amounts due to related parties		Ι	Ι	Ι	Ι	(37,703)	(37,703)				
			I		1	I	(497,836)	(497,836)				

# 31. Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

				Carrying amounts	nounts -		Ì		— Fair value	alue —	Î
Company	Note	Fair value – hedging Note instruments \$'000	FVTPL \$'000	Amortised cost \$'000	FVOCI \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 December 2021</b> Financial assets not measured at fair value	12	I	I	487	I	I	487				
Amounts due from related parties Cash and cash equivalents	13	1 1 1		545,440 30,963 576,890		1 1 1	545,440 30,963 576,890				
<b>Financial liabilities not</b> measured at fair value Trade and other payables** Loans and borrowings Amounts due to related parties	13 13			1 1 1 1		(3,055) (325,270) (15,507) (343,832)	(3,055) (325,270) (15,507) (343,832)	I	(323,712)	Ι	(323,712)
<b>31 December 2020</b> Financial assets measured at fair value Debt investments – at FVOCI	~	I	I	I	15,739	I	15,739	15,739	I	I	15,739
Financial assets not measured at fair value Trade and other receivables*	12	I	I	939	I	I	939				
Announts due monnrelated parties Cash and cash equivalents	13 14	1 1	1 1	558,807 997 550 712	1 1	1 1	558,807 997				
Financial liabilities measured at fair value Derivative financial liabilities	20		(1,260)		1 1	1 1	(1,260)	I	(1,260)	I	(1,260)
Financial liabilities not measured at fair value Trade and other payables** Loans and borrowings Amounts due to related parties	13 13		1 1 1 1		1 1 1 1	(1,543) (251,459) ( (44,905) (297,907) (	(1,543) (251,459) (44,905) (297,907)	I	(238,409)	I	(238,409)
							1100,104				

## NOTES TO THE FINANCIAL STATEMENTS

#### 31. Financial instruments (cont'd)

#### Accounting classifications and fair values (cont'd)

- \* Excludes advances to suppliers and prepayments
- \*\* Excludes advance payments from customers and deferred income
- <sup>®</sup> Excludes lease liabilities

#### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Туре	Valuation techniques	Significant unobservable inputs	Inter-relationship between unobservable input and fair value measurement
Group and Company			
Forward exchange contracts	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.		Not applicable.

Financial instruments not measured at fair value

Туре	Valuation techniques	Significant unobservable inputs
Group and Company		
Other financial liabilities*	Discounted cash flow**	Not applicable

\* Other financial liabilities include secured bank loans, medium term note, redeemable preference shares and lease liabilities.

\*\* It is assumed that inputs considered observable used in the valuation technique are significant to the fair value measurement.

Transfer between Level 1 and 2

There were no transfers between Level 1 and 2 in 2021 and 2020.

#### 32. Non-controlling interest

The following subsidiaries have material non-controlling interest ("NCI").

Name	Principal places of business/ Country of incorporation	Operating segment	Ownership held b 2021 %	
Eastworth Source Sdn Bhd ("Eastworth Source")	Malaysia	Hotel operation	22.5	22.5
Sutera Harbour Golf and Country Club Berhad ("Sutera Harbour Golf and Country Club")	Malaysia	Golf club operation	22.5	22.5
Advanced Prestige Sdn Bhd ("Advanced Prestige")	Malaysia	Hotel operation	22.5	22.5
Linyi Properties Sdn Bhd ("Linyi Properties")	Malaysia	Property development	25.0	25.0
Aspirasi Kukuh Sdn Bhd ("Aspirasi Kukuh")	Malaysia	Property development	50.0	50.0
GSH Properties (Chongqing) Co., Ltd ("Chongqing")	People's Republic of China ("PRC")	Property development	49.0	49.0

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with SFRS(I).

