



HWA HONG CORPORATION LIMITED

HWA HONG

CORPORATION LIMITED

ANNUAL REPORT
2021



Towards Excellence  2021
in Corporate Governance



CONTENTS

Financial Calendar	02		
Letter to Shareholders	03		
Financial Highlights	07		
Investment Properties Portfolio	08		
Performance Review	16		
Board of Directors	21		
Key Executives	24		
Corporate Governance Report	25		
Risk Management and Control Environment	46		
Directors' Statement	47		
		Independent Auditor's Report	50
		Consolidated Income Statement	54
		Consolidated Statement of Comprehensive Income	55
		Balance Sheets	56
		Statements of Changes in Equity	58
		Consolidated Cash Flow Statement	63
		Notes to the Financial Statements	66
		Shareholding Statistics	141
		Notice of Annual General Meeting	143
		Additional Information on Directors Seeking Re-appointment	153
		Proxy Form	
		Corporate Information	



CORPORATE PROFILE

HWA HONG CORPORATION LIMITED, originally formed as a partnership, was incorporated on 29 December 1952 as a private limited company under the name of Hwa Hong Manufacturing Company Pte. Limited. On 21 November 1969, it converted to a public company known as Hwa Hong Manufacturing Company Limited and was admitted to the Official List of the Singapore Exchange Limited on 26 July 1979. The name “Hwa Hong Corporation Limited” was adopted with effect from 15 January 1985. The principal activity of HWA HONG CORPORATION LIMITED is that of an investment holding company. The subsidiary companies are primarily engaged in property rental investment and development and investment holding.

FINANCIAL CALENDAR

IN RESPECT OF FINANCIAL YEAR ENDED 31 DECEMBER 2021

Announcement of 2021 Unaudited Results

Half Year 2021

29 July 2021

Financial Year ended 31 December 2021

28 January 2022

Annual General Meeting

18 April 2022 (10.00 a.m.)

Dividends

Proposed one-tier tax exempt final ordinary dividend of 1.0 Singapore cent per ordinary share

Up to 5.00 p.m. on

Record date (Last day for lodgement of transfers for dividend entitlement)

5 May 2022

Share Transfer Books and Register of Members closed for preparation of dividend warrants

5 May 2022

Payment date

19 May 2022

IN RESPECT OF FINANCIAL YEAR ENDING 31 DECEMBER 2022

Tentative Dates for Announcement of 2022 Unaudited Results

Half Year 2022

29 July 2022

Financial Year 2022

3 February 2023

LETTER TO SHAREHOLDERS

On behalf of the Board and staff of Hwa Hong Corporation Limited, we would like to thank you for your continued support in 2021. The past year was a year of adjustment for businesses as the COVID-19 pandemic ebbed and flowed with numerous waves throughout the year, especially with the emergence of the Omicron variant. Fortunately, the introduction of vaccination programs enabled the gradual re-opening of many economies globally, driving global economic growth back to an estimated 5.9% (source: IMF). As public health systems globally begin to treat COVID-19 as an endemic disease, and with the development and availability of vaccines and therapeutics, we are cautiously optimistic of a return to normalcy in 2022 and beyond.

FINANCIAL REVIEW

For FY2021, the group showed a slight decline in revenue of 1.8% to S\$10.1 million. Notwithstanding this revenue decline, we recorded an increase in net profit after tax of S\$1.6 million from S\$4.2 million in 2020 to S\$5.8 million in 2021.

Our EBITDA in FY2021 was S\$9.7 million. Earnings per share increased to 0.88 cents in FY2021 from 0.64 cents in FY2020 as our shareholders funds decreased from S\$187.1 million in FY2020 to S\$186.2 million in FY2021. Net gearing ratio (defined as [long-term and short-term bank borrowings + bank overdraft] / shareholders' equity) remained comparable for both years, with total debt of S\$76.3 million against shareholders' funds of S\$186.2 million in FY2021. Our investment properties are carried at S\$142.6 million on our balance sheet and their fair market value as at 31 December 2021 is S\$240.0 million.

BUSINESS REVIEW

Singapore

In 2021 the Singapore economy rebounded from a recession in FY2020 and is expected to register a growth rate of 7.2% in FY2021 (source: MTI estimates). This was due to the easing of COVID-19 restrictions and the roll-out of the vaccination program.



LETTER TO SHAREHOLDERS



Our largest property in Singapore, 110 Paya Lebar, performed as expected and continues to be leased to BDx, who operate it as a carrier neutral 7.6MW data centre.

Construction of our boutique office development, 253 Jalan Besar, is underway after facing material COVID-19 related construction delays in FY2021. The project is now expected to receive its temporary occupation permit in the 1st half of 2022.

Our remaining investment properties in Singapore achieved an occupancy rate of 100% and we achieved a rental revenue of S\$4.9 million from our Singapore income generating properties.

In addition, with the strength in the residential property market, we completed the sale of 1 unit at Rivergate for a gain of S\$2.9 million and will continue to look at further divestments in 2022 to free up capital for reinvestment into new opportunities.

United Kingdom

In the UK, the economy gradually began its recovery with the roll out of their vaccination program and the lifting of COVID-19 restrictions in the 2nd half of the year. This meant a return of footfall to central London as workers began

to return to work gradually. This recovery was held back temporarily by the Omicron wave in Dec 2021 which has since abated in early 2022. With the worst of the pandemic behind us, our focus in FY2021 in the UK was to prepare for a recovery in the rental market by ensuring our properties remained relevant and attractive to potential occupiers.

In 2020, 20 Midtown in Holborn struggled as the pandemic severely affected several tenants in the building. We took this as an opportunity to rationalize and refurbish large parts of the building in preparation for a post-pandemic recovery. Works are well underway, and we expect to deliver the newly refurbished space at 20 Midtown into the leasing market in 2022.

At the same time, with 20 Garrett Street in Clerkenwell coming vacant in 2021, we have put in place a full asset enhancement initiative to modernize the building and to ensure that the building meets the highest environmental and sustainability standards possible. We expect this exercise to complete in 2022 and hope to deliver the new space into the Clerkenwell leasing market in late-2022/early 2023.

During the year, our Group sponsored the Shorea Capital London Office Fund ("SCLOF"), a central London commercial property fund focused on value-add commercial property investment opportunities. SCLOF is managed by Shorea Capital Real Estate, our real estate fund management associate, and is a key initiative in our strategy to both diversify our income to include fee-based income and to be more capital efficient through capital partnerships with 3rd party investors.

In 2021, the Group took the opportunity to further recycle capital invested in the London prime residential segment. During the year, we disposed of one flat at 15/17 Hornton Street and 58 Queensgate (completed in January 2022), resulting in a gain of S\$1.2 million and S\$14.4 million, respectively. With these disposals, our



In addition, with the strength in the residential property market, we completed the sale of 1 unit at Rivergate for a gain of S\$2.9 million and will continue to look at further divestments in 2022 to free up capital for reinvestment into new opportunities.



main investment activity in the prime central London residential segment for the next few years will be focused on the redevelopment of Kilmuir House into a unique luxury scheme in Belgravia.

Total rental revenue from both our UK commercial and residential portfolio for FY2021 was S\$4.1 million.

Investment segment

The decline in investment segment revenue of S\$0.3 million to S\$1.1 million in FY2021 was mainly due to a decrease in interest income.

For FY2021, there was a \$0.1 million net decrease in fair values for fair value through profit and loss (“FVPL”) investment securities mainly due to unfavourable market conditions on our investments in Korean and Hong Kong investment securities.



LETTER TO SHAREHOLDERS

BUSINESS PROSPECTS

Looking forward, we remain cautiously optimistic in our investment outlook. As we look ahead into 2022 and beyond, we expect economic growth to normalize following 2 years of the pandemic. As we leave the worse of the pandemic behind us, uncertainties surrounding interest rates, inflation, supply chain disruption, energy prices and geopolitics remain our key concerns and represent the main exogenous risks to our business.

While our business focus will remain on the 2 key geographies of Singapore and the UK in 2022, we will nonetheless explore opportunities in new markets and in new real estate segments in 2022. We will continue to divest mature assets and reinvest to transform our business into one which is capital efficient and which is driven by a diversified income stream comprising, inter alia, rental income, development gains and fee income. In addition, we will focus on optimizing our gearing levels and to work our balance sheet harder as we seek to transform our business in the next few years.

FINAL WORDS

The Board and management at Hwa Hong will continue to focus on creating value for all stakeholders whilst maintaining financial prudence and strength and a commitment to transparency, corporate governance and sustainability.

In closing, we would like to thank our Board of Directors for their guidance and counsel in the financial year, our management and staff for their dedication and contributions to Hwa Hong Corporation. Finally, we would like to extend our appreciation to our shareholders, clients, consultants, suppliers, partners and business associates for their strong support. We look forward to growing alongside all of you as we work towards our goal to create sustainable long-term value.

Very sincerely,

Mak Lye Mun
Chairman

Ong Eng Yaw
Acting Group
Managing Director

FINANCIAL HIGHLIGHTS

	FY2021 \$'000	FY2020 \$'000	+ / (-) %
Revenue	10,124	10,311	(1.8)
EBITDA	9,704	9,652	0.5
Profit before taxation	5,439	5,068	7.3
Profit after taxation	5,787	4,161	39.1
Assets			
Non-current assets	204,894	214,798	(4.6)
Current assets	79,343	70,991	11.8
Total assets	284,237	285,789	(0.5)
Liabilities			
Current liabilities	63,138	83,947	(24.8)
Non-current liabilities	34,922	14,778	n.m.
Total liabilities	98,060	98,725	(0.7)
Per share data			
Share price (cents)	33.50	27.00	24.1
Net assets (cents)	28.53	28.66	(0.5)
Earnings per share (cents)	0.88	0.64	37.5
Interim dividend declared & paid (cents)	0	0	0.0
Final dividend recommended/declared (cents)	1.00*	1.00*	0.0
Special dividend recommended/declared (cents)	0	0	0.0
Ratios			
Current ratio (times)	1.26	0.85	
Gross Gearing ratio (%)	53%	53%	
Net Gearing ratio (%)	41%	41%	
Total debt to total asset ratio (%)	34%	35%	
Return on equity (%)	3.06%	2.20%	
Return on asset (%)	2.01%	1.44%	

n.m- denotes not meaningful

* Subject to shareholders' approval at the Annual General Meeting on 18 April 2022.

INVESTMENT PROPERTIES **PORTFOLIO**





INVESTMENT PROPERTIES PORTFOLIO

LONDON RESIDENTIAL PROPERTY INVESTMENTS



15/17 HORNTON STREET, LONDON W8

- Approximate **1,061 square feet** floor area
- **£1.0m** Market Value
- **1** High End Residential Apartments
- **100%** Effective Group Interest
- **Freehold**

This freehold residential property is located in the prestigious Royal Borough of Kensington and Chelsea, off High Street Kensington and within walking distance from Hyde Park. The property is fully let for recurring rental income and we are currently carrying out phased asset enhancement works of units as tenant leases expire.

58/115B QUEEN'S GATE, SOUTH KENSINGTON, LONDON SW7

- Approximate **8,689 square feet** floor area
- **£13.6m** Market Value
- **8** High End Residential Apartments
- **100%** Effective Group Interest
- **Freehold**

This freehold residential properties are located in the prestigious Royal Borough of Kensington and Chelsea, within walking distance from key destinations such as the Natural History Museum, Harrods and Hyde Park. The properties were refurbished in 2013/2014 and includes a duplex penthouse with a roof garden. The properties are fully let for recurring rental income.





ALLEN HOUSE, KENSINGTON, LONDON W8

- Approximate **55,315 square feet** floor area
- **45** Residential Apartments
- **19.05%** Effective Group Interest (**£6.7m** invested)
- **Freehold**

This freehold residential property is located in the prestigious Royal Borough of Kensington and Chelsea, within walking distance from Kensington High Street and Hyde Park. The property is close to major transport links such as High Street Kensington London Underground Station and major bus routes. The property is fully let for recurring rental income and planning permission has been obtained for its redevelopment into 45 apartments.

KILMUIR HOUSE, EBURY STREET, LONDON SW1W9JL

- Approximate **35,231 square feet** floor area
- **49** Residential Apartments
- **25%** Effective Group Interest (The Group has an interest in this property via its 50% investment in Clan Kilmuir (Jersey) Limited, which in turn holds 50% interests in Kilmuir House (Jersey) Limited. The property was purchased and held by Kilmuir House (Jersey) Limited.
- **Leasehold**

This 9 storey leasehold residential property is located at Ebury Street in Belgravia. It is within walking distance of the prestigious residential neighbourhoods of Sloane Square and Eaton Square and key shopping and lifestyle areas such as Sloane Street, Kings Road and Knightsbridge. It is also located within walking distance of London Victoria Station and Sloane Square London Underground Station. The property was purchased in 2016 and is presently under refurbishment, after which it will be leased out for recurring rental income.



INVESTMENT PROPERTIES PORTFOLIO

LONDON COMMERCIAL AND RETAIL PROPERTY INVESTMENTS



20 MIDTOWN, PROCTER STREET, HOLBORN, LONDON WC1

- Approximate **30,956 square feet** floor area
- **Office and retail**
- **100%** Effective Group Interest
- **Freehold**

This freehold commercial property is located in Holborn, an area popular with firms in the legal services. It is located within walking distance from the legal institutions such as the Inns of Courts and key transport links such as the Chancery Lane Cross rail station and Holborn London Underground Station. The property is now undergoing refurbishment and is partially leased out.

COMMERCIAL PROPERTY AT GARRETT STREET, LONDON, EC1Y 0TW

- Approximate **17,500 square feet** floor area
- **Office**
- **71.39%** Effective Group Interest
- **Freehold**

The Property is located in the borough of Hackney, approximately 650m from the Old Street Roundabout. The area is commonly referred to as East London Tech City or Silicon Roundabout as it is London's main technology cluster with more than 1,000 technology companies located in the area (source: www.techcitymap.com). The Old Street area is popular with both start-up technology companies as well as established technology and media companies such as Adobe. Inc and CBS Corporation. The Property is served by good transport links as it is within walking distance of Old Street Underground Station, Barbican Underground Station and Farringdon Underground and Crossrail station. The Property is presently under refurbishment, after which it will be leased out for recurring rental income.



THE PAVILLION, NEO BANKSIDE, SOUTHWARK, LONDON SE1

- Approximate **7,428 square feet** floor area
- **Office**
- **50%** Effective Group Interest
- **Leasehold**

This leasehold commercial property is located on the South Bank close to landmarks such as the Tate Modern museum, the Shard, Borough Market and is close to key transport links such as Blackfriars station, Southwark and London Bridge London Underground Stations. The property was purchased in 2013 and is fully let to a single tenant for recurring income. We are currently carrying out enhancement work to add an additional floor to the property.



RETAIL UNITS AT NEO BANKSIDE, SOUTHWARK, LONDON SE1

- Approximate **14,399 square feet** floor area
- **£9.7m** Market Value
- **5** Ground Floor and Basement Retail Units
- **50%** Effective Group Interest
- **Leasehold**

This leasehold retail portfolio is located within Neo Bankside, a luxury condominium development located on the South Bank. The development is next to the Tate Modern and we believe that our ground retail units will benefit from footfall to and from the Tate Modern Museum. Neo Bankside is also close to other key tourist destinations such as the Globe Theatre, the Shard and Borough Market. The units have been let to a variety of lifestyle tenants, including Carluccio's, Gail's Bakery and Albion.

COMMERCIAL PROPERTY AT LOMAN STREET, SOUTHWARK, LONDON SE1 OEH

- Approximate **24,913 square feet** floor area
- **£30.32m** Market Value
- **6** Floors of Office Accommodation
- **37.86%** Effective Group Interest
- **Freehold**

This freehold commercial property is located in the vibrant Southbank area in the borough of Southwark, London. It is located close to the Tate Modern London and other notable landmarks such as Borough Market, the Globe Theatre, The Millennium Bridge and The Shard. The Property is served by excellent transport links as it is located a short walk from Southwark London Underground station and also within walking distance of the Blackfriars Station and London Bridge Station. Both Blackfriars Station and London Bridge Station are served by the London Underground as well as Thameslink and Southeastern regional rail services. The property has been acquired by the Shorea Capital London Office Fund group in the current financial year.



INVESTMENT PROPERTIES PORTFOLIO

LONDON COMMERCIAL AND RETAIL PROPERTY INVESTMENTS

COMMERCIAL PROPERTY AT CITY ROAD, LONDON EC1V 2NU

- Approximate **38,738 square feet** floor area
- **£32.5m** Market Value
- **Office**
- **37.86%** Effective Group Interest
- **Freehold**

The freehold property is well located in the Shoreditch area and within walking distance to Old Street Underground Station and Barbican Underground Station. The location has become a favoured destination for companies in the creative, technology, media, and fashion industries. The area is home to numerous major projects including the White Collar Factory and The Bower as well as established tenants such as Adobe Inc., Farfetch and Morningstar, Inc. The property is set to benefit from a major regeneration in the area with the transformation of the Old Street Roundabout, and a significant redevelopment planned for the Moorfields Eye Hospital, a 2.5-acre site that is located adjacent to the property. It is now partially leased with plans for a refurbishment.



REGIONAL UK COMMERCIAL PROPERTY INVESTMENTS



FORMER HEAD POST OFFICE SITE, SHEFFIELD, UK

- Approximate **69,131 square feet** floor area
- **Mixed use scheme comprising academic facilities and retail**
- **£2.6m** Market Value
- **50%** Effective Group Interest
- **Freehold**

This freehold site is located in Sheffield. It is located within walking distance from Sheffield railway station and the city centre. The site comprised teaching facilities for Sheffield Hallam University which was redeveloped and delivered to Sheffield Hallam University who are in occupation.

SINGAPORE PROPERTY INVESTMENTS



RIVERGATE, SINGAPORE

- Approximate **5,112 square feet** floor area
- **1 residential apartments and 4 retail units**
- **S\$19m** Market Value
- **100%** Effective Group Interest
- **Freehold**

This freehold portfolio of strata titled retail properties and residential apartments is located in the River Valley area. The project was jointly developed with Capitaland and the apartments and retail units are currently leased out for recurring rental income.



SCOTTS SPAZIO, SINGAPORE

- Approximate **168,628 square feet** floor area
- **S\$20.0m** Market Value*
- **Office**
- **50%** Effective Group Interest
- **Leasehold**

This leasehold commercial property is located on Scotts Road within walking distance from Newton MRT station and Orchard Road. The property was developed in 2002 and is currently leased to the Prudential Group for recurring rental income.

* Market value was on the assumption that Scotts Spazio will execute the 2-year extension of land lease from Singapore Land Authority (SLA) till 25 November 2024.



110 PAYA LEBAR, SINGAPORE

- Approximate **155,504 square feet** floor area
- **S\$96.4m** Market Value
- **B1 industrial property**
- **100%** Effective Group Interest
- **Freehold**

This freehold commercial property is located in Paya Lebar within walking distance from MacPherson MRT station and key transport links such as the Pan Island Expressway. The property underwent asset enhancement works in 2009 and is currently leased to the BDx Group as a data centre for recurring rental income.