	Eastworth Source \$'000	Sutera Harbour Golf and Country Club \$'000	Advanced Prestige \$'000	Linyi Properties \$'000	Aspirasi Kukuh \$'000	Chongqing \$'000
31 December 2021						
Revenue	4,571	5,543	6,621	_	-	-
Profit/(Loss)	(3,318)	(60)	(4,152)	29	(567)	(2,731)
Total comprehensive	( )	( )	<i>(</i>		()	()
income	(3,318)	(60)	(4,152)	29	(567)	(2,731)
Attributable to NCI:						
- Profit/(Loss)	(747)	(13)	(934)	7	(284)	(1,338)
- Total comprehensive						
income	(747)	(13)	(934)	7	(284)	(1,338)
Non-current assets	149,804	99,473	150,819	_	2,426	36,966
Current assets	1,701	5,417	3,770	21,077	128,497	144,813
Non-current liabilities	(21,983)	(15,971)	(26,289)	-	(613)	(10,551)
Current liabilities	(36,302)	(5,674)	(57,237)	(850)	(122,951)	(45,073)
Net assets	93,220	83,245	71,063	20,227	7,359	126,155
Net assets attributable						
to NCI	20,975	18,730	15,989	5,057	3,680	61,816
Cash flows from operating						
activities	(86)	242	1,668	(11)	(5,028)	(19,833)
Cash flows used in investing						
activities	35	136	89	-	(68)	(21,534)
Cash flows used in financing activities (dividends to NCI:						
NIL)	(1,200)	(29)	(1,760)	_	5,100	73,869
Net (derease)/increase in cash and cash	`	· · · · · · · · · · · · · · · · · · ·	· · · · · ·			
equivalents	(1,251)	349	(3)	(11)	4	32,502

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## NOTES TO THE FINANCIAL STATEMENTS

#### 32. Non-controlling interest (cont'd)

The following subsidiaries have material non-controlling interest ("NCI"). (cont'd)

		Sutera Harbour				
	Eastworth Source \$'000	Golf and Country Club \$'000	Advanced Prestige \$'000	Linyi Properties \$'000	Aspirasi Kukuh \$'000	Chongqing \$'000
31 December 2020						
Revenue	6,060	6,173	9,690	-	-	-
Profit/(Loss)	(3,212)	(515)	(3,295)	13	(1,221)	(634)
Total comprehensive income	(3,212)	(515)	(3,295)	13	(1,221)	(634)
Attributable to NCI:	(777)	(11C)	(7.4.1)	2	(C10)	(211)
- Profit/(Loss)	(723)	(116)	(741)	3	(610)	(311)
- Total comprehensive income	(723)	(116)	(741)	3	(610)	(311)
		i				i
Non-current assets	155,013	102,944	157,017	_	2,441	20,637
Current assets	4,293	3,411	3,869	21,373	127,250	69,678
Non-current liabilities	(23,545)	(16,015)	(28,425)	_	(472)	-
Current liabilities	(38,013)	(5,897)	(56,229)	(898)	(121,185)	(20,306)
Net assets	97,748	84,443	76,232	20,475	8,034	70,009
Net assets attributable						
to NCI	21,993	19,000	17,152	5,119	4,017	34,305
Cash flows from operating						
activities	4,047	137	1,105	(12)	(13,925)	(18,969)
Cash flows used in investing	(4,000)		2 420		112	
activities	(1,908)	(26)	2,439	_	113	(20,597)
Cash flows used in financing activities (dividends to NCI:						
NIL)	(1,776)	(62)	(3,313)	_	13,460	70,653
Net increase/(derease) in cash and cash						
equivalents						

#### 33. Subsequent event

Pursuant to the Malaysian Temporary Measures to Reduce the Impact of Coronavirus Disease Act 2019 (COVID-19) (Revised) 2022, based on Part XIA, subsections 38C(1) and 38C(2), one of the Company's subsidiaries in Malaysia, had applied on 8 February 2022, and obtained approval from the Housing Minister on 15 March 2022, to exclude a period of 365 days for the calculation of the time of handover of vacant possession of the subsidiary's sold development properties. Arising from which, the 365 days excluded by the Housing Minister will not be taken into account for the purposes of assessing liquidated ascertained damages. For the financial year ended 31 December 2021, the subsidiary had made a provision for liquidated damages of \$3,751,000. Consequently, this provision will be reversed in the financial year ending 31 December 2022.

#### STATISTICS OF SHAREHOLDINGS As at 18 March 2022

SHARE CAPITAL

Number of Shares	:	1,977,036,050 (including Treasury Shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Share
Number of Treasury Shares	:	20,102,500
Percentage of Treasury Shares	:	1.02%
Number of subsidiary holdings held	:	Nil

#### DISTRIBUTION OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	105	4.18	4,533	0.00
100 - 1,000	348	13.85	126,478	0.01
1,001 - 10,000	895	35.63	4,877,747	0.25
10,001 - 1,000,000	1,126	44.83	83,450,903	4.26
1,000,001 AND ABOVE	38	1.51	1,868,473,889	95.48
TOTAL	2512	100.00	1,956,933,550	100.00

#### TWENTY LARGEST SHAREHOLDERS

No.	NAME	NUMBER OF SHARES	%
1	DR SAM GOI SENG HUI	945,088,408	48.29
2	CITIBANK NOMINEES SINGAPORE PTE LTD	352,455,050	18.01
3	OCBC SECURITIES PRIVATE LIMITED	142,742,909	7.29
4	GOODVIEW PROPERTIES PTE LTD	98,705,000	5.04
5	RAFFLES NOMINEES (PTE.) LIMITED	63,257,577	3.23
6	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	55,949,900	2.86
7	DB NOMINEES (SINGAPORE) PTE LTD	54,530,100	2.79
8	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	30,000,000	1.53
9	DBS NOMINEES (PRIVATE) LIMITED	23,472,838	1.20
10	FLORENCE TAN GEK NOI MRS FLORENCE EE GEK NOI	15,000,000	0.77
11	UOB KAY HIAN PRIVATE LIMITED	13,958,400	0.71
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,364,545	0.63
13	NS TRADING PTE LTD	5,866,000	0.30
14	CHANDRA DAS S/O RAJAGOPAL SITARAM	5,000,000	0.26
15	GOH CHYE HEANG	4,288,300	0.22
16	TEO KEK TJOK @TEO KEK YENG	3,585,500	0.18
17	LEE CHENG HOA	3,312,500	0.17
18	LIM & TAN SECURITIES PTE LTD	3,303,200	0.17
19	ROSIE D/O PILLAI MRS ROSIE CHANDRADAS	2,520,000	0.13
20	CHEW GHIM BOK	2,465,300	0.13
	TOTAL	1,837,865,527	93.91

## SUBSTANTIAL SHAREHOLDERS

AS AT 18 MARCH 2022

#### LIST OF SUSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	
Dr Sam Goi Seng Hui (1)	945,088,408	48.29	
Ee Guan Hui Gilbert (2)	629,478	0.03	
Goodview Properties Pte Ltd (3)	100,000,000	5.10	
Far East Organization Centre Pte Ltd	-	-	
Lippo Capital Limited <sup>(4)</sup>	-	-	
1 · · · · · · · · · · · · · · · · · · ·			

 Lanius Limited <sup>(5)</sup>
 99,021,467 <sup>(c)</sup>
 5.05

 Ng Chee Siong
 101,112,200 <sup>(d)</sup>
 5.16

 Ng Chee Tat Philip
 101,112,200 <sup>(e)</sup>
 5.16

DEEMED

300.000.000

157,913,600

100.000.000 (a)

99,021,467 <sup>(b)</sup>

%

15.33

8.06

5.10

5.05

#### Notes:

- (1) Dr Sam Goi Seng Hui is treated as having interest in 300,000,000 shares held through Citibank Nominees Singapore Pte. Ltd. The percentage shown, to the nearest 2 decimal places, was based on Form 1 received from Dr Sam Goi Seng Hui as at 8 October 2021.
- (2) Ee Guan Hui Gilbert is treated as having an interest in 90,913,600 shares held through OCBC Securities Private Ltd, 52,000,000 shares held through Raffles Nominees (Pte.) Ltd and 15,000,000 shares held through Florence Ee Gek Noi (his spouse). The percentage shown, to the nearest 2 decimal places, was based on Form 1 received from Ee Guan Hui Gilbert as at 24 August 2018.
- (3) The percentage shown, to the nearest 2 decimal places, was based on form 3 received from Goodview Properties Pte Ltd as at 13 August 2013.
- (4) The percentage shown, to the nearest 2 decimal places, was based on form 3 received from Lippo Capital Limited as at 21 January 2015.
- (5) The percentage shown, to the nearest 2 decimal places, was based on form 3 received from Lanius Limited as at 21 January 2015.
  - (a) Based on form 3 received on 13 August 2013, Far East Organization Centre Pte Ltd has a controlling interest in Goodview Properties Pte Ltd and is therefore treated to be having an interest in the 100,000,000 Shares held by Goodview Properties Pte Ltd in the Company.
  - (b) Based on form 3 received on 21 January 2015, Lippo Capital Limited is the holding company of an entity which has joint control of Lippo ASM Asia Property Limited, which is a holding company of OUE Limited. OUE Limited has a direct interest in 19,260,000 Shares. In addition, Lippo Capital Limited is the holding company of Golden Super Holdings Limited and Lippo Assets (International Limited). Golden Super Holdings Limited and Lippo Assets (International Limited) has a direct interest in 77,761,467 and 2,000,000 Shares respectively. Lippo Capital Limited is therefore treated to be having an interest in 99,021,467 Shares.
  - (c) Based on form 3 received on 21 January 2015, Lanius Limited holds the entire issued share capital of Lippo Capital Limited and is therefore treated to be having an interest in 99,021,467 Shares.
  - (d) Based on form 3 received on 1 June 2017, vesting of the assets of the Estate of Ng Teng Fong (the "Estate") in Ng Chee Siong ("RN") in his capacity as a beneficiary of the Estate, pending final distribution. Goodview Properties Pte Ltd has a direct interest in 101,112,200 Shares. The Estate has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. RN is a beneficiary of the Estate and is therefore treated to be having an interest in the 101,112,200 Shares in which Goodview Properties Pte Ltd has an interest.
  - (e) Based on form 3 received on 1 June 2017, vesting of the assets of the Estate of Ng Teng Fong (the "Estate") in Ng Chee Tat Philip ("PN") in his capacity as a beneficiary of the Estate, pending final distribution. Goodview Properties Pte Ltd has a direct interest in 101,112,200 Shares. The Estate has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. PN is a beneficiary of the Estate and is therefore treated to be having an interest in the 101,112,200 Shares in which Goodview Properties Pte Ltd has an interest.