ORCHARD MEDICAL, SINGAPORE

- Approximate **30,731 square feet** floor area
- **Office**
- **30%** Effective Group Interest
- **Freehold**

This freehold property is located in Lucky Plaza on Orchard Road. The property comprises 36 strata-titled medical office units and is partially leased out for recurring income.



253 JALAN BESAR

- Approximate **9,691 square feet** floor area
- **Commercial**
- **100%** Effective Group Interest
- **Two commercial freehold sites**

This subject sites are located in the vibrant Jalan Besar area, a popular location for businesses in the creative industry, and have a freehold tenure. They are located close to City Square Mall and Little India and are served by excellent transport links, being within walking distance of Farrer Park and Jalan Besar MRT stations and a short drive to the central business district. They are also located close to the Beach Road / Ophir-Rochor precinct, one of the key growth areas identified by the Urban Redevelopment Authority of Singapore, and Kampong Bugis, a new waterside residential precinct with approximately 4,000 planned new residential dwelling units.

The property is now under development.

PERFORMANCE REVIEW

PROFIT AFTER TAXATION

Profit after taxation, which is in large part a reflection of gains realised from assets sales effected in any given year, increased by approximately 39.1%, from S\$4.2 million in FY2020 to S\$5.8 million in FY2021. The increase was attributable mainly to (i) decrease in other operating costs; (ii) lower general and administrative costs; (iii) gain from disposal of investment in joint venture; (iv) decrease in finance costs; (v) increase in share of after tax results of associates and joint ventures; and (vi) overprovision of taxation.

Other operating costs decreased by S\$4.2 million attributable mainly to impairment losses of S\$5.1 million in investment properties and other receivables in FY2020. There was an impairment loss of S\$3.1 million in investment properties due to decline in value of 20 Midtown property arising from an external valuation exercise carried out in FY2020. An impairment loss of S\$2.0 million in other receivables was mainly due to bad debts written off on the deferred rental receivables of a tenant in London in FY2020. In FY2021, there was an impairment loss in trade receivables of S\$1.0 million following an assessment exercise to determine collectability of trade debts in 20 Midtown.

General and administrative costs decreased by S\$0.6 million mainly due to grant expense of S\$0.5 million in FY2020. The grant expense relates to grants provided to tenants under the Rental Relief Framework.

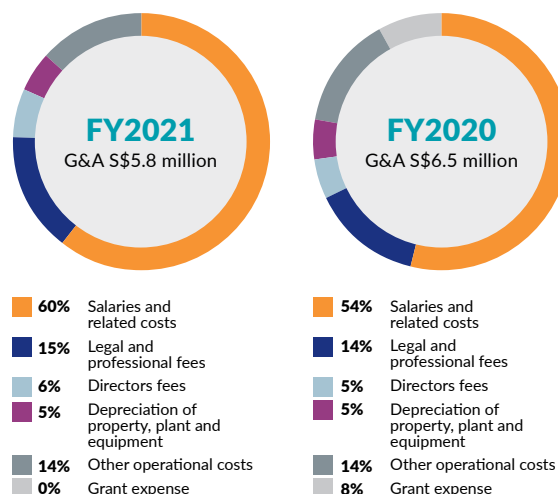
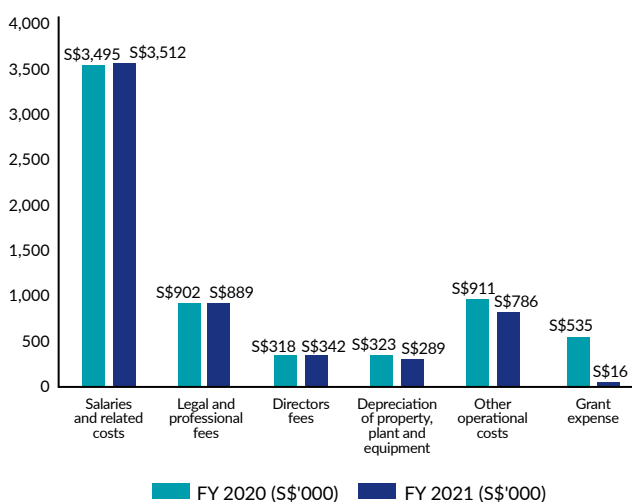
In FY2021, there was a gain on disposal of investment in joint venture due to disposal of investment in Loman Holdings Limited to SCLOF Holdings UK Limited. SCLOF Holdings UK Limited is an entity held by SCLOF, an associated company of the Group.

Finance costs decreased by S\$0.3 million mainly due to a decline in interest rates during the respective periods.

Share of results of associates and joint ventures increased by S\$2.3 million mainly due to an increase in share of results from SCLOF. As SCLOF is an investment entity, the Group has elected to retain the fair value measurement used by SCLOF when equity accounting for its investment in the associate. The share of results increased mainly due to an increase in the fair value of the underlying assets held by SCLOF.

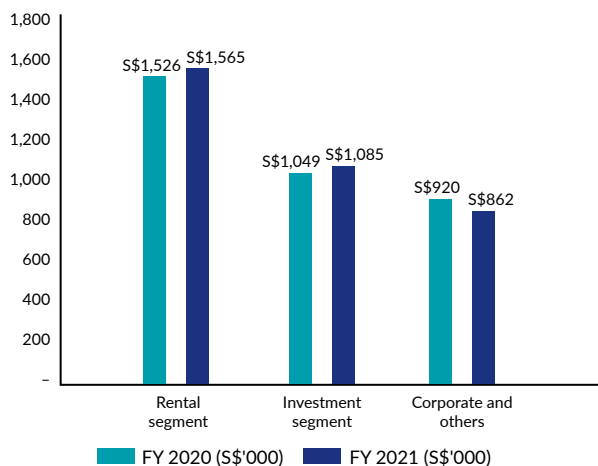
There was an overprovision of taxation of S\$1.0 million which resulted in a credit balance in taxation charge in FY2021.

General and Administrative costs

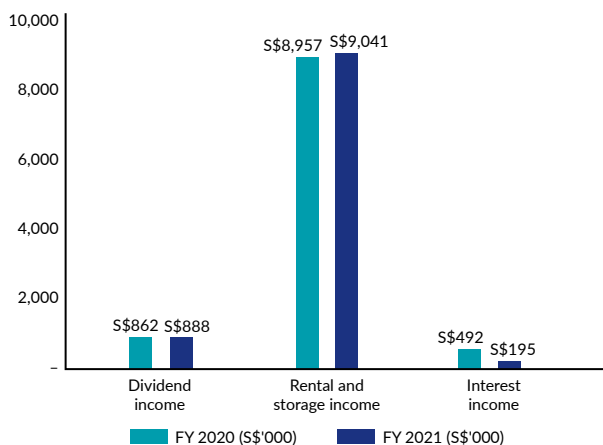


The increase in profit after taxation was partially mitigated by (i) unfavourable changes in fair value of investment securities (as described under Changes in fair value of investment securities below); (ii) lower gains from the disposal of investment properties; and (iii) lower grant income received during the year.

Salaries and related costs - by segments

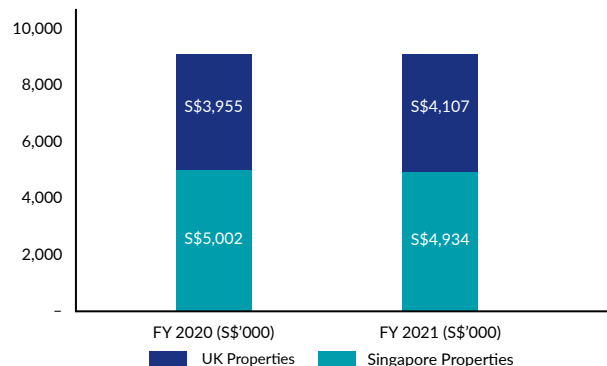


Revenue



Gains from the disposal of investment properties amounted to S\$4.1 million in FY2021 compared to S\$5.9 million in FY2020, attributable to the disposal of 1 residential property in Singapore and 1 residential property in London whereas in 2020, the Group disposed of 2 residential properties in Singapore and 1 residential property in London.

Rental Income



There was a reduction of grant income of S\$0.6 million government grants mainly due to an absence of Rental Relief Framework in FY2021.

The Group has two distinct business segments, namely the property segment and the investment segment. The Group derives revenue from 2 main geographical regions, namely Singapore and the UK. Singapore and the UK contributed approximately 57.1% and 42.9% to the Group's total revenue, respectively. Revenue for the UK is attributable mainly to the rental of the UK properties.

Property business segment

The Group focuses on value creation for shareholders over the medium to long term through 2 main principles. First, to strive to maintain a value-oriented approach to new investments while holding to conservative financial standards. Second, to focus on building a balanced portfolio of investments comprising (i) core assets with recurrent rental income; and (ii) higher risk projects such as value-add or opportunistic investments which allow the Group to generate increased returns whilst recycling its capital.

Rental income remained comparable for both years.

Rental income from the Singapore and UK properties contributed approximately 48.7% and 40.6% of total revenue, respectively.

PERFORMANCE REVIEW

Investment business segment

In relation to the investment segment, the Group evaluates investment opportunities in the public and private markets for capital growth, interest income and dividend yield. The investment portfolios are closely monitored and carefully assessed for both risks and returns.

The decrease in investment segment revenue of S\$0.3 million relative to the prior year was due to decrease in interest income of S\$0.3 million.

Net gains from dividend income and interest income contributed approximately 8.8% and 1.9% respectively to the Group's total revenue in FY2021.

Changes in fair value of investment securities

Changes in fair value of investment securities of S\$0.1 million in FY2021 was due to net decrease in fair values for fair value through profit and loss ("FVPL") investment securities arising from unfavourable market conditions on the Korean and Hong Kong investment securities that were held by the Group. The KOSPI Index increased from 2,873 as at 31 December 2020 to 3,296 as at 30 June 2021 and decreased to 2,978 as at 31 December 2021. HSI Index decreased from 27,231 as at 31 December 2020 to 23,398 as at 31 December 2021.

BALANCE SHEET

As at 31 December 2021, the Group remained in a sound financial position with shareholders' equity of S\$186.2 million, cash and bank balances of S\$42.2 million and S\$76.3 million of outstanding bank borrowings. Of the S\$42.2 million in cash and bank balances, S\$15.6 million is held as collateral for bank facilities.

Total assets decreased by S\$1.6 million or approximately 0.5%. Total liabilities decreased by S\$0.7 million or approximately 0.7%. Net assets decreased by S\$0.9 million or 0.5%. Net assets value per share decreased by approximately 0.5% from 28.66 cents as at 31 December 2020 to 28.53 cents as at 31 December 2021.

During the year, investment properties decreased by S\$4.4 million mainly due to (i) disposal of 1 residential property in Singapore and 1 UK residential property in London; (ii) depreciation of the investment properties in this year; and (iii) reclassification of a London residential property to Property classified as held for sale as an agreement was entered in December 2021 for the disposal of the property. The decrease was partially offset by additions during the year and translation gains arising from the UK properties as Sterling Pound had strengthened against Singapore Dollar. Non-current other receivables decreased by S\$11.4 million mainly due to repayment of amounts receivables from its joint venture, Loman Holdings Limited arising from the disposal of this investment. Non-current investment securities decreased by S\$4.2 million mainly due to disposal of its investment in Singapore Reinsurance Corporation Limited of S\$3.5 million arising from an acceptance of the voluntary conditional cash offer from an offeror.

Decrease in Group's cash and cash equivalents of S\$2.4 million was mainly due to payment of dividends, additional investment in associates, joint ventures, net increase in investment securities, repayment of bank loans, additions to investment properties, partially offset by proceeds from disposal of residential properties in Singapore and London, proceeds from bank loans, proceeds from disposal of a joint venture, proceeds from disposal of FVOCI investments, repayment of shareholder loan from a joint venture and dividends received during the year.

Investment in associates increased by S\$9.8 million mainly due to (i) investment in a new associated company, SCLOF of S\$10.8 million; (ii) additional investment in Clan Kilmuir of S\$0.8 million; (iii) share of profits of S\$2.8 million. The increase was partially offset by distribution of dividends from an associate of S\$4.0 million. Other receivables increased by S\$0.7 million mainly due to advance contribution of refurbishment loan of S\$0.7 million by the non-controlling interest of Garrett Property Holdings Limited, held by the appointed property management company. Current investment securities increased by S\$6.1 million mainly

due to net acquisition of investment securities of S\$6.2 million made during the period partially offset by S\$0.1 million of fair value losses.

Bank borrowings decreased by S\$1.2 million during FY2021 mainly due to loan repayment of S\$8.8 million, partially offset by new loans of S\$6.6 million and a translation loss of S\$0.9 million as Sterling Pound had strengthened against Singapore Dollar. Non-current other payables increased by S\$0.9 million mainly due to loan due to non-controlling interests.

DEBT MANAGEMENT

The Group aims to sustain a strong reputation and a solid balance sheet with sufficient liquidity to meet its liabilities irrespective of market conditions.

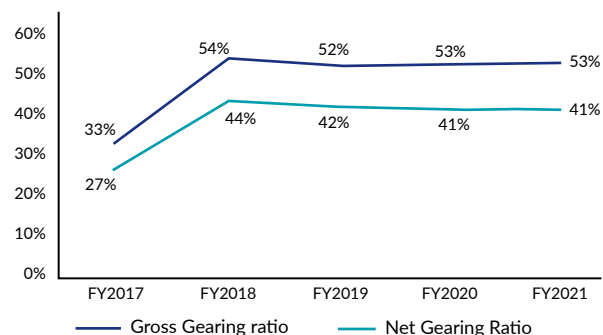
To ensure that the Group has adequate overall liquidity for its operations and new investment opportunities, the Group has cash reserves of S\$42.2 million (S\$26.6 million net of collateral commitments) and has unutilised credit facilities of S\$55.3 million for future investments. The Group monitors the cash flow position, debt maturity profile, cost of debt and overall liquidity position on a regular basis. In managing its debt levels and interest rate risks, the Group takes into account the interest rate outlook, expected cash flow generated from operations, investment horizon for its investments and acquisition and divestment plans.

The gross and net gearing ratio remained comparable as at 31 December 2021 and 2020.

At 31 December 2021, the maturity profile of the Group's outstanding bank borrowings was as follows:

	S\$'000	% of debt
Current liabilities	52,976	69%
Non-current liabilities	23,355	31%
	<u>76,331</u>	

Gearing Ratios



Gross Gearing ratio – total liabilities / shareholders' equity
 Net Gearing ratio – (long-term and short-term bank loans + bank overdrafts) / shareholders' equity

The Group currently has sufficient resources to repay all outstanding bank borrowings and under current market conditions is confident of its capacity to refinance at acceptable terms, and secure additional loan facilities should the need arise.

INVESTORS' RETURN

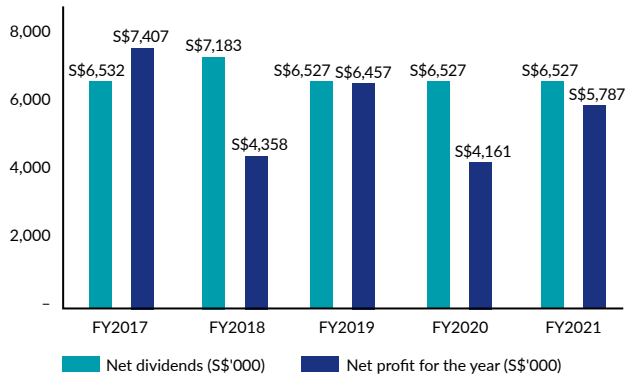
Dividend payout

The Group has a track record of paying consistent dividends to shareholders. Dividends payouts are recommended by the Board of Directors after taking into account, *inter alia*, the Group's balance sheet position, operating results, capital requirements and cash balances. The Group strives to continue declaring dividends to shareholders while maintaining the ability to pursue future investment opportunities.

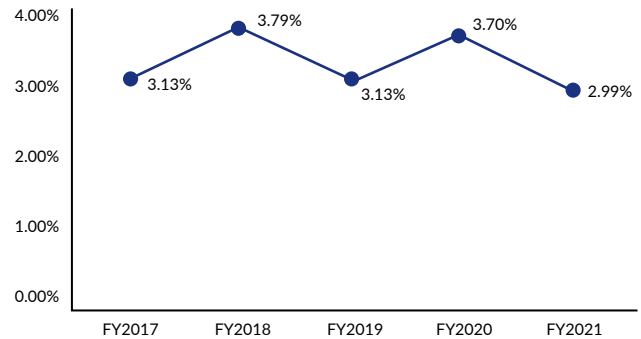
For the last five financial years ended 31 December 2021, the Company paid over S\$33.3 million in dividends to the shareholders. Owing to the cash position and sufficient revenue reserves as at 31 December 2020, the Company was able to pay dividends of S\$6.5 million, equivalent to approximately 156.9% of FY2020 net profit after tax attributable to shareholders in May 2021. The directors have recommended a final dividend

PERFORMANCE REVIEW

Dividends and Net Profit for the Year

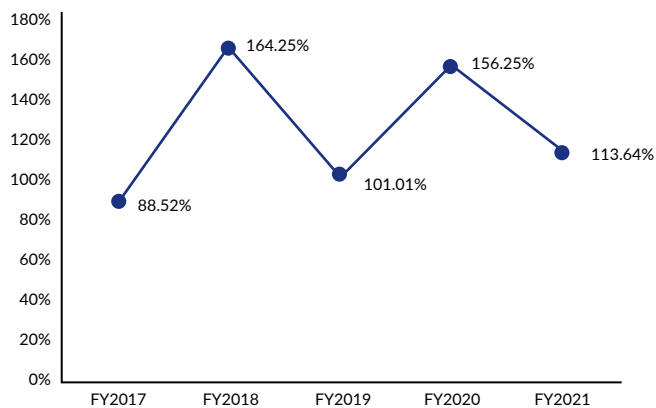


Dividend Yield



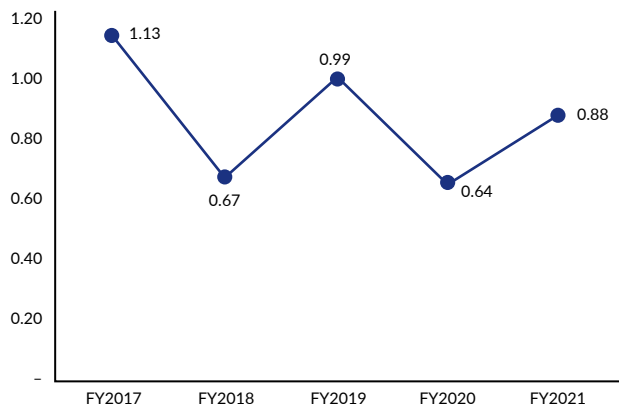
Dividend yield (based on year end share price) – current year dividend per share/year end share price

Dividend payout for the year



Dividend payout – dividend per share/EPS

Earnings per share



EPS (cents) – net profit for the year attributable to owners of the Company / weighted average number of shares X 100

for FY2021 of 1.0 cent per share, totaling S\$6.5 million for the financial year ended 31 December 2021. Based on the recommended dividend of 1.00 cents and closing share price of 33.5 cents as at 31 December 2021, the annualised dividend yield is approximately 3.0%.

Shareholder return

The Group is focused on maximising shareholder value over the medium to long term. The Group will continue

to focus both on investment opportunities which enhance recurrent revenues and cash flow and those which contribute to growth in shareholder value.

Total earnings per share increased to 0.88 cents in FY2021 from 0.64 cents in FY2020, representing an increase of approximately 37.5%.

BOARD OF DIRECTORS

MAK LYE MUN

**Chairman; Independent and Non-Executive
Master of Business Administration
Bachelor of Civil Engineering**

Mr Mak Lye Mun was appointed as Director and the Chairman of the Board of Directors on 22 May 2020. He is the Chairman of the Nominating Committee, a member of the Audit and Risk Committee and a member of the Remuneration Committee.

Mr Mak was Advisor to the CEO of CIMB Group from January 2020 till his retirement in March 2021.

Mr Mak joined the CIMB Group following the acquisition of GK Goh Securities Pte. Ltd. in 2005, where he served as the Head of Corporate Finance. He served as CEO of CIMB Bank Singapore and its Country Head from 2008 until his retirement in December 2019. He is also a member of the Inaugural SGX Listings and Advisory Committee, and a member of the Listing Committee for ADDX (ICHX Tech). In January 2021, Mr Mak was appointed as a governing board member of the Duke-NUS Medical School.

Previously, Mr Mak was the Head of Mergers & Acquisitions Advisory Department with DBS Bank Ltd (formerly known as The Development Bank of Singapore). He held various senior positions in the Corporate Finance divisions of Vickers Ballas & Co. Pte. Ltd., Ernst & Young, Oversea-Chinese Banking Corporation Limited and Citicorp Investment Bank (Singapore) Limited.

Mr Mak also served as an independent Non-Executive Director of Boardroom Limited and Tat Hong Holdings until both of these SGX listed companies were successfully privatised.

In addition, Mr Mak sits on the board of Intraco Limited as an independent non-executive Chairman and a member of the Audit and Remuneration committees. He also sits on the boards of SC Global Developments Pte Ltd and its listed subsidiary, AVJennings Limited. Mr Mak is an independent non-executive director of Boustead Singapore Limited and the Chairman of the Remuneration Committee and a member of the Audit & Risk Committee.

Mr Mak holds a Master of Business Administration Degree from the University of Texas at Austin, USA and a Bachelor of Civil Engineering Degree (First Class Honours) from the University of Malaya, Malaysia.

ONG ENG YAW

**Acting Group Managing Director; Non-Independent
LLB (2nd Class Upper Div.), M Sc (Invst. Management), MBA**

Mr Ong Eng Yaw joined the Company as Manager for Investments on 1 August 2008. With effect from March 2020, Mr Ong was appointed as Chief Operating Officer. He is responsible for overseeing the operations of Company and the Group's business development and investment activities in the real estate sector. Mr Ong was appointed as Director and Acting Group Managing Director on 23 April 2021. Mr Ong will be subject to retirement and will be seeking re-appointment at the forthcoming Annual General Meeting of the Company. Additional information on Mr Ong as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is found on pages 153 to 159.

Prior to joining the Company, he has worked in OCBC Bank, Vickers Ballas, DBS Bank, CIMB Group and Parkway Life Real Estate Investment Trust. Mr Ong's career has been in corporate finance and in real estate investment and management in Singapore and the UK. Mr Ong is also an independent director and is the Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee, Executive and Investment Committee of Singapore Reinsurance Corporation Limited. Mr Ong is also an independent director and is a member of the Remuneration Committee of MTQ Corporation Limited.

Mr Ong graduated with a Bachelor of Laws (second class upper division) from University College London, an MSc (Investment Management) from Cass Business School and an MBA from INSEAD.

ONG MUI ENG

Executive Director; Non-Independent

Mr Ong Mui Eng was appointed as Director on 1 February 1983. Mr Ong was last re-appointed on 22 May 2020. Mr Ong had about 30 years of experience in the banking industry. He started work in Mercantile Bank Ltd, London HQ for about 3 years, then transferred to Singapore Mercantile Bank main office at Raffles Place. Subsequently after Mercantile Bank merged with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), Mr Ong was transferred to HSBC Ocean Building Branch as a Regional Officer. From time to time, Mr Ong was sent to Hong Kong office, Malaysia office and also Australia office to attach to National Bank of Australasia for a brief period. He was also a director of People Insurance Ltd, Hong Leong Finance Ltd, Ong Holdings Pte Ltd, Bee Tong Trading Co Private Ltd and Singapore Piling and Engineering Pte Ltd. Currently, besides being a Director

BOARD OF DIRECTORS

at Hwa Hong Corporation Limited and the subsidiaries, he is also a Director of OME Investment Pte Ltd and Ong Chay Tong & Sons Pte Ltd. Mr Ong has worked in Hwa Hong Corporation Limited since 1982.

Mr Ong is overseeing the finance and administration matters of the Group.

ONG HIAN ENG (DR)

Non-Executive Director; Non-Independent
B. SC., D.I.C., PH. D., C. ENG., F.I. CHEM.E.

Dr Ong Hian Eng was appointed as Director on 24 February 1981. Dr Ong was last re-appointed on 23 April 2021.

Dr Ong is a CEO and Executive Director of AsiaPhos Limited, a public listed company listed in Singapore. He graduated with an Upper Second Class Degree in Chemical Engineering from the University of Surrey in 1969 and completed Doctor of Philosophy (PhD) as a Biochemical Engineer at the Imperial College, London in 1972. He is a Corporate Member in the class of fellows of The Institution of Chemical Engineers, London since November 1986 and was a member of the Trade Development Board from January 1995 to December 1996.

He is also a member of the Singapore Sichuan Trade & Investment Committee and honorary council member of the Singapore Chinese Chamber of Commerce & Industry.

GUAN MENG KUAN

Non-Executive Director; Non-Independent
B. SC. (ENG.), M.I.E.S., M.I.E.M.

Mr Guan Meng Kuan was appointed as Director on 1 February 1983. Mr Guan was last re-appointed on 22 May 2020. Mr Guan will be subject to retirement at the forthcoming Annual General Meeting of the Company. He will not be seeking re-appointment and will retire as a Director of the Company at the conclusion of the forthcoming Annual General Meeting.

Mr Guan was the Managing Director of Singapore Piling & Civil Engineering Private Limited ("SPACE") from November 1971 to December 1999, after which, he has remained as a Director and acted as a consultant to SPACE until this wholly-owned subsidiary of the Company was disposed of on 2 July 2001. Prior to this, he held several head posts of Executive Engineer, Deputy Director and Acting Director of Development Division of Jurong Town Corporation.

Mr Guan holds a Bachelor of Science (Engineering) from the University of London, and is a member of the Institution of Engineers (Singapore) and Institution of Engineers (Malaysia).

HUANG YUAN CHIANG

Non-Executive Director; Independent
Bachelor of Economics (B.Ec)
Bachelor of Laws (LL.B)

Mr Huang was appointed as Director on 19 April 2013. Mr Huang was last re-appointed on 23 April 2021. Mr Huang is the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee of the Company.

Although Mr Huang had at the last Annual General Meeting held on 23 April 2021 sought his re-appointment to the Board, he is subject to retirement and re-appointment for the purposes of Rule 210(5)(iii) of the Listing Manual of the SGX-ST and will be subject to a two-tier vote at the forthcoming Annual General Meeting. Additional information on Mr Huang as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is found on pages 160 to 165.

Mr Huang is also an independent director of Asia Commercial Bank (Vietnam).

Mr Huang was also a director of MTQ Corporation Limited serving from August 2001 until his retirement in July 2020.

Mr Huang is a lawyer by training and was an investment banker by vocation. During his banking career he held senior managerial positions with various banking institutions including HSBC, Bankers Trust and Deutsche Bank.

His areas of specialisation were in mergers and acquisitions and equity capital markets.

Mr Huang has degrees in Economics and Laws.

THAM CHEE SOON

Non-Executive Director; Independent
Bachelor of Accountancy

Mr Tham Chee Soon was appointed as Director on 22 May 2020. He is the Chairman of the Audit and Risk Committee and a member of the Nominating Committee. Mr Tham will be subject to retirement and will be seeking re-appointment at the forthcoming Annual General Meeting of the Company. Additional information on Mr Tham as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is found on pages 153 to 159.

Mr Tham retired as an audit partner from a Big 4 accounting firm at end-June 2018 after 31 years with the firm. He has since set up his own business advisory practice, iCFO Advisors Pte. Ltd. He currently serves on the Board of Directors of ecoWise Holdings Limited,

The Teng Ensemble Ltd and Temenggong Artists-in-Residence Ltd and on the Board for The Bone Marrow Donor Programme. He is an Audit Committee member of Dover Park Hospice. He was formerly an independent director of Fragrance Group Limited until the SGX-Listed company was successfully privatised.

Mr Tham graduated from the National University of Singapore with a Bachelor's degree in Accountancy. He is a Fellow of the Institute of Singapore Chartered Accountants, a member of both CPA Australia and the American Institute of Certified Public Accountants and a CFA Charterholder. Mr Tham is also a Licensed Insolvency Practitioner.

ONG ENG HUI DAVID:
ADJUNCT ASSOCIATE PROFESSOR (DR)
Non-Executive Director; Non-Independent
MBChB (Bristol), MRCP (UK), FRCP (Edinburgh), FAMS
(Gastroenterology)

A/Prof Ong was appointed as Director on 31 May 2021 and had in July 2021 completed his LED (Listed Entity Director) programme organized by the Singapore Institute of Directors. A/Prof Ong will be subject to retirement and will be seeking re-appointment at the forthcoming Annual General Meeting of the Company scheduled to be held on 18 April 2022. Additional information on A/Prof Ong as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is found on pages 160 to 165 of this Annual Report.

A/Prof Ong is a senior consultant gastroenterologist running his own private practice at Mount Elizabeth Medical Centre. He concurrently holds an adjunct position with the Department of Medicine at the National University of Singapore. In addition, he also serves as President of the Gastroenterological Society of Singapore and is the honorary secretary of the Chapter of Gastroenterology, Academy of Medicine (Singapore). He is a member of the Singapore Medical Council Complaints Panel and also serves as an Advisor and chairman of the nomination committee for the NUS Medical School International Council.

A/Prof Ong is the co-founder of Asian Microbiome Library (AMILI), South East Asia's first precision gut microbiome company and holds directorships in various privately run medically related enterprises.

He was formerly the Head of Gastroenterology and Hepatology at the National University Hospital and had held the positions of Director of Risk at the National University Health Systems, Associate Chairman of the Medical Board (Medicolegal risk) and was an assistant professor with the Department of Medicine at the National University of Singapore. He was formerly a director of his family investment holding company, Altrade Investments Pte Ltd.

A/Prof Ong graduated from the University of Bristol (UK) and underwent specialist and sub specialist training in Singapore and Australia. He is a fellow of the Royal College of Physicians of Edinburgh and is a fellow of the Academy of Medicine, Singapore.

ONG ENG LOKE
Alternate Director to Mr Ong Mui Eng; Non-Independent
B.COM., B.SC.(HONS), M.A., M. SOC. SC.

Mr Ong Eng Loke was appointed as an Alternate Director to Mr Ong Mui Eng on 23 April 2021 and had in July 2021 completed his LED (Listed Entity Director) programme organized by the Singapore Institute of Directors. As an Alternate Director, he is not required to submit himself for retirement at the Company's Annual General Meeting. He shall ipso facto cease to be an Alternate Director when his appointor ceases to be a Director.

More information on Mr Ong Eng Loke can be found under "Key Executives" section of this Annual Report.

ONG ENG KEONG
Alternate Director to Dr Ong Hian Eng;
Non-Independent Bachelor of Economics (B.Ec)

Mr Ong Eng Keong was appointed an Alternate Director to Dr Ong Hian Eng on 31 May 2021 and had on 21 October 2021 completed his LED (Listed Entity Director) programme organized by the Singapore Institute of Directors. As an Alternate Director, he is not required to be submitted for retirement at the Company's Annual General Meeting. He shall ipso facto cease to be an Alternate Director when his appointor ceases to be a Director.

Mr Ong started his career in corporate banking with Citigroup, London in 2001. He moved to BNP Paribas, London, where he traded Asian corporate bonds from 2004 to 2009. He moved back to Singapore with DZ Bank AG before joining Jefferies Singapore Limited to run the trading desk from 2010-2016.

Mr Ong left the banking industry in 2016 to start his entrepreneur journey, running and advising multiple startups in the local startup space. He currently works with a local fintech firm, Lumiq Pte Ltd, as well as runs Geko Life Pte Ltd, a technology focused electric motorbike sales and financing company with operations in Thailand and Indonesia.

Mr Ong holds a Bachelor of Economics Degree (Upper Second Class) from London School of Economics and Political Science.

KEY EXECUTIVES

ONG CHOO ENG

Managing Director
Singapore Warehouse Company (Private) Ltd.
M. SC. (ENG.), M.I.E.S.

Mr Ong Choo Eng was appointed as Director on 15 June 1982 and has served as Group Managing Director since 10 February 1989.

Mr Ong had, in accordance with Rule 720(5) of the Listing Manual of the SGX-ST, submitted himself for re-nomination and re-appointment at the 23 April 2021 AGM, had notified of his personal decision not to seek re-election as Non-Independent Director at the AGM.

Accordingly, he retired as a Non-Independent Director and consequently ceased to be Group Managing Director at the conclusion of the AGM. Mr Ong remains as a Managing Director of Singapore Warehouse Company (Private) Ltd.

Mr Ong obtained a Bachelor of Science (Honours) Degree in Civil Engineering and a Master of Science Degree in Advanced Structural Engineering from Queen Mary College, University of London in 1966. He was elected a Fellow of Queen Mary College, University of London in 1990. Mr Ong is a member of The Institution of Engineers (Singapore).

Mr Ong was formerly a director of MTQ Corporation Limited from September 1997 to October 2016 and a director of Singapore Reinsurance Corporation Limited from June 2002 to December 2015.

CHEN CHEE KIEW (MRS)

General Manager
Singapore Warehouse Company (Private) Ltd.

Mrs Chen Chee Kiew joined Singapore Warehouse Company (Private) Ltd. ("SWC") as an Executive in April 1977. In 1983, she was promoted to Business Development Manager, to be in charge of leasing, marketing and managing the whole warehouse for SWC. In 1989, she was promoted to General Manager and is responsible for leasing/marketing and management of residential and commercial properties in SWC. In addition, she assists the Managing Director in HR and management of funds.

Mrs Chen graduated with a Bachelor of Social Science (Honours) from the University of Singapore in 1975. She also holds a Diploma in Marketing Management.

ONG ENG LOKE

Senior Vice President, Fund Management
Hwa Hong Edible Oil Industries Pte. Ltd.

Mr Ong Eng Loke joined the Company in August 2004 as manager for business development. Prior to the appointment, he was a fund manager in Tokio Marine Asset Management International Pte Ltd, UOB Asset Management and OUB Asset Management. He is currently responsible for the Group's equity investments in Asia, particularly, in the regions of China, Hong Kong and Korea. Mr Ong Eng Loke was appointed as Alternate Director to Mr Ong Mui Eng on 23 April 2021.

Mr Ong graduated with a BComm and Honours BSc (Distinction) in Finance, Actuarial Science and Statistics from the University of Toronto, Canada, and a Master of Arts in Statistics at the York University, Canada, and a Master of Social Science in Applied Economics at the National University of Singapore.

LEE SOO WEI

Chief Financial Officer
Hwa Hong Corporation Limited

Ms Lee Soo Wei joined the Company as Chief Financial Officer on 16 July 2012. She oversees the financial management of the Group, which covers accounting, tax, financial control and reporting.

Ms Lee is a non-practising member of the Institute of Singapore Chartered Accountants.

Prior to joining the Group, Ms Lee was a senior audit manager in one of the big four accounting firms in Singapore, where she was involved in various audit and special engagements of local and multi-national companies in various industries.

CORPORATE GOVERNANCE REPORT

Hwa Hong Corporation Limited (the “Company”) recognises the importance of good corporate governance practices. The Company is committed to adopt its governance framework with the recommendations under the revised Code of Corporate Governance which was issued on 6 August 2018 (the “2018 Code”) to align with shareholders’ interests.

This report describes the Company’s corporate governance practices with specific reference to the Principles and the Provisions of the 2018 Code. Where the Company’s practices vary from any Provisions of the 2018 Code, an explanation has been provided.

(A) BOARD MATTERS

The Board’s Conduct Of Its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The board of directors of the Company (the “Board”) is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. The Board oversees the corporate policy and overall strategy for the Company and its subsidiaries (the “Group”). The Board also seeks to align the interests of the Company with those of shareholders and balance the interests of all stakeholders. In addition to its statutory duties, the principal roles and responsibilities of the Board include:

- (a) overseeing the overall strategic plans, overall policies and financial objectives of the Group;
- (b) reviewing the operational and financial performance of the Group;
- (c) overseeing the business and affairs of the Group, including reviewing the performance of Management;
- (d) approving financial results announcements, circulars (if any), and audited financial statements and annual reports;
- (e) dealing with matters such as conflicts of interests relating to directors (the “Directors”) and/or controlling shareholders (where applicable), major acquisitions and disposals of assets, dividend and other distributions to shareholders, and those transactions or matters which require the Board’s approval under the provisions of the listing manual (the “Listing Manual”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) or any applicable regulations;
- (f) approving changes in the composition of the Board and board committees (the “Board Committees”);
- (g) overseeing the Group’s system of internal controls, risk management framework, financial reporting, information technology controls and compliance;
- (h) overseeing and enhancing corporate governance practices and ethical standards within the Group;
- (i) overseeing sustainability reporting;
- (j) reviewing the investment goals and objectives of the Group;
- (k) overseeing and reviewing the investment policies and strategies of the Group to ensure that they are consistent with the goals and objectives of the Group;
- (l) reviewing and approving proposed investments, acquisitions and disposal of assets of the Group which are above the thresholds set for the Acting Group Managing Director;
- (m) reviewing the appropriate investment/divestment authority levels delegated to Management; and
- (n) ensuring transparency and accountability.

The Board has adopted written internal guidelines which set out authorisation and approval limits for capital expenditure, investments and divestments, bank borrowings and cheque signatories at the Board and Management levels.

CORPORATE GOVERNANCE REPORT

Management seeks the Board's approval on matters required under the Companies Act 1967 of Singapore (the "Companies Act") and the Listing Manual.

The functions of the Board are either carried out by the Board or delegated to various Board Committees established by the Board, namely, the Audit and Risk Committee (the "ARC"), the Nominating Committee (the "NC") and the Remuneration Committee (the "RC"). Each committee has the authority to examine issues relevant to their respective terms of reference and to report and/or make recommendations (as necessary) to the Board thereafter.