#### PUBLIC FLOAT

Based on the Register of Substantial Shareholders and the information made available to the Company as at 18 March 2022, approximately 18.08% of the issued ordinary capital shares of the Company are held by public. Rule 723 of the SGX Listing Manual has been complied with.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or "**Meeting**") of GSH Corporation Limited (the "**Company**"), will be held by way of electronic means (via Live Webcast and Live Audio Stream), on 29 April 2022\* at 10.30 a.m., for the following purposes:

#### AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company, for the year ended 31 December 2021, together with the Auditors' Report thereon.

#### (Resolution 1)

(Resolution 2)

(Resolution 3)

2. To re-elect the following Directors of the Company retiring pursuant to Article 91 of the Constitution of the Company:

Mr Francis Lee Choon Hui [See Explanatory Note (i)] Mr Gilbert Ee Guan Hui [See Explanatory Note (i)]

Note:

Mr Tam Chee Chong is also retiring from office by rotation but has decided not to offer himself for re-election.

3. Pursuant to Rule 210(5)(d)(iii) of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), shareholders are required to approve Ms Huang Lui's continued appointment as an Independent Director, and this Resolution to remain in force until the earlier of Ms Huang Lui's retirement or resignation; or the conclusion of the third AGM following the passing of this Resolution. [See Explanatory Note (ii)]

#### (Resolution 4)

4. That contingent upon the passing of Ordinary Resolution 4 above, pursuant to Rule 210(5)(d)(iii) of the Listing Manual, shareholders (excluding the Directors and Chief Executive Officer of the Company, and associates of such Directors and Chief Executive Officer) are required to approve Ms Huang Lui's continued appointment as an Independent Director, and this Resolution to remain in force until the earlier of Ms Huang Lui's retirement or resignation; or the conclusion of the third AGM following the passing of this Resolution. [See Explanatory Note (ii)]

#### (Resolution 5)

5. To approve the payment of Directors' fees amounting to S\$334,050 for the financial year ending 31 December 2022, to be paid quarterly in arrears. (2021: S\$334,050)

#### (Resolution 6)

 To appoint Baker Tilly TFW LLP as the Auditors of the Company, in place of the retiring Auditors, KPMG LLP, and to authorise the Directors of the Company to fix their remuneration. [See Explanatory Note (iii)]

#### (Resolution 7)

7. To transact any other ordinary business which may properly be transacted at an AGM.

Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, companies are allowed to hold meetings using electronic communication, video conferencing, tele-conferencing, or other electronic means in order to comply with the safe distancing measures imposed under the Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020. Accordingly, the Company wishes to inform all shareholders that the Meeting is being convened, and will be held, by electronic means only and shareholders will not be able to attend the Meeting in person. Shareholders may watch the Meeting proceedings through a live webcast via their mobile phones, tablets or computers. To do so, shareholders need to preregister at the Company's pre-registration website at the URL <u>http://www.zemevents.com/gshcorporation</u>, to enable the Company to verify their status. Following the verification, authenticated shareholders will receive an email, which will contain the login instructions, password as well as the link to access the live audio-visual webcast of the AGM proceedings. Shareholders are advised to regularly check the Company's website and SGXNet for updates.

#### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

#### 8. Authority to issue shares

That 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) options, warrants, debentures or other instruments convertible into shares,

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

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

#### provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares (excluding treasury shares and subsidiary holdings) 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:
  - (a) 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 of the passing of this Resolution; and
  - (b) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
   [See Explanatory Note (iv)]

(Resolution 8)

#### 9. Renewal of Share Buy-Back Mandate

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the "Companies Act") and such other laws and regulations as may for the time being be applicable, the exercise by the directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued and paid-up ordinary shares in the share capital of the Company ("Shares") (excluding treasury shares), not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up, to the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchases transacted through the trading system of SGX-ST ("Market Purchase"); and/or
  - (ii) off-market purchases otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual ("**Off-Market Purchase**");

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual; be and is hereby authorized and approved generally and unconditionally (the "Share Buy-back Mandate");

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-back Mandate shall, at the discretion of the Directors, either be cancelled or, held as treasury shares and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company, in general meeting, the authority conferred on the Directors to purchase Shares pursuant to the Share Buy-back 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 of the next AGM of the Company or the date by which the next AGM is required by law to be held, whichever is earlier;
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-back Mandate are carried out, to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied, by Shareholders in general meeting;

In this Resolution 9:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) Market Days ("Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchases are made, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and is deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the Off-Market Purchase from the holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**"Maximum Price"** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares as determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors, must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

"Prescribed 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 as at that date); and

(d) the Directors and each of them be and is hereby authorized to do any and all such acts (including to execute all such documents as may be required, approve any amendments, alterations or modifications to any documents, and sign, file and/or submit any notices, forms and documents with or to the relevant authorities), as they and/or they may, in their absolute discretion deem necessary, desirable or expedient, to give effect to this Ordinary Resolution and the taking of any and all actions whatsoever, by any Director on behalf of the Company in connection with the proposed Share Buy-back Mandate, prior to the date of the AGM, be and are hereby approved, ratified and confirmed. [See Explanatory Note (v)]

#### (Resolution 9)

By Order of the Board

Lee Tiong Hock Company Secretary Singapore, 13 April 2022

#### **Explanatory Notes:**

(i) Ordinary Resolutions 2 and 3 are to re-elect Mr Francis Lee Choon Hui and Mr Gilbert Ee Guan Hui, who will both be retiring by rotation under Article 91 of the Constitution of the Company.

Mr Francis Lee Choon Hui will, upon re-election as a Director of the Company, remain as Vice Chairman of the Board, Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and the Nominating Committee, and will be considered independent.

Mr Gilbert Ee Guan Hui will, upon re-election as a Director of the Company, remain as Chief Executive Officer of the Company.

Detailed information on these directors (including information as set out in Appendix 7.4.1 of the Listing Manual) can be found under "Board of Directors" in the Company's Annual Report 2021 and "Supplemental Information on Directors Seeking Re-election", as enclosed.

(ii) The Ordinary Resolutions 4 and 5 – Pursuant to Rule 210(5)(d)(iii) of the Listing Manual, to ensure that the independence designation of a director who has served for more than an aggregated period of 9 years is not affected, the Company is seeking to obtain shareholders' approvals for Ms Huang Lui's continued appointment as an independent director, as she has served for more than 9 years on the Board of the Company.

Rule 210(5)(d)(iii) provides that continued appointment as independent director, after an aggregate period of more than 9 years on the board, must be sought and approved in separate resolutions by (a) all shareholders and (b) shareholders excluding directors, chief executive officer, and their associates.

- (iii) Ordinary Resolution 7 KPMG LLP will not be seeking re-appointment as Auditors of the Company at the AGM and the Company is seeking shareholders' approval on the proposed change of auditors of the Company from KPMG LLP to Baker Tilly TFW LLP. Please refer to the Appendix to this Notice of AGM for more information.
- (iV) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

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

(V) The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors, from the date on which the ordinary resolution in relation to the proposed renewal of the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next AGM is held, or is required by law to be held, the date the said mandate is revoked, or varied by the Company, in a general meeting, and the date on which the purchases of shares pursuant to the Share Buy-Back Mandate, are carried out to the full extent mandated; to repurchase ordinary shares of the Company, by way of Market Purchases or Off-Market Purchases, not exceeding in aggregate the Prescribed Limit (as defined above), at such price(s) as may be determined by the Directors from time to time, up to the Maximum Price (as defined above).

Please refer to the Appendix to this Notice of AGM, for further information on the proposed Share Buy-back Mandate, including the rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition, including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company, pursuant to the Share Buy-Back Mandate.