The Board conducts regularly scheduled meetings on a half yearly basis for FY2021. Additional meetings are convened as and when circumstances warrant. The Constitution of the Company allows Board meetings to be conducted via any form of audio or audio-visual communication. The Directors are free to discuss any information or views presented by any member of the Board and Management. Meetings materials are circulated to the Board and the Board Committees' members on a timely basis to enable the Board and the Board Committees' members to make informed decisions and discharge their duties and responsibilities effectively.

The Company has adopted a policy which welcomes Directors to request further explanations, briefings or informal discussions on any aspect of the Group's operations or business from the Management of the Company. In addition, the Directors have independent access to the Company Secretary and external advisers (where necessary) at the Company's expense.

Board members may on occasion exchange views outside the formal environment of Board meetings.

The attendance record of each Director at meetings of the Board and Board Committees during the financial year ended 31 December 2021 ("FY2021") is disclosed below:

Name of Director	Board of Directors	ARC	NC	RC	Annual General Meeting ("AGM") ¹
Mak Lye Mun	4	2	1	2	1
Ong Choo Eng ²	1	2*	1*	2*	1
Ong Eng Yaw ³	2	1*	1*	1*	1
Ong Mui Eng/Ong Eng Loke ⁴	4	-	-	-	1
Ong Hian Eng/Ong Eng Keong ⁵	4	-	-	-	1
Guan Meng Kuan	4	1*	1	2	1
Huang Yuan Chiang	4	2	-	2	1
Tham Chee Soon	4	2	1	1*	1
Ong Eng Hui David ⁶	1	1*	-	1*	-
Number of meetings held in FY2021	4	2	1	2	1

1 Annual General Meeting held on 23 April 2021.

2 Mr Ong Choo Eng retired as Non-Independent Director and Group Managing Director on 23 April 2021.

3 Mr Ong Eng Yaw was appointed as a Non-Independent Executive Director and Acting Group Managing Director on 23 April 2021.

4 Mr Ong Eng Loke was appointed as an Alternate Director to Mr Ong Mui Eng on 23 April 2021.

5 Mr Ong Eng Keong was appointed as the Alternate Director to Dr Ong Hian Eng on 31 May 2021.

6 Dr Ong Eng Hui David was appointed as a Non-Independent and Non-Executive Director on 31 May 2021.

* Attendance by non-committee member (by invitation).

CORPORATE GOVERNANCE REPORT

It is the Company's policy that newly appointed Directors be provided with briefings and orientation by the Executive Directors and Management to familiarise them with the businesses and operations of the Group. The orientation also allows newly appointed Directors to get acquainted with Executive Directors and Management, thereby facilitating Board interaction and independent access to Management. For a newly appointed Director who has no prior experience as a director of a listed company, in addition to the orientation, he or she will need to also attend the relevant programme conducted by the Singapore Institute of Directors ("SID") to acquire knowledge of what is expected of a listed company director. It is the Company's practice that newly appointed Directors be also given a copy of the Company's Directors' manual, setting out their duties and obligations. For FY2021, two new Directors, Mr Ong Eng Yaw and Dr Ong Eng Hui David and two alternate directors, Mr Ong Eng Loke and Mr Ong Eng Keong were appointed and provided with the Company's Directors' manual. Mr Ong Eng Loke, Mr Ong Eng Keong and Dr Ong Eng Hui David attended Listed Entity Director (LED) programme organised by Singapore Institute of Directors (SID).

The Directors may join institutes and group associations of interests related to the affairs of the Group and attend relevant training seminars or informative talks from time to time. As part of their continuing education, Directors may attend courses in areas of Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, to keep themselves apprised and updated on the latest corporate, regulatory, legal and other requirements. The Directors are regularly kept informed by the in-house corporate secretarial department of the availability of appropriate courses, conferences and seminars, such as those organised by the SID. The registration process is facilitated by the Company with course fees borne by the Company. During FY2021, as part of the training and professional development of the Board, the Company had arranged for the Directors to be briefed on "Reinforcing Risk Oversight" and "Changes to the Listing Rules 2021 and Electronic Communication in COVID Times".

Under the Code of Business Conduct and Ethics and the Policy on Directors' Conflicts of Interest, Directors shall avoid any conflicts of interest with the Company. Where a Director's personal or business interest interferes, or even appears to interfere, in any way with the interests of the Company, Directors shall promptly disclose such interest at a meeting of the Directors or by sending a written notice to the Company Secretary containing details of the interest and the nature of the conflict and recuse himself/herself from participating in any discussion and decision on the transaction or potential transaction in which the Director has an interest or is conflicted.

Board Composition And Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in the composition to enable it to make decisions in the best interest of the company.

CORPORATE GOVERNANCE REPORT

The Board comprises eight Directors and two Alternate Directors, three of whom (including the Chairman of the Board) are Independent Directors, thereby satisfying the requirement that at least one-third of the Board be comprised by Independent Directors. Of the eight Directors, two are full-time Executive Directors, and therefore, non-independent. As Non-Executive Directors make up 75% of the Board, no individual or small group of individuals dominate the Board's decision making. The composition of the Board, including dates of initial appointment and last re-appointment of Directors are set out below:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-Appointment	ARC	NC	RC
Mak Lye Mun	Chairman; Independent and Non-Executive Director	22.05.2020	-	Member	Chairman	Member
Ong Eng Yaw ⁽¹⁾	Acting Group Managing Director; Non-Independent	23.04.2021	-	-	-	-
Ong Mui Eng ⁽²⁾	Executive Director; Non-Independent	01.02.1983	22.05.2020	-	-	-
Ong Hian Eng (Dr) ⁽³⁾	Non-Executive Director; Non-Independent	24.02.1981	23.04.2021	-	-	-
Guan Meng Kuan ⁽⁴⁾	Non-Executive Director; Non-Independent	01.02.1983	22.05.2020	-	Member	Member
Huang Yuan Chiang ⁽⁵⁾	Independent and Non-Executive Director	19.04.2013	23.04.2021	Member	-	Chairman
Tham Chee Soon ⁽⁶⁾	Independent and Non-Executive Director	22.05.2020	-	Chairman	Member	-
Ong Eng Hui David (Dr) ⁽⁷⁾	Non-Independent and Non-Executive Director	31.05.2021	-	-	-	-
Ong Eng Loke ⁽⁸⁾	Alternate Director to Mr Ong Mui Eng	23.04.2021	-	-	-	-
Ong Eng Keong ⁽⁹⁾	Alternate Director to Dr Ong Hian Eng	31.05.2021	-	-	-	-

Notes:

- Mr Ong Eng Yaw is retiring and standing for re-appointment pursuant to Article 103 of the Company's Constitution at the Company's forthcoming AGM.
Mr Ong Eng Yaw is the son of Mr Ong Choo Eng, a substantial shareholder. He is nephew of Dr Ong Hian Eng and Mr Ong Mui Eng who are Directors, as well as Mr Ong Kwee Eng, Mr Ong Kay Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is brother of Ms Ong Bee Leem, a substantial shareholder. He is cousin of Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder, Dr Ong Eng Hui David, a non-independent and non-executive director and a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng.
- Mr Ong Mui Eng's brothers are Dr Ong Hian Eng, who is a Director, as well as Mr Ong Choo Eng, Mr Ong Kwee Eng, Mr Ong Kay Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is father of Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder. He is uncle of Mr Ong Eng Yaw, Acting Group Managing Director and a substantial shareholder, Ms Ong Bee Leem, a substantial shareholder, Dr Ong Eng Hui David, a non-independent and non-executive director and a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng.
- Dr Ong Hian Eng's brothers are Mr Ong Mui Eng, who is a Director, as well as Mr Ong Choo Eng, Mr Ong Kwee Eng, Mr Ong Kay Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is uncle of Mr Ong Eng Yaw, Acting Group Managing Director and a substantial shareholder, Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder, Ms Ong Bee Leem, a substantial shareholder, Dr Ong Eng Hui David, a non-independent and non-executive director and a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng.

CORPORATE GOVERNANCE REPORT

- 4 As announced on SGX-ST, Mr Guan Meng Kuan will not be seeking re-appointment at the forthcoming AGM and will retire as a Director of the Company on 18 April 2022 at the conclusion of the AGM.
- 5 Mr Huang Yuan Chiang will be seeking re-appointment at the forthcoming AGM via a two-tier vote pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual. There are no relationships including immediate family relationships between Mr Huang and the other Directors, the Company or its 5% shareholders.
- 6 Mr Tham Chee Soon will be retiring by rotation and standing for re-appointment pursuant to Article 113 of the Company's Constitution at the Company's forthcoming AGM. There are no relationships including immediate family relationships between Mr Tham and the other Directors, the Company or its 5% shareholders.
- 7 Dr Ong Eng Hui David is retiring and standing for re-appointment pursuant to Article 103 of the Company's Constitution at the Company's forthcoming AGM.
Dr Ong Eng Hui David is the son of Mr Ong Kay Eng, a substantial shareholder. He is nephew of Dr Ong Hian Eng and Mr Ong Mui Eng who are Directors, as well as Mr Ong Choo Eng, Mr Ong Kwee Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is cousin of Mr Ong Eng Yaw, Acting Group Managing Director and a substantial shareholder, Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder, Ms Ong Bee Leem, a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng.
- 8 Mr Ong Eng Loke is the son of Mr Ong Mui Eng, a executive non-independent director. He is nephew of Dr Ong Hian Eng who is Director, as well as Mr Ong Choo Eng, Mr Ong Kwee Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is cousin of Mr Ong Eng Yaw, Acting Group Managing Director and a substantial shareholder, Ms Ong Bee Leem, a substantial shareholder, Dr Ong Eng Hui David, a non-independent and non-executive director and a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng.
- 9 Mr Ong Eng Keong is the son of Dr Ong Hian Eng, a non-executive non-independent director. He is nephew of Mr Ong Mui Eng who is Director, as well as Mr Ong Choo Eng, Mr Ong Kwee Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is cousin of Mr Ong Eng Yaw, Acting Group Managing Director and a substantial shareholder, Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder, Ms Ong Bee Leem, a substantial shareholder and Dr Ong Eng Hui David, a non-independent and non-executive director and a substantial shareholder
- 10 As announced on SGX-ST, Mr Ong Choo Eng had on 23 April 2021 retired as Non-Independent Director and Group Managing Director of the Company.
Mr Ong Choo Eng's brothers are Mr Ong Mui Eng and Dr Ong Hian Eng, who are Directors, as well as Mr Ong Kwee Eng, Mr Ong Kay Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is father of Mr Ong Eng Yaw, Acting Group Managing Director and a substantial shareholder and Ms Ong Bee Leem, a substantial shareholder. He is uncle of Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder, Dr Ong Eng Hui David, a non-independent and non-executive director and a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng.

The profiles of the Board members, including information on their qualifications and experiences are set out on pages 21 to 23.

At the recommendation of the NC, the Board had in 2019 adopted a formal Board Diversity Policy, setting out its policy and framework for promoting diversity on the Board. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider the various aspects of diversity to arrive at a desired balanced composition of the Board. The Board, in concurrence with the NC, confirmed that the size and composition of the Board remains appropriate for effective decision making, taking into account factors such as the scope and nature of the operations of the Group and the core competencies of Board members who are in the fields of civil engineering, accounting, audit, chemical engineering, insurance, finance, law and banking.

The Non-Executive Directors are encouraged to actively participate at Board meetings, provide constructive feedback and challenge Management's decisions. While the Non-Executive Directors do not exercise management functions, they provide oversight on issues deliberated and in reviewing the performance of the Company. The Non-Executive Directors have unrestricted access to Management and have sufficient time and resources to discharge their oversight function. In encouraging open communication and providing effective oversight on Management, the Non-Executive Directors meet separately after each scheduled half yearly Board meeting in FY2021, without the presence of Management.

CORPORATE GOVERNANCE REPORT

The independence of each Independent Director is assessed and reviewed annually by the NC. In its deliberation on the independence of an Independent Director, the NC took into account the 2018 Code's definition of relationships, considered whether such Independent Director had business relationships with the Group, and if so, whether such relationships (including any relationships with its substantial shareholders, officers or related corporations) could interfere, or be reasonably perceived to interfere with the exercise of such Independent Director's objective judgements. There were no business relationships between the Group and the respective Independent Directors for FY2021.

Each Independent Director is required to complete a Director's independence form annually, to confirm his/her independence based on the guidelines as set out in the 2018 Code.

Each member of the NC had abstained from deliberations in respect of assessment of his/her own independence.

Chairman And Acting Group Managing Director

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Board Chairman and the Acting Group Managing Director in the Company are separate to ensure an appropriate balance of power, accountability and greater capacity of the Board for independent decision making. Mr Mak Lye Mun is the Chairman of the Board with effect from 22 May 2020 and is an Independent Non-Executive Director and Mr Ong Eng Yaw is the Acting Group Managing Director. The Board Chairman and the Acting Group Managing Director are not related.

The Acting Group Managing Director is responsible for making strategic proposals to the Board and implementing the Group's strategies and policies as well as the Board's decisions. He assumes the executive responsibility for the day-to-day operations of the Group, with the support of Management.

The Board Chairman provides leadership to the Board, sets the tone of Board meetings, encourages proactive participation and constructive discussions between Board members, to improve Board, Board Committee and individual Director effectiveness. The Board Chairman ensures that Board meetings are held as and when necessary and sets the meeting agenda in consultation with the Acting Group Managing Director and fellow Directors and Management, and if warranted, with professional advisors. He also ensures that information and materials to be discussed at Board meetings are circulated on a timely basis to Directors so as to enable them to be updated and prepared, thereby enhancing the effectiveness of the Non-Executive Directors and the Board as a whole. He engages and promotes open dialogue amongst Board members, encourages constructive discussions among the Directors and engages with members of the Management regularly. At general meetings, the Board Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

The Board has established and set out in writing the division of responsibilities between the Chairman and the Acting Group Managing Director.

The Board does not have a lead independent director as there is sufficient independence given that (a) the Chairman and the Acting Group Managing Director are separate persons; (b) the Chairman and the Acting Group Managing Director are not family members; (c) the Chairman is not part of the Management team and (d) the Chairman is an Independent Director.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: The Board has a formal and transparent process for the remuneration and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

The NC comprises entirely of three Non-Executive Directors, a majority of whom, including the Chairman, are independent. The Chairman is not a substantial shareholder or directly associated with a substantial shareholder. The NC assumes the lead role in promoting corporate governance processes. The NC members are:

Mak Lye Mun *Chairman, Independent and Non-Executive*
Guan Meng Kuan
Tham Chee Soon

The key duties and responsibilities of the NC under its terms of reference include the following:

- (a) Assisting the Board to implement a formal and transparent process for the re-appointment of Directors to the Board, (including Alternate Directors, if applicable) taking into account the need for progressive renewal of the Board;
- (b) Making recommendations to the Board on relevant matters relating to:
 - (i) the succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the Group Managing Director and Key Management Personnel;
 - (ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
 - (iii) the review of training and professional development programmes for the Board and its Directors;
 - (iv) the appointment and re-appointment of Directors (including Alternate Directors, if any). In recommending the re-appointment of Directors, the NC shall consider the Directors' performance, principal commitments, his/her ability to continue contributing to the Board and whether he/she had been adequately carrying out his/her duties; and
 - (v) the maximum number of listed company board representations for Independent Directors;
- (c) Reviewing that the Board and Board Committees are of an appropriate size and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate;
- (d) Determining the process for search, nomination, selection, appointment of Directors to the Board, and assessing candidates for appointment to the Board, determining whether or not such candidate has the requisite qualifications, skills, knowledge, expertise (as required by the Company) and whether or not he/she is independent;
- (e) Determining annually and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Rule 210(5)(d) of the SGX-ST and Provision 2.1 of the 2018 Code. Where the NC considers that a Director who has one or more of the relationships mentioned under Rule 201(5)(d)(i), (ii) and (iii) of the SGX-ST Listing Manual and the Provision 2.1 of the 2018 Code, is nevertheless independent, the NC should provide its views to the Board for the Board's consideration;
- (f) Exercising general oversight in respect of governance matters relating to the Board, including the review and recommendation of any Corporate Governance Principles and Practices that may be applicable to the Company; and
- (g) Undertaking such other duties or functions as may be delegated by the Board or required by regulatory authorities under the Listing Manual of the SGX-ST or the 2018 Code.

CORPORATE GOVERNANCE REPORT

In addition, the NC also takes into consideration the background, qualifications, skills, expertise, experience, age and knowledge that the candidate brings which could benefit the Board. The selection for suitable candidates is conducted through contacts and network of the Board and where necessary, external recruitment companies may be engaged at the Company's expense. Since FY2016, the NC recommended and the Board has instituted the practice of maintaining a ready-pool of Independent Directors which the Company may tap into, as and when required (e.g. progressive Board renewal or for contingencies). Recommendations to the Board are made based on the NC's review of these candidates' suitability. Following the Board's confirmation, the NC will send the newly-appointed Director a formal appointment letter which clearly set out his/her roles and responsibilities, authority and the Board's expectations in respect of his/her time commitment as a Director of the Company. New Directors are appointed by way of a Board resolution after the NC recommends the appointment for approval of the Board or at an AGM.

During the year, the Company had appointed 2 Alternate Directors, namely, Mr Ong Eng Loke and Mr Ong Eng Keong. The Board is of the view the appointment of Alternate Directors would not negatively impact the Board composition or the Company as both Alternate Directors are appropriately qualified to bear the duties and responsibilities for their roles, in addition, Mr Ong Eng Loke being a Key Management Personnel since 2004 has considerable familiarity with the Company's affairs. Alternate Director bears all the similar responsibilities of a Director.

At each AGM of the Company, the Company's Constitution requires one-third of the Board to retire from office by rotation, being one-third of those who have been longest in office since their last re-appointment and at intervals of at least once in every three years. The retiring Directors are at liberty to submit themselves for re-nomination and re-appointment. The NC has adopted a set of internal guidelines on re-appointment of Directors. A newly appointed Director must also subject himself/herself for retirement and re-appointment at the upcoming AGM immediately following his/her appointment. In addition, effective 1 January 2019, all Directors must submit themselves for re-nomination and re-appointment at least once every three years pursuant to Rule 720(5) of the Listing Manual of the SGX-ST.

Mr Ong Eng Yaw (Non-Independent Executive Director and Acting Group Managing Director) and Dr Ong Eng Hui David (Non-Independent and Non-Executive Director) would retire by Article 103 of the Company's Constitution and stand for re-appointment at the Company's forthcoming AGM. Information as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found in the section "**Board of Directors**" on pages 153 to 165.

Mr Guan Meng Kuan (Non-Executive and Non-Independent Director) will not be seeking re-appointment at the forthcoming AGM and will retire as a Director of the Company at the conclusion of the AGM. Mr Tham Chee Soon (Independent and Non-Executive Director) would retire by rotation and stand for re-appointment at the Company's forthcoming AGM. Information as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found in the section "**Board of Directors**" on pages 153 to 159.