#### Notes:

- 1. 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,
  - (a) A quorum may be formed by 2 members of the company (or one member if permitted by the legal instrument of the company) personally or electronically present. A member is electronically present at a Meeting if the member
    - (i) attends the Meeting electronically;
    - (ii) is verified by the Company's Share Registrar as attending the Meeting electronically; and
    - (iii) is acknowledged by electronic means by the Chairman of the Meeting as present at the Meeting.
  - (b) Members may watch the Meeting proceedings through a live webcast via their mobile phones, tablets or computers. To do so, shareholders need to preregister at the Company's pre-registration website at the URL <u>http://www.zemevents.com/gshcorporation</u> by no later than 10.30 a.m. on 26 April 2022, to enable the Company to verify their status. Following the verification, authenticated shareholders will receive an email on 28 April 2022, which will contain the login instructions, passwords as well as the link to access the live audio-visual webcast of the AGM proceedings. Members who do not receive an email by 28 April 2022 but have registered by 26 April 2022, 10.30 a.m. deadline should email to the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at <u>srs.teamb@boardroomlimited.com</u>.
  - (c) Members who wish to vote at the Meeting must submit a proxy form to appoint the Chairman of the Meeting to cast votes on their behalf. Members must submit the proxy form by mail to 20 Cecil Street, #28-01 PLUS, Singapore 049705 or by electronic mail to <u>agm2022@</u> <u>gshcorporation.com</u>, not less than seventy-two (72) hours before the time appointed for holding the Meeting.
  - (d) Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy.
  - (e) CPF and SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes as soon as possible but not less than 7 business days before the AGM. Investors who have deposited their shares into a nominee account should also approach their depository agent and relevant intermediaries as soon as possible but not less than 7 business days before the AGM if they wish to vote.
  - (f) Members may also submit questions related to the Meeting by electronic mail to <u>agm2022@gshcorporation.com</u> or by post to 20 Cecil Street, #28-01 PLUS, Singapore 049705, by no later than 10.00 p.m. on 20 April 2022. The Company will address all substantial and relevant questions by 22 April 2022 via SGXNet and the Company's corporate website at <u>http://www.gshcorporation.com/ir\_shareholder\_meetings.html</u>, which is at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms, to facilitate shareholders' votes and to allow shareholders to make an informed decision.
  - (g) Members will not be able to ask questions at the Meeting during the live webcast due to administrative limitations, and therefore it is important for members to pre-register and submit their questions in advance of the Meeting.
  - (h) Non CPF/SRS holders whose shares are registered under Depository Agents ("DAs") must approach their respective DAs to indicate their interest to watch the live webcast.
  - (i) Printed copies of Annual Report 2021, this Notice of AGM, Supplemental Information on Directors Seeking Re-election and the Appendix to the Notice of AGM will **NOT** be sent to members of the Company. Instead, these documents will be sent to members of the Company by electronic means via publication on SGXNet and the Company's corporate website at <u>http://www.gshcorporation.com/ir\_shareholder\_meetings.html.</u>

#### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, or a preregistration to watch the Meeting proceedings, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Shareholders should not record the proceedings of the meeting with their mobile phones or via any other electronic means and upload on social media. The proceedings in the meeting are for shareholders, and preservation of confidentiality and privacy of the discussions and persons (Board of Directors including Chairman and other shareholders) in the meeting should be observed.

#### GSH CORPORATION LIMITED 142

Name of Director	Mr Francis Lee Choon Hui	Mr Gilbert Ee Guan Hui
Date of Appointment	11 July 2003	1 May 2007
Date of last re-appointment (if applicable)	1 June 2020	29 April 2019
Age	76	57
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board had considered, among others, the recommendation of the Nominating Committee and the commitment contribution, performance, attendance, preparedness, participation and suitability of Mr Francis Lee Choon Hui, for re-election as Director of the Company and concluded that Mr Francis Lee Choon Hui, possesses the experience, expertise, knowledge and skills to contribute towards the core competencies and diversity of the Board, especially in the areas of corporate legal and governance matters.	The Board had considered, among others, the recommendation of the Nominating Committee and has reviewed the commitment contribution, performance, attendance, preparedness, participation and suitability of Mr Gilbert Ee Guan Hui, for re-election as Director of the Company and concluded that Mr Gilbert Ee Guan Hui, possesses the experience, expertise, knowledge and skills to contribute towards the core competencies and diversity of the Board, including his continued services as Chief Executive Officer.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Mr Gilbert Ee Guan Hui is the Chief Executive Officer of GSH Corporation Limited and its subsidiaries (collectively known as the "Group"). His areas of responsibilities include, but not limit to, determining and formulating operational policies, providing overall direction of the Group and overseeing operational activities led by head of dividing the Group and the second
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul> <li>Vice Chairman and Lead Independent Director</li> <li>Chairman of the Remuneration Committee</li> <li>Member of the Audit &amp; Risk Committee</li> <li>Member of the Nominating Committee</li> <li>Chairman of the Independent Directors Committee</li> </ul>	<ul><li>divisions, to ensure it aligns with overall organisational objectives.</li><li>Chief Executive Officer</li></ul>
Professional qualifications	<ul> <li>Barrister at Law, London (1970)</li> <li>Advocate &amp; Solicitor, Singapore (1970)</li> </ul>	Bachelor of Business Administration, National University of Singapore

Working experience and occupation(s) during the past 10 years	<ul> <li>Practiced mainly as a Corporate Lawyer for some 22 years (1970 to 1992)</li> <li>Practiced as a Consultant for Mergers and Acquisitions for some 26 years (1992 to 2018)</li> </ul>	<ul> <li>Held various management positions in Barclays Capital and Citibank, Singapore (1988 to 1998)</li> <li>Regional Head of Global Financial Markets at Rabobank International, Singapore (1998 to 2006)</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	Nil	158,543,078 shares in GSH Corporation Limited
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	No	Substantial Shareholder of GSH Corporation Limited
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in <u>Appendix 7.7</u> ) under <u>Rule 720(</u> 1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships		
Past (for the last 5 years)	<ul> <li>Raffles Marina Holdings Ltd</li> <li>Raffles Marina Ltd</li> <li>Sunright Limited</li> <li>Corporate Ventures International Ltd</li> <li>Phillip Enterprise Fund Limited</li> </ul>	<ul> <li>GSH Investments Limited</li> <li>GSH (Zhengzhou) Investments Pte. Ltd.</li> <li>Henan Zhongyuan Four Seasons Aquatic Logistics Harbor Co Ltd</li> </ul>

#### GSH CORPORATION LIMITED 144

Present	Listed Company	Listed Company
	Group Companies of GSH Corporation Limited	
	<ul> <li>GSH Corporation Limited</li> <li>Group Companies of GSH Corporation Limited         <ul> <li>Advanced Prestige Sdn Bhd</li> <li>Altheim International Limited</li> <li>Eastworth Source Sdn Bhd</li> <li>Investasia Sdn.Bhd.</li> <li>Mainfield Holdings Limited</li> <li>MXIM Holdings Pte Ltd</li> <li>Sutera Harbour Golf &amp; Country Club Berhad</li> <li>Sutera Harbour Travel Sdn Bhd</li> <li>Sutera Harbour Resort Sdn Bhd</li> <li>The Little Shop Sdn Bhd</li> <li>The Sutera Harbour Group Sdn Bhd</li> <li>The Sutera Harbour Group Sdn Bhd</li> <li>Xing Asia Impel Sdn. Bhd.</li> </ul> </li> <li>Major Appointments (other than Directorships)</li> <li>Chairman, International Year of the Reef 2008, Singapore Blue Plan 2009</li> <li>Senior Advisor, Corporate Affairs, Sunright Limited</li> </ul>	<ul> <li>GSH Corporation Limited</li> <li>Group Companies of GSH Corporation Limited</li> <li>Advanced Prestige Sdn Bhd</li> <li>Altheim International Limited</li> <li>Aspirasi Kukuh Sdn. Bhd.</li> <li>Borneo Ventures Pte Ltd</li> <li>City View Ventures Sdn Bhd</li> <li>Eastworth Source Sdn Bhd</li> <li>GSH (Middle East) Pte Ltd</li> <li>GSH (Xiamen) Property Development Pte Ltd</li> <li>GSH Properties (PRC) Pte Ltd</li> <li>GSH Facilities Management (Malaysia) Sdn Bhd</li> <li>GSH International Enterprise Pte Ltd</li> <li>GSH International Enterprise Pte Ltd</li> <li>GSH Properties (Malaysia) Pte Ltd</li> <li>GSH Properties Sdn Bhd</li> <li>GSH Properties Sdn Bhd</li> <li>Mainfield Holdings Limited</li> <li>Mewabumi Sdn Bhd</li> <li>MXIM Holdings Pte Ltd</li> <li>Ocean View Ventures Pte Ltd</li> <li>Ocean View Ventures Pte Ltd</li> <li>Rainbow Properties Sdn Bhd</li> <li>Sutera Harbour Golf &amp; Country Club Berhad</li> <li>Sutera Harbour Resort Sdn Bhd</li> </ul>
		<ul> <li>Sutera Harbour Travel Sdn Bhd</li> <li>Sutera Yacht Services Sdn Bhd</li> <li>The Little Shop Sdn Bhd</li> <li>The Sutera Harbour Group Sdn Bhd</li> <li>Twin Towers Properties Limited</li> <li>Xing Asia Impel Sdn. Bhd.</li> </ul>
		<ul> <li>Non-listed companies</li> <li>DG Assets Inc</li> <li>Solstice Development Pte Ltd</li> <li>Solstice Investments Pte Ltd</li> <li>Oxley JV Pte Ltd</li> </ul>
		1