Mr Huang Yuan Chiang's (Independent and Non-Executive Director) appointment in the Company would reach 9 years on 18 April 2022. In light of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, the Company would be seeking shareholders' approval for Mr Huang's continued appointment as an Independent Director. The requisite approval, if obtained, would remain in force until the earlier of the following: (i) the retirement or resignation of Mr Huang; or (ii) the conclusion of the third Annual General meeting following the passing of the resolution. Information as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found in the section "**Board of Directors**" on pages 160 to 165.

In assessing and recommending retiring Directors for re-appointment, the NC takes into account the Director's competencies, commitment, attendance at meetings and his/her contribution and performance at such meetings.

CORPORATE GOVERNANCE REPORT

All Directors are required to declare their listed company board representations as and when appointed and not less than once annually. In cases where a Director has multiple listed company board representations, the NC also assesses on an annual basis, whether such Director has adequately carried out his/her duties as a Director.

In anticipation of competing time commitments where Directors serve on multiple listed company boards, the Board had set a maximum limit of six (6) directorships in listed companies for Independent Directors. None of the Independent Directors hold 6 directorships in listed companies.

Further information regarding the Directors can be found in the section “Board of Directors” on pages 21 to 23. Details of Directors’ shareholdings in the Company and related corporations are set out in the “**Directors’ Statement**” on pages 153 to 165.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC meets at least once a year, and as warranted by circumstances, to discharge its functions. For FY2021, the NC met once.

The NC has in place an annual performance evaluation for the Board as a whole, each individual Director and Board Committees. The Board and Board Committees members completed the respective questionnaires covering mainly the following areas of assessment:

- i) Board size, composition, mix of expertise and level of independence;
- ii) Promptness, availability and clarity of Board information;
- iii) Robustness of Board discussions and timely resolution of issues and Board accountability;
- iv) Board Committee performance in relation to discharging their responsibilities set out in the respective terms of reference; and
- v) Standards of conduct and conflicts of interests.

The Directors’ peer evaluation on their performance criterion was assessed mainly on the following –

- i) Interactive skills including working with others, being alert and inquisitive;
- ii) Knowledge including industry awareness, business knowledge, valuable inputs and participation in decision making; and
- iii) Directors’ duties including Board Committee work contribution, dedication and commitment, sense of independence, attendance at meetings and meeting preparation.

The NC reviews and assesses Board, Board Committees and individual Director’s performance and procedures and recommends any changes (where applicable) annually to ensure that the same remained effective, robust and updated.

The Company’s outsourced Company Secretary was engaged to collate the performance evaluations and provide summary of findings for the NC Chairman and the Board Chairman. The NC, in consultation with the Board Chairman, takes appropriate actions to address the findings of the performance evaluations.

The Company conducts annual performance evaluations on a no-name basis, on (i) each Director on an individual basis; and (ii) collectively as a group, to assist the NC in the assessment of the contributions and commitment of each individual Director to the Company and the effectiveness of the Board as a whole. The Company also conducts

CORPORATE GOVERNANCE REPORT

Board Committees performance evaluations annually. The Company's outsourced Company Secretary assists the Company with the evaluation process and has confirmed that the Company's performance evaluation exercise continues to be informative and feedback provided by Directors continue to be forthcoming. As with previous years, the results of the evaluations for FY2021 clearly indicated that the Directors remain committed and stand ready to contribute to the Company.

(B) REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director should be involved in deciding his or her own remuneration.

Remuneration Committee

The RC comprises entirely of three Non-Executive Directors, a majority of whom, including the Chairman are independent. The RC members are:

Huang Yuan Chiang *Chairman, Independent and Non-Executive*
Mak Lye Mun
Guan Meng Kuan

The key duties and responsibilities of the RC under its terms of reference include the following:

- (a) Reviewing and recommending to the Board a framework of remuneration for the Board and Key Management Personnel and reviewing and recommending to the Board the specific remuneration packages and terms of employment for (i) each Director; and (ii) Key Management Personnel of the Group;
- (b) Reviewing:
 - (i) that no Director or Key Management Personnel is involved in deciding his/her own remuneration;
 - (ii) all aspects of remuneration (including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) with an aim to be fair and avoid rewarding poor performance;
 - (iii) the Company's obligations arising in the event of termination of the Executive Directors' and Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
 - (iv) the level and structure of remuneration:
 - for 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;
 - should be aligned with the long-term interest and risk policies of the Company and should be appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long-term;
 - that a significant and appropriate proportion of the remuneration of Executive Directors and Key Management Personnel should be structured so as to link rewards to corporate and individual performance; performance-related and aligned with the interests of shareholders and other stakeholders and promote the long-term success of the Company;

CORPORATE GOVERNANCE REPORT

- that performance-related remuneration schemes should take account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks, with appropriate and meaningful measures for the purpose of assessing Executive Directors' and Key Management Personnel's performance;
 - should be benchmarked with comparable organisations within the industry, and where external firm or remuneration consultants are engaged to ensure that such remuneration consultants do not have any relationship with the Company that could affect the consultants' independence or objectivity;
 - should have measurable performance indicators that are appropriate and meaningful so that they can incentivise the right behaviour and values that the Company supports. For individuals in control functions, performance measures should principally be based on the achievement of the objectives of their functions;
- (v) the remuneration of Non-Executive Directors should be appropriate to the level of their contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive Directors. Non-Executive Directors should not be overly compensated to the extent that their independence may be compromised. The RC should also consider implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of shareholders;
- (vi) the remuneration package of (a) employees who are substantial shareholders of the Company; or (b) employees who are immediate family members of a director, Group Managing Director or a substantial shareholder of the Company, the Group is in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility; and
- (vii) the contracts of service of the Executive Directors and Key Management Personnel should contain contractual provisions on claw back policy to allow the Group to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group;
- (c) Ensuring that all aspects of remuneration, including termination terms are fair; and
- (d) Carrying out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board.

The roles, duties and responsibilities of the RC cover the functions described in the 2018 Code including but not limited to, ensuring a fair and transparent procedure for developing policy on executive remuneration, developing a performance matrix for the Acting Group Managing Director and fixing the remuneration packages of Directors and Key Management Personnel. Each member of the RC has abstained from deliberations in respect of his own remuneration, compensation or any form of benefits to be granted to him. As and when deemed appropriate by the RC, expert advice is or will be sought. During the financial year, the RC did not require the service of an external remuneration consultant.

The RC reviews the Company's obligations arising in the event of termination of the Executive Directors and Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The Company has a claw back policy for the annual incentive and other performance-based compensation. No termination, retirement and post-employment benefits were granted to Directors and employees of the Group for FY2021.

CORPORATE GOVERNANCE REPORT

Level And Mix Of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC makes recommendations on an appropriate framework of remuneration taking into account employment conditions within the industry and the Group's performance to ensure that the package is competitive and sufficient to attract, retain and motivate Directors and Key Management Personnel. On the other hand, the Company avoids paying more than is necessary for this purpose. Elements of the Group's relative performance and the performance of the individual Directors form part of the Executive Directors' remuneration packages so as to align their interests with those of shareholders and to promote the success of the Company in the longer term.

The RC recommends to the Board the quantum of Directors' fees and the Board in turn determines the recommendation for shareholders' approval at the Company's AGM. Directors' fees are payable to the Non-Executive Directors and take into account the Non-Executive Director's contribution, taking into account factors such as effort, time spent, attendance and responsibilities on the respective Board Committees. Non-Executive Directors who cease to be a director during any part of the financial year, are paid pro-rated fees for their term in office. For Executive Directors and Key Management Personnel, each of their service contracts and compensation packages is reviewed privately by the RC. The RC takes into account the risk policies of the Group and ensures that remuneration is commensurate with risk outcomes and is sensitive to the time horizon of risks. The RC will continually evaluate the remuneration structure of Executive Directors and Key Management Personnel and consider linking rewards to corporate and individual performance, to promote the long-term success of the Company. During the year, the RC had reviewed various long-term incentive plans/schemes which may be suitable for implementation for the Group's Key Management Personnel to promote retention and reward strategies for its Key Management Personnel and to enhance the Group's remuneration competitiveness amongst its industry-peers.

The Company previously has in place the "Hwa Hong Corporation Limited (2001) Share Option Scheme" (the "2001 Scheme"). The 2001 Scheme was extended for a period of 10 years and had lapsed on 28 May 2021. No options were granted under the 2001 Scheme to date.

CORPORATE GOVERNANCE REPORT

Disclosure On Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The breakdown (in percentage terms) of the remuneration of Directors of the Company FY2021 is set out below:

Remuneration Band & Name of Director	Based/ Fixed salary* %	Variable or performance related income/ Bonus* %	Fees ** %	Benefits in kind %	Other long term incentives %	Total %
(i) \$500,001 to \$750,000						
Ong Eng Yaw ¹	59.0	40.7	-	0.3	-	100
(ii) \$250,001 to \$500,000						
None	-	-	-	-	-	-
(iii) \$250,000 and below						
Ong Mui Eng ²	76.8	12.3	-	10.9	-	100
Guan Meng Kuan	-	-	100	-	-	100
Huang Yuan Chiang	-	-	100	-	-	100
Ong Hian Eng	-	-	100	-	-	100
Mak Lye Mun	-	-	100	-	-	100
Tham Chee Soon	-	-	100	-	-	100
Ong Eng Hui David	-	-	100	-	-	100

* Inclusive of employer's central provident fund contributions.

** The fees payable by the Company to the Non-Executive Directors for FY2021 were approved by shareholders at the AGM held on 23 April 2021 and to be approved at the AGM to be held on 18 April 2022.

1 The remuneration of Mr Ong Eng Yaw disclosed above was for the financial year from January 2021 to December 2021. He was appointed from 23 April 2021 as Acting Group Managing Director.

2 Mr Ong Mui Eng's all-in remuneration for FY2021 exceeded S\$100,000.

CORPORATE GOVERNANCE REPORT

Information regarding Key Management Personnel (who are not directors) can be found in the section “**Key Executives**” on page 24. The remuneration of top five Key Management Personnel of the Group is categorised into the respective remuneration bands as follows:

Top 5 Key Management Personnel in Remuneration Bands

(i) \$500,001 to \$750,000

Ong Eng Yaw
Ong Choo Eng¹

(ii) \$250,000 to \$500,000

Ong Eng Loke
Chen Chee Kiew (Mrs)
Lee Soo Wei

1 The remuneration of Mr Ong Choo Eng disclosed above was for the financial year from January 2021 to December 2021. He retired as Group Managing Director of the Company from 23 April 2021 but remained as Managing Director of Singapore Warehouse Company (Private) Limited. .

The remuneration packages of the Directors and Key Management Personnel of the Group generally comprise two components. One component is fixed in the form of a base salary. The other component is variable consisting of AWS and performance bonus. The variable portion is largely dependent on the Group and individual performance, both in terms of financial and non-financial performance and creation of shareholder wealth. For FY2021, the RC reviewed the mix of fixed and variable components and considered it appropriate for the Group and Key Management Personnel. RC has also implemented the use of long-term cash incentive plans (“LTCIP”) to promote retention and competitiveness compared to its industry-peers for its Executive Directors and Key Management Personnel.

The LTCIP is a cash incentive scheme which allows the Company, *inter alia*, to set specific performance objectives, i.e. key performance indicators (“KPIs”) for individual participant and provide an incentive for them to achieve these set targets. The RC will meet every year to approve the quantum of the LTCIP and set the KPIs for each participant, review the achievement of these KPIs at the end of the financial year and approve the allocation of the LTCIP amongst those eligible participants. The cash award granted in each year shall be divided into 3 tranches, payable over a period of 3 years fulfilling certain conditions.

The Directors believe that the LTCIP will help the Company to achieve the following objectives:

- (a) incentivise the participants to excel in their performance;
- (b) retain the participants whose contributions are important to the long-term growth and profitability of the Group; and
- (c) recognise and reward past contributions and services and to motivate the participants to continue to strive for the Group’s long-term goals and prosperity.

In FY2021, the Company has approved the LTCIP for the eligible participants and payments made from FY2022 onwards.

Mr Ong Choo Eng (Managing Director of Singapore Warehouse Company (Private) Ltd and former Group Managing Director of the Company) whose remuneration exceeded S\$100,000 is an immediate family member of Mr Ong Eng Yaw (Acting Group Managing Director). One of the employees, Mr Ong Eng Loke (Senior Vice President, Fund

CORPORATE GOVERNANCE REPORT

Management) whose all-in remuneration exceeded S\$100,000 is an immediate family member of Mr Ong Mui Eng, an Executive Director of the Company. Due to the sensitivity and confidentiality attached to remuneration pertaining to these employees, the disclosures are not made in incremental bands of S\$100,000. Save as disclosed, none of the employees of the Company and its subsidiaries was an immediate family of any Directors or the Acting Group Managing Director, and whose remuneration exceeded S\$100,000 during the year.

Given the highly competitive industry conditions and the sensitivity and confidentiality of remuneration matters and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the Company believes that the disclosure of the details of the remuneration of the Executive Directors, Non-Executive Directors and Key Management Personnel (including the aggregate total remuneration paid to the key executives) as recommended by the 2018 Code, would be disadvantageous to the Group's interests. The Company has, however, disclosed the aggregate remuneration of the Executive Directors, Non-Executive Directors and Key Management Personnel in bands and will not be disclosing all forms of remuneration and other payments and benefits paid by the Company to its Directors and Key Management Personnel.

(C) ACCOUNTABILITY AND AUDIT

Risk Management Systems and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The ARC reviews the Group's system of risk management and internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by Management. Management maintains a system of risk management and internal controls which the Board believes is adequate to provide reasonable assurance of the integrity, effectiveness and efficiency in safeguarding shareholders' interests and the Group's assets.

A formalised risk management process has been established since 2006 whereby key risks, control measures, risk tolerance levels or limits and Management actions are identified and monitored by Management and reported to the Board for review and evaluation at least annually. The Risk Management Report can be found on page 46.

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and written representations from the Acting Group Managing Director and Chief Financial Officer on internal controls, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls addressing financial, operational, compliance risks and information technology controls, and risk management systems remains adequate and effective as at 31 December 2021.

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

The Board has received assurances from the Acting Group Managing Director and the Chief Financial Officer that for the year in review that:

- (i) Nothing has come to their attention, which may render the Group's financial statements to be false and misleading in any material aspect pursuant to Rule 705(5) of the Listing Manual of the SGX-ST;

CORPORATE GOVERNANCE REPORT

- (ii) 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
- (iii) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the financial, operational, compliance, information technology controls and risk management systems.

The Acting Group Managing Director and Chief Financial Officer obtained similar assurance from the respective managers of the various business units in the Group.

Audit and Risk Committee ("ARC")

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The ARC comprises three members, all of whom are Independent Directors. The members of the ARC are:

Tham Chee Soon *Chairman, Independent and Non-Executive*
Mak Lye Mun
Huang Yuan Chiang

The Board confirms that the ARC is appropriately qualified to discharge its duties and responsibilities. At least two members of the ARC (including the ARC Chairman) have recent and relevant accounting or related financial management expertise or experience. Neither the Chairman of the ARC nor any of its members is a former partner nor a director of the Company's existing auditing firm or auditing corporation (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The ARC has explicit authority to investigate any matter within its terms of reference. It has full access to Management and full discretion to invite any Director or executive officer to attend its meetings, and to be provided with reasonable resources to enable it to discharge its functions properly.

The key duties and functions of the ARC under its term of reference include the following:

- (a) Reviewing the audit plans and reports of the external auditors and internal auditors, and considering the effectiveness of actions taken by Management on the recommendations and observations;
- (b) Reviewing the assistance given by the Group's officers to the internal auditors and external auditors;
- (c) Reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) Determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- (e) Reviewing the assurance from the Acting Group Managing Director and the Chief Financial Officer on the financial records and financial statements;
- (f) Reviewing the assurance from the Acting Group Managing Director and the other Key Management Personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems;
- (g) Reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the Company's risk management and internal control systems and providing concurrence to the Board's comments on the adequacy and effectiveness of the same, including financial, operational, compliance and information technology controls. Where material weaknesses are identified by the ARC, to provide clear disclosures on the weaknesses and the steps taken to address them;

CORPORATE GOVERNANCE REPORT

- (h) Reviewing the Company's audited financial statements and the Group's consolidated financial statements before approval by the Board;
- (i) Approving the hiring, removal, evaluation and compensation of the Head of the Internal Audit function, or accounting/auditing firm or corporation if the internal audit function is outsourced. The ARC also ensure that internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company;
- (j) Making recommendations to the Board on (i) proposals to shareholders on the appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (k) In respect of the appointments and re-appointments of external auditors, evaluating the performance of external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority;
- (l) Reviewing annually the adequacy, effectiveness, independence, scope and results of the external audit and the internal audit functions;
- (m) Ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience;
- (n) Ensuring that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (o) Reviewing the investment / divestment transactions from an accounting, capital requirements and financing perspective;
- (p) Reviewing the interested persons transactions and related parties transactions;
- (q) Overseeing the design and implementation of the Company's sustainability policies and practices addressing material Environmental, Social and Governance factors material to the Company's business, including reviewing of the Company's disclosures in its sustainability reporting;
- (r) Undertaking such other functions and duties as may be delegated by the Board or required by statutes or the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time; and
- (s) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up pursuant to the Company's whistle-blowing policy.

The ARC met with the external auditors and internal auditors without the presence of Management for the FY2021 audit to discuss issues that they may have (including any suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations), which has or is likely to have a material impact on the Company and Group's operating results or financial position, and Management's response thereof.

The Acting Group Managing Director and the Chief Financial Officer were invited to be present at the ARC meetings to report and brief the ARC members on the financial and operating performance of the Group and to answer any queries from the ARC members on any aspect of the operations of the Group. The external auditors were also invited to be present at all ARC meetings held during the year to, *inter alia*, deliberate on accounting and auditing matters.

During FY2021, the ARC carried out the functions enumerated above and reviewed the annual audit plans of the external and internal auditors and the results and findings of the audits performed by them and the re-appointment of the external auditors and their remuneration.

The Board is of the view that given the size and range of activities within the Group, outsourcing of the internal audit function provides a broader range of capabilities and at a lower cost than would staffing the function internally. The internal audit function is outsourced to KPMG Services Pte Ltd ("IA") who reports directly to the ARC. The IA conducts independent reviews, assessment and follow-up procedures on the Group's financial, operational, compliance controls and risk management systems and the IA's findings and recommendations are presented

CORPORATE GOVERNANCE REPORT

to and reviewed by the ARC. The internal auditor reports primarily to the ARC and has unrestricted access to the documents, records, properties and personnel of the Company and the Group, including the ARC, and has appropriate standing within the Company.

The ARC is satisfied that the internal audit function is independent, effective and adequately staffed by suitably qualified and experienced professionals with the relevant experience. The IA is a member of the Institute of Internal Auditors (“IIA”) and has adopted the Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA.

The ARC is kept abreast by Management and the external auditors of changes to accounting standards, Listing Manual of the SGX-ST and other regulations that could have an impact on the Group’s business and financial statements.

In the review of the financial statements, the ARC has discussed with Management the accounting principles that were applied and their judgment that might affect the integrity of the financial statements. The following significant matter relating to the financial statements was discussed with Management and the external auditor and was reviewed by the ARC:

Significant matter	How the ARC reviewed the matter and what decisions were made
Valuation of investment properties	<p>The Group accounts for investment properties using the cost model.</p> <p>The ARC reviewed the performance of the investment properties and their respective valuations (external and Management’s valuations) of investment properties to consider whether there were any impairment indicators for the carrying value of the investment properties and the appropriateness of fair values of investment properties disclosed.</p> <p>The valuation of investment properties was also an area of focus for the external auditor. The external auditor had included this item as key audit matter in its audit report for FY2021. Refer to pages 50 to 51 of this annual report</p>

Following review and discussions, the ARC recommended the full year financial statements to the Board for its approval.

For the year in review, the ARC had reviewed the audit and non-audit services provided by external auditors and was satisfied that the independence and objectivity of the external auditor had not been compromised.

Service Category Fees	EY Singapore and other EY network firms S\$’000
Audit Services	196
Non-Audit Services	22
Total	218

The financial statements of the Company and significant subsidiaries and associated companies, except for one associated company, are audited by Ernst & Young LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority. The significant associated company is audited by Deloitte LLP, UK. The Group’s

CORPORATE GOVERNANCE REPORT

joint operations in the United Kingdom (“UK”) are audited by BDO LLP, UK who is also the Group’s tax advisors for the UK. The ARC and the Board are satisfied that the appointment of different auditors for the overseas joint operations and associated companies does not compromise the standard and effectiveness of the audit of the Company and does not increase overall costs to the Group. The Group’s overseas subsidiaries, joint ventures and associated companies whose contributions to the Group are not significant, are audited by other auditors. The Company has complied with Rule 712 and Rule 715 together with Rule 716 of the Listing Manual of the SGX-ST.

The Company has a whistle-blowing policy whereby staff of the Group and relevant external parties may, in confidence, raise concerns about possible irregularities in financial reporting or other matters. The policy defines the processes clearly to ensure independent investigation of such matters and permits whistle blowers the mechanism to raise concerns on possible improprieties without the fear of reprisals where reports or concerns of improprieties are made directly to the Company Secretary. All whistle blower complaints received by the Company Secretary were directed to the ARC for immediate investigation and reported at its half-yearly meetings.

The Company’s FY2021 Sustainability Report is expected to be issued and published on the Company’s website in May 2022.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company ensures that shareholders are given the opportunity to effectively participate and vote at all general meetings of shareholders. Each distinct issue is tabled for shareholders’ approval via separate resolutions at the general meetings. All resolutions are each put to vote by poll with the poll voting procedures being briefed to shareholders prior to voting, and the results of each resolution put to vote by poll are announced in the meeting and subsequently via SGXNet after the conclusion of the meeting. Minutes of general meetings are taken and are available to shareholders at the Company’s website.

Under the existing Constitution of the Company, a shareholder may vote in person or appoint not more than two proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, nominee company or custodian bank or a CPF agent bank may appoint more than two proxies to attend and vote. The Company’s Constitution provides for abstentia voting however voting in absentia by mail, electronic mail or facsimile has not been implemented due to concerns relating to issues of authentication of shareholder identity and other related security issues.

The Chairman of the Board, ARC, NC and RC, the Acting Group Managing Director and the external auditors are also present to assist the Directors in addressing any relevant queries by shareholders.

The Company had on 21 May 2021 published its minutes of Annual General Meeting held on 23 April 2021 and its summary of questions and answers on the Company’s website at www.hwahongcorp.com, as well as announced on the SGXNET.

The Company does not have a formal dividend policy. However, the Company has been consistent in its dividend pay-outs to shareholders. Any pay-outs are clearly communicated to shareholders in public announcements via

CORPORATE GOVERNANCE REPORT

SGXNet. The Board is cognizant of the requirement to provide reasons in support of its decision in the event it is not declaring or recommending a dividend. In determining the dividend pay-outs for a given year, the Board takes into account, *inter alia*, the Group's cashflow, balance sheet position, operating results, capital requirements and such other factors as the Board deems relevant.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company recognises that effective communication can highlight transparency and enhance accountability to its shareholders and investors and in FY2019, formalised its investor relations policy. The Company's corporate governance practices promote a fair and equitable treatment to all shareholders. The Company strives to disclose information on a timely basis to shareholders and ensure any disclosure of price sensitive information is not made to a selective group. To facilitate shareholders' ownership rights, Management ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet. All shareholders of the Company receive the full annual report with the notice of AGM. Recent annual reports of the Company are available on the Company's website at www.hwahongcorp.com. The notice of AGM to shareholders is issued at least fourteen days, or as required, before the scheduled AGM. The notice is also advertised in The Business Times and made available on the SGXNet. AGM and other general meetings of shareholders are the principal forum for dialogue and interaction with shareholders. During these meetings, shareholders are given the opportunity to air their views and ask Directors and/or Management questions regarding the Company and the Group. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducted poll voting for all resolutions tabled at general meetings.

Engagement with Shareholders and Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company actively engages with its stakeholders through various medium and channels to ensure that its business interests are aligned with those of our stakeholders. We have identified seven stakeholder groups through an assessment of their significance to the Company's operations. They are namely, customers, investors (equity shareholders), Board of Directors and Key Management Personnel, team members, suppliers (property management and professional service providers), regulators and industry associations.

The Company's strategy and key areas of focus in relation to the management of stakeholder relationship for FY2021 will be addressed under the Sustainability Report to be published annually on the Company's corporate website.

The stakeholders can communicate and engage with the Company at the Company's website at www.hwahongcorp.com.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

The Company has adopted an internal code on dealings in securities, which has been disseminated to all employees within the Group (the “Code”).

Directors and employees of the Company are regularly reminded not to deal (whether directly or indirectly) in the Company’s securities on short-term considerations and to be mindful of the law on insider trading as prescribed by the SFA.

The Code also makes clear that it is an offence to deal in the Company’s securities, while in possession of unpublished price-sensitive information and prohibits trading as well as in the period commencing one month before the announcement of the Company’s financial statements for its half year and full financial year.

Each of the above periods will end only upon the release of the announcement of the relevant results of the Company.

The Company has complied with its Code and has not dealt in its own securities during the dealing restricted periods.

INTERESTED PERSONS TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the ARC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Transactions entered into with interested persons during FY2021 were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hong Leong Investment Holdings Pte. Ltd. Group – Interest charged on shareholder loan to Hong Property Investment Pte Ltd	Associates	Nil*	Nil**

* Amount is less than \$100,000

** There is no subsisting shareholders’ mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST.

RISK MANAGEMENT AND CONTROL ENVIRONMENT

RISK MANAGEMENT

The main objective of risk management in Hwa Hong Group is to protect the Group against material losses that may result from taking on risks which are not managed, or for which it has not been adequately compensated. The Board determines acceptable levels of risk tolerance and policies. Its philosophy on risk management is that all identifiable, material risks should be analysed, understood, managed and monitored. Furthermore, risk management processes must be closely aligned to the Group's vision and strategy.

Since 2006, the Group has implemented a formalised Risk Management Framework for the identification, monitoring and reporting of risks. The Group evaluates its risk exposure whereby all identifiable, material risks are assigned risk exposure ratings based on the likelihood and consequences of each risk identified. The risk exposure rating determines the extent of risk exposures and the corresponding risk treatment required.

The Group believes that effective risk management is the responsibility of all directors and managers, with the Board of Directors providing general oversight. The ARC supports the Board in the oversight of the financial and other operational risks.

A sound system of internal control is essential, and in this regard, the responsibilities of managers are designed such that there is adequate segregation of duties so that there is a system of checks and balances in the key areas of operations.

The Group's financial risk management objectives and policies are discussed further in Note 36 to the financial statements.

RISK PROCESSES AND ACTIVITIES

During the year, Management carried out a review of the Group's Risk Journals to update and identify new risks that may adversely affect the Group's operations. Based on the reviews, the Board of Directors is not aware of any matter which suggests that key risks are not being satisfactorily managed.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Hwa Hong Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Mak Lye Mun	(Chairman)
Ong Eng Yaw	(Acting Group Managing Director)
Ong Mui Eng	
Ong Eng Loke	(Alternate Director to Mr Ong Mui Eng)
Ong Hian Eng	
Ong Eng Keong	(Alternate Director to Dr Ong Hian Eng)
Guan Meng Kuan	
Huang Yuan Chiang	
Tham Chee Soon	
Ong Eng Hui David	

Arrangements to enable directors to acquire shares and debentures

At an extraordinary general meeting of the Company held on 7 November 2003, shareholders of the Company approved, *inter alia*, a scrip dividend scheme known as Hwa Hong Corporation Limited Scrip Dividend Scheme (the "Scrip Dividend Scheme"), which, if applied, provides an opportunity for shareholders of the Company to make an election to receive dividends in the form of ordinary shares in the Company, instead of cash. Pursuant to the Scrip Dividend Scheme, directors who are also shareholders of the Company may elect to receive their dividend entitlements in the form of ordinary shares in the Company if the directors of the Company have determined that the Scrip Dividend Scheme is to apply to a particular dividend.

Except as disclosed aforesaid, 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 or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of Companies Act 1967, an interest in shares of the Company as stated below:

	Shares beneficially held by director		Shareholdings in which director is deemed to have an interest	
	At 1.1.2021/date of appointment	At 31.12.2021	At 1.1.2021/date of appointment	At 31.12.2021
Ong Eng Yaw	5,967,200	5,967,200	80,986,000	80,986,000
Ong Mui Eng	11,505,664	11,505,664	321,748	321,748
Ong Hian Eng	28,284,623	28,284,623	-	-
Guan Meng Kuan	1,034,860	1,034,860	-	-
Ong Eng Hui David	41,185,000	41,185,000	-	-

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

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

Share options

Hwa Hong Corporation Limited (2001) Share Option Scheme

At an Extraordinary General Meeting held on 29 May 2001, shareholders approved the Hwa Hong Corporation Limited (2001) Share Option Scheme (the "Scheme"). The Scheme will continue in operation for a maximum period of 10 years from 29 May 2001, unless otherwise extended and subject to relevant approvals. At the 58th Annual General Meeting held on 27 April 2011, shareholders approved the extension of the Scheme for another ten years to 28 May 2021. There was no further extension and the Scheme had lapsed on 28 May 2021.

The principal features of the Scheme had been set out in previous years' Directors' Reports.

The Scheme was administered by the Remuneration Committee, comprising the following directors who were ineligible for the Scheme:

Huang Yuan Chiang (Chairman)
Mak Lye Mun
Guan Meng Kuan

Since the commencement of the Scheme till 28 May 2021, no options had been granted to directors and employees of the Company and its subsidiaries.

DIRECTORS' STATEMENT

Audit and Risk Committee

The Audit and Risk Committee performed, *inter alia*, the functions specified in the Companies Act 1967. The functions performed are set out in the Corporate Governance Report.

The Audit and Risk Committee has nominated Ernst & Young LLP for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Material contracts involving the interests of Chief Executive Officer, each director or controlling shareholder

Since the end of the previous financial year, the Company and its subsidiaries did not enter into any material contracts involving the interests of the Chief Executive Officer, each director or controlling shareholder (as defined under the Listing Manual of the Singapore Exchange Securities Trading Limited) of the Company and no such material contracts subsist at the end of the financial year, except as disclosed in the accompanying notes and that Singapore Warehouse Company (Private) Ltd. ("SWC"), a wholly owned subsidiary, has entered into a property joint venture and related transactions with certain related corporations of Hong Leong Investment Holdings Pte. Ltd., a controlling shareholder of the Company. The joint venture is Hong Property Investments Pte Ltd in which SWC has an interest of 30%.

Auditor

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

On behalf of the board of directors:

Ong Eng Yaw
Director

Ong Mui Eng
Director

Singapore
1 March 2022

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Key Audit Matters (cont'd)

Valuation of investment properties

The Group's investment properties represent 50% of the Group's total assets as at 31 December 2021. These investment properties are accounted using the cost model. For purposes of assessing whether an investment property is impaired and/or its recoverable amount, management uses their fair value. The fair value of the investment properties is significant to our audit due to the judgmental nature of its determination and their consequential related disclosures. The fair value assessment is complex and highly dependent on a range of assumptions made by management as well as the external valuation experts engaged by management. The most significant judgements and estimates affecting the value of the properties are comparable market transactions, net rental income and rate of return which reflects the tenure and quality of the investments. There was an increase in the level of estimation uncertainty in determining the valuation of investment property arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

Amongst other audit procedures, we have considered the objectivity, independence and expertise of the external valuation experts. We discussed with the external valuation experts and management about the appropriateness of the valuation model and property related data, including key estimates used by them. In addition, we involved our internal real estate and valuation specialists to assist us in reviewing the appropriateness of the data used in the estimation process. We researched for market data to compare against the assumptions used in the valuation to assess whether the assumptions used are supported by observable market data. We assessed whether the valuation methodology and techniques used were complete, adequate and consistent with appraisal methodology given the nature of the investment properties. The related disclosures for investment properties are included in Note 15, Note 34 and Note 35.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Responsibilities of Management and Directors for the Financial Statements (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Tan Seng Choon.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
1 March 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2021

	Note	Group 2021 \$	Group 2020 \$
Revenue	4	10,123,691	10,310,652
Cost of sales	5	(4,402,980)	(4,278,257)
Changes in fair value of investment securities		(136,861)	5,225,328
		<hr/>	<hr/>
Gross profit		5,583,850	11,257,723
Other income	6	5,601,186	6,977,964
General and administrative costs	7	(5,834,932)	(6,483,864)
Foreign exchange loss		(111,902)	(161,179)
Other operating costs	8	(959,477)	(5,108,664)
Finance costs	9	(1,597,731)	(1,918,636)
Share of results of associates and joint ventures		2,757,484	505,384
		<hr/>	<hr/>
Profit before tax		5,438,478	5,068,728
Income tax credit/(expense)	10	348,231	(907,483)
		<hr/>	<hr/>
Profit for the year		5,786,709	4,161,245
		<hr/>	<hr/>
Attributable to:			
Owners of the Company		5,716,653	4,154,595
Non-controlling interests		70,056	6,650
		<hr/>	<hr/>
Profit for the year		5,786,709	4,161,245
		<hr/>	<hr/>
Earnings per share (cents):			
Basic and fully diluted	11	0.88	0.64
		<hr/>	<hr/>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Group	
	2021	2020
	\$	\$
Profit for the year	5,786,709	4,161,245
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Net change on equity instruments at fair value through other comprehensive income	(367,873)	(1,462,976)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	351,553	685,850
Reclassification adjustments for gains included in profit or loss relating to disposal of investment properties, which were previously revalued and purchased from an associate	(130,502)	(252,472)
Other comprehensive income for the year, net of tax	(146,822)	(1,029,598)
Total comprehensive income for the year	<u>5,639,887</u>	<u>3,131,647</u>
Attributable to:		
Owners of the Company	5,571,212	3,125,225
Non-controlling interests	68,675	6,422
Total comprehensive income for the year	<u>5,639,887</u>	<u>3,131,647</u>

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

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
Equity attributable to owners of the Company					
Share capital	12(a)	172,153,626	172,153,626	172,153,626	172,153,626
Treasury shares	12(b)	(260,086)	(260,086)	(260,086)	(260,086)
Reserves	13	14,229,581	15,184,980	10,888,019	10,804,763
		186,123,121	187,078,520	182,781,559	182,698,303
Non-controlling interests		53,843	(14,832)	-	-
Total equity		186,176,964	187,063,688	182,781,559	182,698,303
Non-current assets					
Property, plant and equipment	14	3,875,483	4,098,451	-	-
Investment properties	15	142,556,391	146,934,514	-	-
Investment in subsidiaries	16	-	-	172,367,836	173,826,668
Investment in associates	17	30,049,595	20,271,053	745,800	745,800
Investment in joint ventures	18	4,751,665	4,240,792	-	-
Investment securities	19	18,960,983	23,173,745	-	-
Other receivables and assets	20	4,699,719	16,079,461	-	-
		204,893,836	214,798,016	173,113,636	174,572,468
Current assets					
Trade receivables	21	822,016	457,046	-	-
Prepayments and deposits		160,558	149,295	27,667	40,553
Other receivables and assets	20	3,351,648	2,605,393	-	-
Amounts due from subsidiaries	16	-	-	10,247,000	5,069,000
Amounts due from associates	17	6,227,138	5,773,735	-	-
Investment securities	19	23,386,737	17,327,369	-	-
Cash and bank balances	22	42,229,617	44,678,777	331,875	3,997,545
		76,177,714	70,991,615	10,606,542	9,107,098
Investment property classified as held for sale	23	3,165,543	-	-	-
		79,343,257	70,991,615	10,606,542	9,107,098
Total assets		284,237,093	285,789,631	183,720,178	183,679,566

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

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
Current liabilities					
Bank overdraft	22,24	377,337	228,853	-	-
Trade payables	25	362,292	475,372	-	-
Other payables	26	3,486,105	3,862,150	379,878	376,119
Derivatives		-	46,420	-	-
Accrued operating expenses		2,428,682	2,195,928	193,274	244,295
Amounts due to associates	17	1,995,669	1,979,866	365,467	358,799
Bank loans (secured)	27	52,598,679	72,805,041	-	-
Income tax payable		1,889,077	2,353,861	-	2,050
		<u>63,137,841</u>	<u>83,947,491</u>	<u>938,619</u>	<u>981,263</u>
Net current assets/(liabilities)		16,205,416	(12,955,876)	9,667,923	8,125,835
Non-current liabilities					
Other payables	26	6,355,983	5,466,388	-	-
Bank loans (secured)	27	23,355,462	4,397,710	-	-
Deferred tax liabilities	28	5,210,843	4,914,354	-	-
		<u>34,922,288</u>	<u>14,778,452</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>98,060,129</u>	<u>98,725,943</u>	<u>938,619</u>	<u>981,263</u>
Net assets		<u>186,176,964</u>	<u>187,063,688</u>	<u>182,781,559</u>	<u>182,698,303</u>

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

2021 Group	Attributable to owners of the Company						Equity attributable to the owners of the Company, total	Non- controlling interests	Total equity									
	Share capital	Treasury shares	Revenue reserve	Capital reserve	Fair value reserve	Currency translation reserve												
	\$	\$	\$	\$	\$	\$	\$	\$	\$									
At 1 January	172,153,626	(260,086)	39,955,575	506,498	(3,140,741)	(22,136,352)	187,078,520	(14,832)	187,063,688									
Profit for the year	-	-	5,716,653	-	-	-	5,716,653	70,056	5,786,709									
Other comprehensive income																		
- Net change on equity instruments at fair value through other comprehensive income										-	-	-	-	(367,873)	-	(367,873)	-	(367,873)
- Foreign currency translation										-	-	-	-	-	352,934	352,934	(1,381)	351,553
- Reclassification adjustments for gains included in profit or loss relating to disposal of investment properties	-	-	-	(130,502)	-	-	(130,502)	-	(130,502)									
Other comprehensive income for the year, net of tax	-	-	-	(130,502)	(367,873)	352,934	(145,441)	(1,381)	(146,822)									
Total comprehensive income for the year	-	-	5,716,653	(130,502)	(367,873)	352,934	5,571,212	68,675	5,639,887									