#### ANNUAL REPORT 2021 145

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

#### GSH CORPORATION LIMITED 146

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
<ul> <li>Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?</li> </ul>	No
<ul> <li>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> </ul>	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No

#### ANNUAL REPORT 2021 147

(iv) any entity or which has been ii a breach of any la requirement that securities or futu Singapore or else	nvestigated for w or regulatory relates to the ires industry in	No	No
(j) Whether he has bee of any current or pas or disciplinary procee been reprimanded of warning, by the Mon- of Singapore or any o authority, exchange body or governn whether in Singapore	st investigation edings, or has or issued any etary Authority ther regulatory , professional nent agency,	No	No

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#### **GSH CORPORATION LIMITED**

[Company Registration No. 200106139K] (Incorporated In The Republic of Singapore)

#### **PROXY FORM**

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

- For investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF/SRS investors are requested to contact their respective Agent Banks for any queries they may have with regard to the appointment of the Chairman of the Meeting as the proxy.
- Please read the AGM notes overleaf which contain instructions on, inter alia, the appointment of Chairman of the Meeting as a Member's proxy to attend, speak and note on his/her/its behalf at the AGM.

(Address) being a member/members

I/We, \_\_\_\_\_\_ (NRIC No./ Passport No./ Company Registration No.)

of

of GSH Corporation Limited (the "**Company**"), hereby appoint:

the Chairman of the Annual General Meeting ("**AGM**" or "**Meeting**") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on 29 April 2022 at 10.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	For*	Against*	Abstain*
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2021			
2	Re-election of Mr Francis Lee Choon Hui as a Director			
3	Re-election of Mr Gilbert Ee Guan Hui as a Director			
4	Approval of Ms Huang Lui's continued appointment as an Independent Director by shareholders			
5	Approval of Ms Huang Lui's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates)			
6	Approval of Directors' fees amounting to S\$334,050 for the financial year ending 31 December 2022, to be paid quarterly in arrears			
7	To appoint Baker Tilly TFW LLP as Auditors of the Company in place of the retiring Auditors, KPMG LLP, and to authorise the Directors to fix their remuneration			
8	Authority to issue shares			
9	Renewal of the Share Buy-Back Mandate			

\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please tick (v) within the box provided. Alternatively, please indicate the number of votes as appropriate. 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.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature of Shareholder(s) or, Common Seal of Corporate Shareholder

Total number of Shares:	No. of Shares
(a) CDP Register	
(b) Register of Members	

#### Notes :

- Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- 2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person. Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Order 2020"), a member of the Company entitled to attend and vote at the Meeting is required to appoint the Chairman of the Meeting as the member's proxy to vote in his/her stead. A proxy need not be a member of the Company. Proxy forms appointing such person other than the Chairman of the Meeting shall be deemed to appoint the Chairman of the Meeting as proxy. The Chairman of the Meeting, as proxy, need not be a Member of the Company. A printed copy of the proxy form will NOT be despatched to members. 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.
- 3. CPF and SRS Investors who would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy.
- 4. The instrument appointing a proxy must be sent by mail to 20 Cecil Street, #28-01 PLUS Singapore 049705 or by electronic mail to <u>agm2022@</u> <u>gshcorporation.com</u> not less than seventy-two (72) hours before the time appointed for the Meeting.
- 5. The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- 6. 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 Meeting, in accordance with Section 179 of the Companies Act 1967.
- 7. Pursuant to the COVID-19 Order 2020, companies are allowed to hold meetings using electronic communication, video-conferencing, tele-conferencing, or other electronic means in order to comply with the safe distancing measures imposed under the Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020. Accordingly, the Company wishes to inform all shareholders that the Meeting is being convened, and will be held, by electronic means only and shareholders may watch the Meeting proceedings through a live webcast via their mobile phones, tablets or computers. To do so, shareholders need to preregister at the Company's pre-registration website at the URL <a href="http://www.zemevents.com/gshcorporation">http://www.zemevents.com/gshcorporation</a> by no later than 10.30 a.m. on 26 April 2022, to enable the Company to verify their status. Following the verification, authenticated shareholders will receive an email on 28 April 2022, which will contain the login instructions, passwords as well as the link to access the live audio-visual webcast of the AGM proceedings. Members who do not receive an email by 28 April 2022 but have registered by 26 April 2022, 10.30 a.m. deadline should email to the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at <a href="https://www.semedica.com">sms@bairted.com</a>.

#### PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2022.

#### General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.



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