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

2021 Group	Attributable to owners of the Company						Equity attributable to the owners of the Company, total	Non- controlling interests	Total equity
	Share capital	Treasury shares	Revenue reserve	Capital reserve	Fair value reserve	Currency translation reserve			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Distributions to owners</u>									
Dividends on ordinary shares (Note 29)	-	-	(6,526,611)	-	-	-	(6,526,611)	-	(6,526,611)
Total distributions to owners	-	-	(6,526,611)	-	-	-	(6,526,611)	-	(6,526,611)
Transfer of fair value reserves of investment securities at FVOCI upon disposal	-	-	1,050,386	-	(1,050,386)	-	-	-	-
At 31 December	172,153,626	(260,086)	40,196,003	375,996	(4,559,000)	(21,783,418)	186,123,121	53,843	186,176,964

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

2020 Group	Attributable to owners of the Company							Equity attributable to the owners of the Company, total	Non- controlling interests	Total equity								
	Share capital	Treasury shares	Revenue reserve	Capital reserve	Fair value reserve	Currency translation reserve												
	\$	\$	\$	\$	\$	\$	\$											
At 1 January	172,153,626	(260,086)	42,327,591	758,970	(1,677,765)	(22,822,430)	190,479,906	(21,254)	190,458,652									
Profit for the year	-	-	4,154,595	-	-	-	4,154,595	6,650	4,161,245									
Other comprehensive income	<div style="border: 1px solid black; padding: 5px;"> <ul style="list-style-type: none"> - Net change on equity instruments at fair value through other comprehensive income - Foreign currency translation - Reclassification adjustments for gains included in profit or loss relating to disposal of investment properties </div>																	
- Net change on equity instruments at fair value through other comprehensive income										-	-	-	-	(1,462,976)	-	(1,462,976)	-	(1,462,976)
- Foreign currency translation										-	-	-	-	-	686,078	686,078	(228)	685,850
- Reclassification adjustments for gains included in profit or loss relating to disposal of investment properties	-	-	-	(252,472)	-	-	(252,472)	-	(252,472)									
Other comprehensive income for the year, net of tax	-	-	-	(252,472)	(1,462,976)	686,078	(1,029,370)	(228)	(1,029,598)									
Total comprehensive income for the year	-	-	4,154,595	(252,472)	(1,462,976)	686,078	3,125,225	6,422	3,131,647									

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

2020 Group	Attributable to owners of the Company							Equity attributable to the owners of the Company, total	Non- controlling interests	Total equity
	Share capital	Treasury shares	Revenue reserve	Capital reserve	Fair value reserve	Currency translation reserve				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<u>Distributions to owners</u>										
Dividends on ordinary shares (Note 29)	-	-	(6,526,611)	-	-	-	(6,526,611)	-	(6,526,611)	
Total distributions to owners	-	-	(6,526,611)	-	-	-	(6,526,611)	-	(6,526,611)	
At 31 December	172,153,626	(260,086)	39,955,575	506,498	(3,140,741)	(22,136,352)	187,078,520	(14,832)	187,063,688	

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Company 2021	Share capital \$	Treasury shares \$	Revenue reserve \$	Total equity \$
At 1 January 2021	172,153,626	(260,086)	10,804,763	182,698,303
Profit for the year, representing total comprehensive income for the year	-	-	6,609,867	6,609,867
<u>Distributions to owners</u>				
Dividends on ordinary shares (Note 29)	-	-	(6,526,611)	(6,526,611)
Total distributions to owners	-	-	(6,526,611)	(6,526,611)
At 31 December 2021	<u>172,153,626</u>	<u>(260,086)</u>	<u>10,888,019</u>	<u>182,781,559</u>
2020				
At 1 January 2020	172,153,626	(260,086)	9,477,616	181,371,156
Profit for the year, representing total comprehensive income for the year	-	-	7,853,758	7,853,758
<u>Distributions to owners</u>				
Dividends on ordinary shares (Note 29)	-	-	(6,526,611)	(6,526,611)
Total distributions to owners	-	-	(6,526,611)	(6,526,611)
At 31 December 2020	<u>172,153,626</u>	<u>(260,086)</u>	<u>10,804,763</u>	<u>182,698,303</u>

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	Group 2021 \$	Group 2020 \$
Cash flows from operating activities			
Profit before tax		5,438,478	5,068,728
Adjustments for:			
Depreciation of property, plant and equipment	7	288,539	323,023
Dividend income from investment securities	4	(887,815)	(861,982)
Depreciation of investment properties	5	2,379,513	2,342,455
Changes in fair value of investment securities		136,861	(5,225,328)
Gain on disposal of joint venture	6	(763,381)	-
Gain on disposal of investment properties	6	(4,133,217)	(5,874,940)
Fair value (gain)/loss on derivative financial instruments	6,8	(47,840)	14,998
Impairment loss on trade receivables	8	959,477	-
Impairment loss on other receivables and assets	8	-	2,024,984
Impairment loss on investment properties	8	-	3,068,682
Interest expenses	9	1,597,731	1,918,636
Interest income	4,6	(198,162)	(529,218)
Share of results of associates and joint ventures		(2,757,484)	(505,384)
Others		(126,177)	(14,768)
		<hr/>	<hr/>
Operating cash flows before changes in working capital		1,886,523	1,749,886
(Increase)/decrease in receivables and current investment securities		(7,891,640)	6,470,034
(Decrease)/increase in payables		(405,471)	730,311
		<hr/>	<hr/>
Cash flows (used in)/from operations		(6,410,588)	8,950,231
Dividend income from investment securities	4	887,815	861,982
Interest received		58,686	403,805
Interest paid		(1,553,323)	(1,829,898)
Income tax paid		(131,865)	(93,299)
		<hr/>	<hr/>
Net cash flows (used in)/from operating activities		<u>(7,149,275)</u>	<u>8,292,821</u>

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	Group 2021 \$	2020 \$
Cash flows from investing activities			
Additions to investment properties		(1,631,363)	(1,262,292)
Increase in amounts due from associates		(313,927)	(480,352)
Dividends and distribution received from an associate		4,000,000	4,000,000
Decrease/(increase) in amounts due from joint ventures, net		11,351,139	(2,886,188)
Decrease in investment securities, net		3,914,613	623,518
Increase in investment in associates		(11,663,142)	(1,192,974)
Increase in investment in joint ventures		(524,249)	(1,029,019)
Proceeds from disposal of investment properties		5,802,537	9,024,292
Proceeds from disposal of joint venture		1,529,412	-
Purchase of property, plant and equipment	14	(64,827)	(156,418)
Net cash flows from investing activities		<u>12,400,193</u>	<u>6,640,567</u>
Cash flows from financing activities			
Dividends paid on ordinary shares	29	(6,526,611)	(6,526,611)
Proceeds from bank loans	27	6,608,617	4,058,612
Repayments of bank loans	27	(8,847,089)	(7,102,196)
(Increase)/decrease in pledged cash and bank balances		(266,974)	4,000,000
Increase/(decrease) in loan from non-controlling interest	27	905,878	(223,539)
Net cash flows used in financing activities		<u>(8,126,179)</u>	<u>(5,793,734)</u>
Net (decrease)/increase in cash and cash equivalents		(2,875,261)	9,139,654
Cash and cash equivalents at the beginning of the year		27,719,623	18,538,759
Effects of exchange rate changes on cash and cash equivalents		6,873	41,210
Cash and cash equivalents at the end of the year		<u>24,851,235</u>	<u>27,719,623</u>

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

For purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

		Group	
		2021	2020
		\$	\$
Cash and bank balances in the balance sheet	22	42,229,617	44,678,777
Less: fixed deposits, pledged	22	(15,557,420)	(15,286,676)
Less: bank overdraft	24	(377,337)	(228,853)
Less: restricted cash		(1,443,625)	(1,443,625)
		<u>24,851,235</u>	<u>27,719,623</u>
Cash and cash equivalents in the statement of cash flows			

The restricted cash relates to cash held on behalf of an associate.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. CORPORATE INFORMATION

Hwa Hong Corporation Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 38 South Bridge Road, Singapore 058672.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries, associates and joint ventures are disclosed below. The Group operates in Singapore and United Kingdom.

The subsidiaries, associates and joint ventures as at 31 December 2021 and 2020 are:

Name of company	Percentage of interest held		Place of incorporation	Cost of investment		Principal activities
	2021	2020		2021	2020	
	%	%		\$	\$	
(a) <i>Subsidiaries</i>						
Held by the Company						
Singapore Warehouse Company (Private) Ltd. ⁽¹⁾	100.0	100.0	Singapore	154,425,000	154,425,000	Owner of warehouse for rental and storage and investment holding.
Hwa Hong Edible Oil Industries Pte. Ltd. ⁽¹⁾	100.0	100.0	Singapore	27,740,002	27,740,002	Investment holding.
Paco Industries Pte. Ltd. ⁽¹⁾	100.0	100.0	Singapore	5,970,001	5,970,001	Provision of management services.
				<u>188,135,003</u>	<u>188,135,003</u>	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. CORPORATE INFORMATION (CONT'D)

Name of company	Percentage of interest held		Place of incorporation	Principal activities
	2021 %	2020 %		
(a) <i>Subsidiaries (cont'd)</i>				
Held by Singapore Warehouse Company (Private) Ltd.				
Thackeray Properties Limited ⁽²⁾	100.0	100.0	Hong Kong	Owner of investment properties for rental and development.
Pumbledon Limited ⁽²⁾	100.0	100.0	Hong Kong	Owner of investment properties for rental and development.
Global Trade Investment Management Pte Ltd ⁽¹⁾	100.0	100.0	Singapore	Leasing of residential and commercial properties, business management, consultancy and investment holding.
Vantagepro Investment Limited ⁽⁷⁾	100.0	100.0	British Virgin Islands	Investment holding.
Held by Global Trade Investment Management Pte Ltd				
253 JB Pte Ltd ⁽¹⁾	100.0	100.0	Singapore	Owner of investment properties for rental and development (properties under development)
Held by Hwa Hong Edible Oil Industries Pte. Ltd.				
Jining Ningfeng Chemical Industry Co., Limited ⁽⁶⁾	100.0	100.0	People's Republic of China	Dormant.
Held by Paco Industries Pte. Ltd.				
Jining Paco Chemical Industry Co., Ltd ⁽⁸⁾	100.0	100.0	People's Republic of China	Dormant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. CORPORATE INFORMATION (CONT'D)

Name of company	Percentage of interest held		Place of incorporation	Principal activities
	2021 %	2020 %		
Held by Vantagepro Investment Limited				
Capital Fitzalan Limited ⁽⁴⁾⁽⁹⁾⁽¹¹⁾	50.0	50.0	United Kingdom	Acting as nominee company for investment holding.
Capital Eagle Limited ⁽⁴⁾⁽⁹⁾	100.0	100.0	United Kingdom	Acting as nominee company for investment holding.
Garrett Property Holdings Ltd ⁽⁴⁾	71.39	71.39	United Kingdom	Investment holding.
(a) Subsidiaries (cont'd)				
Held by the Company				
Singamet Trading Pte. Ltd ⁽¹⁾	20.0	20.0	Singapore	Property investment.
Held by Singapore Warehouse Company (Private) Ltd.				
Clan Kilmuir (Jersey) Limited ⁽⁶⁾	50.0 ⁽¹⁰⁾	50.0 ⁽¹⁰⁾	Jersey	Property investment.
Riverwalk Promenade Pte Ltd ⁽³⁾	50.0	50.0	Singapore	Property development.
Hong Property Investments Pte Ltd ⁽³⁾	30.0	30.0	Singapore	Property investment.
Scotts Spazio Pte. Ltd. ⁽¹⁾	50.0	50.0	Singapore	Property investment.
Shorea Capital Pte. Ltd. ⁽¹⁾	50.0	50.0	Singapore	Real estate investment advisory services.
Shorea Capital London Office Fund LP ⁽¹⁾⁽¹²⁾ ("SCLOF")	37.86	-	Singapore	Private equity real estate fund.
(b) Associates				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. CORPORATE INFORMATION (CONT'D)

Name of company	Percentage of interest held		Place of incorporation	Principal activities
	2021 %	2020 %		
Held by Singapore Warehouse Company (Private) Ltd.				
Neo Pav E Investments LLP ⁽⁵⁾	50.0	50.0	United Kingdom	Owner of investment properties for rental and development.
Neo Bankside Retail LLP ⁽⁵⁾	50.0	50.0	United Kingdom	Owner of investment properties for rental and development.
Held by Vantagepro Investment Limited				
Loman Holdings Limited ⁽⁴⁾⁽¹³⁾	–	50.0	United Kingdom	Investment holding.

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by member firms of EY Global in their respective countries

⁽³⁾ Audited by KPMG LLP, Singapore

⁽⁴⁾ Audited by BDO Stoy Hayward LLP, London

⁽⁵⁾ Audited by Grant Thornton UK LLP

⁽⁶⁾ Audited by Deloitte LLP, UK

⁽⁷⁾ Not required to be audited in the country of incorporation/registration. The beneficial interests held in the UK by the Capital Group were audited by BDO Stoy Hayward LLP, London.

⁽⁸⁾ Not required to be audited as the company is dormant

⁽⁹⁾ Collectively known as Capital Group. The Capital Group are nominee companies which hold the Group's United Kingdom properties in trust for a subsidiary, under a joint arrangement with an external party in respect of the United Kingdom properties for which the assets, liabilities and results are accounted proportionately.

⁽¹⁰⁾ The Group has 50% equity interest in the company which confers 49.9% voting rights.

⁽¹¹⁾ Notwithstanding that the Group holds 50% of the equity interest in Capital Fitzalan, the Group has assessed that it has control over the nominee company on the basis that the remaining voting rights in the company are widely dispersed and that there is no indication that other shareholders exercise their votes collectively.

⁽¹²⁾ Incorporated during the financial year

⁽¹³⁾ During the financial year, the Group disposed of its interest in Loman Holdings Limited to a related company of SCLOF (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The financial statements are presented in Singapore Dollars (SGD or \$), unless otherwise stated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Standards issued but not yet effective

The Group has not adopted the following applicable standards which have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 16 on COVID-19 related rent concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment</i> — Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts</i> — Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS(I) 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 17	1 January 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.2 *Changes in accounting policies (cont'd)*

The management expects that the adoption of the above standards will have no material impact on the financial statements in the year of initial application.

2.3 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

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

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

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

(b) *Business combinations and goodwill*

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.3 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill (cont'd)*

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

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

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.4 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.5 Foreign currency

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.18. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

Freehold office property	-	50 years
Leasehold land and buildings	-	43 to 50 years
Furniture, motor vehicles, computers and other equipment	-	3 to 15 years

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.7 *Investment properties*

Investment properties are properties that are owned by the Group to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.7 *Investment properties (cont'd)*

Investment properties are subject to renovations or improvements at regular intervals. Its cost is recognised in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. Components that are replaced are derecognised and included in profit or loss. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line method over the investment properties' estimated useful lives of 50 years. Freehold land has an unlimited useful life and therefore the freehold land component of investment properties is not depreciated. Investment properties that are being constructed or developed for future use as investment properties are not depreciated as these assets are not yet available for use.

The carrying values of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered. The residual value, useful life and depreciation method are reviewed, and adjusted prospectively, if appropriate.

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

Gain on disposal of investment properties is recognised when the title deed of the property is transferred to the buyer.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss.

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

2.9 *Subsidiaries*

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

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

2.10 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.10 *Joint arrangements (cont'd)*

(a) *Joint operations*

The Group recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(b) *Joint ventures*

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.11.

2.11 *Joint ventures and associates*

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

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.11 *Joint ventures and associates (cont'd)*

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

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notwithstanding the above, as the Group is not itself an investment entity and where it has an interest in an associate or joint venture that is an investment entity, the Group may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

2.12 *Financial instruments*

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.12 Financial instruments (cont'd)

(a) Financial assets

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss

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

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

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

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.12 Financial instruments (cont'd)

(b) **Financial liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) **Offsetting of financial instruments**

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

2.13 Impairment of financial assets

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

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

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.13 *Impairment of financial assets (cont'd)*

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, fixed deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, these also include cash held on behalf of an associate and bank overdrafts that form an integral part of the Group's cash management.

2.15 *Non-current assets held for sale and discontinued operations*

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

In profit or loss of the current reporting period, and of the comparative period of the previous year, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in profit or loss.

Property, plant and equipment and investment properties once classified as held for sale are not depreciated or amortised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.16 Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

2.18 Borrowing costs

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

2.19 Employee benefits

(a) **Defined contribution plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) **Employee leave entitlement**

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

2.20 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.20 Leases (cont'd)

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.21 Financial guarantee

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

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

2.22 Revenue

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

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

The following specific recognition criteria must also be met before revenue is recognised:

(a) **Interest income**

Interest income is recognised using the effective interest method.

(b) **Dividend income**

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

(c) **Rental income**

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.23 *Net gain or loss on financial assets at fair value through profit or loss*

Net gains or losses on financial assets at FVPL are changes in the fair value of financial assets held for trading or designated upon initial recognition as at FVPL during the financial year or up to the trade date when they are derecognised.

2.24 *Taxes*

(a) **Current income tax**

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

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

(b) **Deferred tax**

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.24 Taxes (cont'd)

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

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

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

(c) **Sales tax**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Treasury shares

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

2.28 Contingencies

A contingent liability is:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.29 *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.30 *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of investment properties

The Group carries its investment properties at cost less accumulated depreciation and any accumulated impairment losses, with excess of carrying value over fair values being recognised as impairment in profit or loss. The Group has a policy to obtain external, independent valuations for its properties once every three years. Management's valuations are carried out annually.

In determining the recoverable value, the Group uses the fair value of the investment properties, which approximates the value in use, in assessing whether the properties may have been impaired. The valuations applied in the determination of the fair value of investment properties are disclosed and further explained in Note 15. Impairment loss on investment properties in the previous financial year was disclosed in Note 8. No impairment loss on investment properties was recorded in the current financial year. The carrying amount of investment properties as at 31 December 2021 was \$142,556,391 (2020: \$146,934,514).

As at 31 December 2021, the fair value of the investment properties at the end of the reporting period are disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. REVENUE

	Group	
	2021	2020
	\$	\$
Dividend income from investment securities	887,815	861,982
Rental income from investment properties	9,040,585	8,957,296
Interest income from:		
- Associates	139,476	125,413
- Deposits with financial institutions	55,815	365,961
	195,291	491,374
	<u>10,123,691</u>	<u>10,310,652</u>

5. COST OF SALES

Included in cost of sales are:

	Group	
	2021	2020
	\$	\$
Direct operating expenses arising from rental generating properties	(2,023,467)	(1,935,802)
Depreciation of investment properties	(2,379,513)	(2,342,455)
	<u>(4,402,980)</u>	<u>(4,278,257)</u>

6. OTHER INCOME

	Group	
	2021	2020
	\$	\$
Interest income from:		
- Deposits with financial institutions	2,871	37,844
Gain on disposal of investment properties	4,133,217	5,874,940
Other investment income	60,012	78,222
Rental income from an associated company	29,754	22,668
Management fee from an associated company	3,000	3,000
Reimbursement of expenses from an associated company	8,667	8,174
Government grants	92,760	708,097
Net dilapidation income	285,705	-
Fair value gain on derivative financial instruments	47,840	-
Gain on disposal of a joint venture	763,381	-
Sundry income	173,979	245,019
	<u>5,601,186</u>	<u>6,977,964</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. OTHER INCOME (CONT'D)

Other investment income

Other investment income relates to income received from redevelopment of a former post office (the "Site") by lessee of the Site (Note 31(c)).

Government grants

Government grants included an amount of \$88,091 (2020: \$231,964) relating to Jobs Support Scheme and \$2,500 (2020: \$Nil) relating to Jobs Growth Incentive. In the previous financial year, an amount of \$476,133 relating to grants was received under the Rental Relief Framework.

Net dilapidation income

Net dilapidation income relates to compensation received from a tenant to make good its repairing obligations at the end of its tenancy.

7. GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs include the following:

	Group	
	2021	2020
	\$	\$
Directors' fees		
- Directors of the Company	(342,333)	(317,588)
Directors' remuneration		
- Directors of the Company	(858,347)	(864,909)
- Other directors of subsidiaries	(1,019,189)	(807,917)
- CPF contributions	(49,958)	(53,281)
	(1,927,494)	(1,726,107)
Audit fees paid to:		
- Auditor of the Company	(196,200)	(191,000)
- Other auditors	(62,520)	(61,622)
	(258,720)	(252,622)
Non-audit fees paid to auditors of the Company	(22,326)	(36,158)
Consultancy fees paid to a Director	(24,000)	(24,000)
Depreciation of property, plant and equipment	(288,539)	(323,023)
Grant expense	(16,307)	(534,582)
Staff costs (including executive directors)	(3,349,824)	(3,323,926)
CPF contribution (including executive directors)	(162,556)	(171,471)
	(162,556)	(171,471)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

7. GENERAL AND ADMINISTRATIVE COSTS (CONT'D)

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The executive directors are considered key management personnel of the Group.

Grant expense relates to grants provided to tenants under the Rental Relief Framework.

8. OTHER OPERATING COSTS

	Group	
	2021	2020
	\$	\$
Fair value loss on derivative financial instruments	-	(14,998)
Impairment loss in other receivables and assets (Note 20)	-	(2,024,984)
Impairment loss in trade receivables (Note 21)	(959,477)	-
Impairment loss in investment properties (Note 15)	-	(3,068,682)
	(959,477)	(5,108,664)

9. FINANCE COSTS

	Group	
	2021	2020
	\$	\$
Interest expense on bank loans and overdrafts	(1,729,345)	(2,095,809)
Less: Interest expense capitalised in investment properties (Note 15)	131,614	177,173
Total finance costs	(1,597,731)	(1,918,636)

10. INCOME TAX CREDIT/(EXPENSE)

Major components of income tax credit/(expense)

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

	Group	
	2021	2020
	\$	\$
Consolidated income statement:		
Current income tax		
- Current income taxation	(409,534)	(1,094,531)
- Over provision (net) in respect of previous years	1,043,437	15,933
	633,903	(1,078,598)
Deferred income tax		
- Origination and reversal of temporary differences	(285,672)	171,115
Income tax credit/(expense) recognised in profit or loss	348,231	(907,483)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

Relationship between income tax credit/(expense) and accounting profit

A reconciliation of the applicable statutory tax rate to the Group's effective tax rate for the years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021	2020
	\$	\$
Accounting profit before tax	5,438,478	5,068,728
Domestic statutory tax rate	17.0	17.0
Adjustments:		
Non-deductible expenses	14.4	17.6
Income not subject to taxation	(9.8)	(3.1)
Over provision in respect of previous years	(19.2)	(0.3)
Deferred tax assets not recognised	0.2	-
Benefits from previously unrecognised tax losses	(0.5)	(16.6)
Effect of tax due to different jurisdiction	0.1	0.3
Effect of partial tax exemption and tax relief	(0.8)	(0.6)
Share of results of associates and joint ventures	(8.6)	(1.7)
Others	0.8	5.3
Effective tax rate	(6.4)	17.9

11. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year, attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the year. There are no dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2021	2020
	\$	\$
Profit for the year attributable to owners of the Company	5,716,653	4,154,595
Weighted average number of ordinary shares for basic and diluted earnings per share computation	652,661,100	652,661,100

The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. SHARE CAPITAL AND TREASURY SHARES

(a) *Share capital*

	Group and Company 2021 and 2020	
	No. of shares	\$
Issued and fully paid ordinary shares		
Balance at the beginning and end of the year	653,504,000	172,153,626

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(b) *Treasury shares*

	Group and Company			
	2021		2020	
	No. of shares	\$	No. of shares	\$
At 1 January and at 31 December	(842,900)	(260,086)	(842,900)	(260,086)

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

Share repurchase

At the Extraordinary General Meeting held on 7 November 2003, shareholders approved the grant of a general mandate to enable the Company to purchase or otherwise acquire its issued ordinary shares (the "Share Purchase Mandate"). The terms of the Share Purchase Mandate were set out in the Company's Circular to Shareholders dated 15 October 2003. The Share Purchase Mandate was renewed on 5 April 2021.

13. RESERVES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue reserve	40,196,003	39,955,575	10,888,019	10,804,763
Capital reserve	375,996	506,498	-	-
Fair value reserve	(4,559,000)	(3,140,741)	-	-
Currency translation reserve	(21,783,418)	(22,136,352)	-	-
	<u>14,229,581</u>	<u>15,184,980</u>	<u>10,888,019</u>	<u>10,804,763</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. RESERVES (CONT'D)

Capital reserve represents unrealised gain pertaining to certain properties purchased from an associate.

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets at FVOCI until they are disposed of or impaired.

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold office property \$	Leasehold land and buildings \$	Furniture, motor vehicles, computers and other equipment \$	Total \$
Cost				
At 1 January 2020	2,299,292	5,260,456	1,922,253	9,482,001
Additions	-	128,060	28,358	156,418
Disposals	-	-	(26,240)	(26,240)
Currency realignment	-	-	853	853
At 31 December 2020 and 1 January 2021	2,299,292	5,388,516	1,925,224	9,613,032
Additions	-	18,938	45,889	64,827
Disposals	-	-	(6,138)	(6,138)
Currency realignment	-	-	837	837
At 31 December 2021	2,299,292	5,407,454	1,965,812	9,672,558

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

Group	Freehold office property \$	Leasehold land and buildings \$	Furniture, motor vehicles, computers and other equipment \$	Total \$
Accumulated depreciation and impairment loss				
At 1 January 2020	873,732	2,847,494	1,496,329	5,217,555
Depreciation for the year	45,986	124,486	152,551	323,023
Disposals	-	-	(26,240)	(26,240)
Currency realignment	-	-	243	243
<hr/>				
At 31 December 2020 and 1 January 2021	919,718	2,971,980	1,622,883	5,514,581
Depreciation for the year	45,986	124,486	118,067	288,539
Disposals	-	-	(6,138)	(6,138)
Currency realignment	-	-	93	93
<hr/>				
At 31 December 2021	965,704	3,096,466	1,734,905	5,797,075
<hr/>				
Net carrying amount				
At 31 December 2020	1,379,574	2,416,536	302,341	4,098,451
<hr/>				
At 31 December 2021	1,333,588	2,310,988	230,907	3,875,483
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The Group's leasehold land and buildings with a carrying value of \$2,310,988 (2020: \$2,416,536) is mortgaged to secure its banking facilities including bank overdraft (Note 24).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. INVESTMENT PROPERTIES

Group	Freehold land \$	Buildings \$	Construction in-progress \$	Total \$
Cost				
At 1 January 2020	77,794,477	95,592,768	735,987	174,123,232
Additions (subsequent expenditure)	-	140,285	1,264,620	1,404,905
Disposal	(2,215,540)	(1,580,787)	-	(3,796,327)
Currency realignment	616,585	809,878	-	1,426,463
<hr/>				
At 31 December 2020 and 1 January 2021	76,195,522	94,962,144	2,000,607	173,158,273
Additions (subsequent expenditure)	-	971,049	710,617	1,681,666
Disposal	(1,113,736)	(1,003,528)	-	(2,117,264)
Currency realignment	606,990	784,065	-	1,391,055
Investment property classified as held for sale	(752,737)	(5,138,181)	-	(5,890,918)
<hr/>				
At 31 December 2021	74,936,039	90,575,549	2,711,224	168,222,812
<hr/>				
Accumulated depreciation and impairment loss				
At 1 January 2020	-	21,096,809	-	21,096,809
Depreciation for the year	-	2,342,455	-	2,342,455
Impairment	-	3,068,682	-	3,068,682
Disposal	-	(394,503)	-	(394,503)
Currency realignment	-	110,316	-	110,316
<hr/>				
At 31 December 2020 and 1 January 2021	-	26,223,759	-	26,223,759
Depreciation for the year	-	2,379,513	-	2,379,513
Disposal	-	(317,442)	-	(317,442)
Currency realignment	-	105,966	-	105,966
Investment property classified as held for sale	-	(2,725,375)	-	(2,725,375)
<hr/>				
At 31 December 2021	-	25,666,421	-	25,666,421
<hr/>				
Net carrying amount				
At 31 December 2020	76,195,522	68,738,385	2,000,607	146,934,514
<hr/>				
At 31 December 2021	74,936,039	64,909,128	2,711,224	142,556,391
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. INVESTMENT PROPERTIES (CONT'D)

	Group	
	2021	2020
	\$	\$
Rental income from investment properties	9,040,585	8,957,296
Direct operating expenses (including depreciation, repairs and maintenance) arising from rental generating properties	4,402,980	4,278,257

The investment properties held by the Group, which are all rental generating, are disclosed in Note 34. During the year, the Group made additions and alterations to its existing investment properties.

During the financial year, borrowing costs of \$131,614 (2020: \$177,173), arising from borrowings obtained specifically for the investment properties were capitalised under "Construction-in-progress". The rate used to determine the amount of borrowing costs eligible for capitalisation is 1.8% to 2.1% (2020: 1.8% to 3.5%) per annum which is the effective interest rate of the specific borrowing.

Valuation of the investment properties

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Valuation of investment properties is performed for disclosure purposes and impairment assessments. The Group has a policy to obtain external, independent valuations for its properties once every three years. Management's valuations are carried out annually.

Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

For valuations performed by external valuation experts, the Group reviews the appropriateness of the valuation methodologies and assumptions adopted. The Group also evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The Chief Financial Officer ("CFO") documents and reports its analysis and results of the valuation to the Audit and Risk Committee on a half yearly basis, in line with the Group's half yearly reporting dates.

During the year, valuations were performed by Savills Valuation and Professional Services (S) Pte Ltd and Savills (UK) Limited for three properties in Singapore and two properties in United Kingdom (2020: Savills Valuation and Professional Services (S) Pte Ltd, Savills (UK) Limited and Gerald Eve LLP). These independent valuers have recognised and relevant professional qualification with relevant experience in the location and category of the properties being valued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. INVESTMENT PROPERTIES (CONT'D)

Valuation of the investment properties (cont'd)

Valuation for the remaining properties was performed by the management as at year end, taking into consideration the advice of external valuation experts using recent transaction prices, investment method and residual method. In view of the decline in fair value for an investment property in the previous financial year, an impairment of \$3,068,682 (Note 8) was provided.

The valuation methods applied are further discussed in Note 35.

Properties pledged as security

Investment properties in Singapore amounting to \$3,403,957 (2020: \$4,958,741) are mortgaged and their rental income assigned to a bank to secure bank loans and banking facilities.

Another investment property in Singapore amounting to \$28,682,219 (2020: \$29,586,934) is mortgaged and its rental income is assigned to a bank to secure bank loans.

A third investment property in Singapore amounting to \$16,511,218 (2020: \$15,800,601) is mortgaged to a bank to secure bank loans.

An investment property in United Kingdom amounting to \$35,323,981 (2020: \$34,646,816) is mortgaged to secure bank loans.

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	\$	\$
Shares, at cost	188,135,003	188,135,003
Impairment losses		
Balance at 1 January	(14,308,335)	(19,110,150)
(Provision)/written back	(1,458,832)	4,801,815
Balance at 31 December	<u>(15,767,167)</u>	<u>(14,308,335)</u>
	<u>172,367,836</u>	<u>173,826,668</u>
Amounts due from subsidiaries	<u>10,247,000</u>	<u>5,069,000</u>

Amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

At the end of the reporting period, the Company has recognised impairment losses of \$1,458,832 (2020: written back impairment of \$4,801,815) for the investment in Hwa Hong Edible Oil Industries Pte Ltd (“HHEO”) as there was a decrease (2020: increase) in the recoverable amount of this subsidiary. The recoverable amount has been determined based on fair value less costs to sell of the underlying assets of the subsidiary, which largely comprises quoted equity securities. In the current year, there was a decrease (2020: increase) in the quoted prices of its equity securities which has led to the provision of impairment loss.

17. INVESTMENT IN ASSOCIATES

The Group’s and the Company’s material investments in associates are summarised below:

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Scotts Spazio Pte. Ltd.	1,027,244	3,326,552	-	-
Hong Property Investments Pte Ltd	8,482,985	8,300,594	-	-
Clan Kilmuir (Jersey) Limited	7,723,841	7,836,779	-	-
Shorea Capital London Office Fund LP	12,018,574	-	-	-
Other associates	796,951	807,128	800,000	800,000
	30,049,595	20,271,053	800,000	800,000
Less: Impairment losses	-	-	(54,200)	(54,200)
	30,049,595	20,271,053	745,800	745,800

Aggregate information about the Group’s investment in associates that are not individually material is as follows:

	Group	
	2021 \$	2020 \$
Loss after tax, representing total comprehensive income	(10,186)	(112,773)

The Group has not recognised losses relating to Shorea Capital Pte. Ltd. where its share of losses exceeds the Group’s interest in this associate. The Group’s share of unrecognised losses at the end of the reporting period was \$1,602,884 (2020: \$792,987), of which \$809,897 (2020: \$792,987) was the share of the current year’s losses. The Group has no obligation in respect of these losses.

On 6 April 2021, the Group entered into a subscription agreement and committed to invest GBP15 million in Shorea Capital London Office Fund LP (“SCLOF”), a limited partnership established under the laws of Singapore. The general partner of SCLOF is Shorea Capital London Office Fund GP Pte. Ltd. (“SCLOF GP”), a private company with limited liability incorporated under the laws of Singapore. SCLOF GP is a wholly-owned subsidiary of Shorea Capital Pte Ltd, a company in which the Group has a 50% interest in. As such, SCLOF has been accounted for as an associate of the Group. As SCLOF is an investment entity, the Group elected to retain the fair value measurement used by the associate in accounting for its investment in the associated company’s results.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information in respect of Scotts Spazio Pte. Ltd., Hong Property Investments Pte. Ltd., Clan Kilmuir (Jersey) Limited and SCLOF, based on their SFRS/IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised balance sheet

	Scotts Spazio Pte. Ltd.		Hong Property Investments Pte Ltd		Clan Kilmuir (Jersey) Limited		Shorea Capital London Office Fund LP	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Completed properties for sale	-	-	42,096,000	42,096,000	-	-	-	-
Other current assets	2,594,821	3,557,858	1,292,612	542,200	31,238	65,118	486,743	-
Investment property	4,204,622	8,863,482	-	-	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	-	31,483,117	-
Investment in an associated company	-	-	-	-	29,374,330	29,750,806	-	-
Other non-current assets	2,759	208,023	950	5,044	-	-	-	-
Total assets	6,802,202	12,629,363	43,389,562	42,643,244	29,405,568	29,815,924	31,969,860	-
Current liabilities	1,825,529	3,062,889	607,747	756,386	19,473	12,184	225,080	-
Shareholder loans	-	-	14,505,197	14,218,211	-	-	-	-
Other non-current liabilities	2,922,186	2,913,371	-	-	-	-	-	-
Total liabilities	4,747,715	5,976,260	15,112,944	14,974,597	19,473	12,184	225,080	-
Net assets	2,054,487	6,653,103	28,276,618	27,668,647	29,386,095	29,803,740	31,744,780	-
Proportion of the Group's ownership	50%	50%	30%	30%	50%	50%	37.86%	-%
Group's share of net assets	1,027,244	3,326,552	8,482,986	8,300,594	14,693,047	14,901,870	12,018,574	-
Other adjustments ⁽¹⁾	-	-	-	-	(6,969,206)	(7,065,091)	-	-
Carrying amount of the investment, representing Group's share of net assets	1,027,244	3,326,552	8,482,986	8,300,594	7,723,841	7,836,779	12,018,574	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised statement of comprehensive income in respect of Scotts Spazio Pte. Ltd., Hong Property Investments Pte. Ltd., Clan Kilmuir (Jersey) Limited and SCLOF, based on their SFRS/IFRS financial statements, before accounting for the group's share of the results in the associates are as follows:

Summarised statement of comprehensive income

	Scotts Spazio Pte. Ltd.		Hong Property Investments Pte Ltd		Clan Kilmuir (Jersey) Limited		Shorea Capital London Office Fund LP	
	2021	2020	2021	2020	2021	2020	6 April 2021 to 31 December 2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	12,043,065	12,041,693	-	-	-	-	4,886,611	-
Profit/(loss) after tax, representing total comprehensive income before adjustments	3,401,384	3,466,396	607,971	608,775	(2,441,973)	(815,594)	4,035,863	-
Other adjustments ⁽¹⁾	-	-	-	-	368,393	(1,156,973)	-	-
Profit/(loss) after tax, representing total comprehensive income	3,401,384	3,466,396	607,971	608,775	(2,073,580)	(1,972,567)	4,035,863	-

There was no revenue recognised by Hong Property Investments Pte Ltd in both financial years as there was no sale of property units. Profit from Hong Property Investments Pte Ltd came from other income as there were rental income received from the property units.

⁽¹⁾ Other adjustments mainly relate to adjustments made to the carrying value of the associate's investment property and reversal of deferred taxation in order to align their accounting treatment with the accounting policy of the Group on a 100% basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. INVESTMENT IN ASSOCIATES (CONT'D)

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Amounts due from associates:				
- Loan 1	4,351,559	4,265,463	-	-
- Loan 2	1,875,579	1,508,272	-	-
	<u>6,227,138</u>	<u>5,773,735</u>	-	-
Amount due within one year	6,227,138	5,773,735	-	-
	<u>6,227,138</u>	<u>5,773,735</u>	-	-
Amounts due to associates:				
Amounts due within one year	<u>(1,995,669)</u>	<u>(1,979,866)</u>	<u>(365,467)</u>	<u>(358,799)</u>

Included in amounts due to associates is an amount of \$365,467 (2020: \$358,799) denominated in United States Dollar.

Loan 1 is due from an associate which is related to Hong Leong Investment Holdings Pte. Ltd., a substantial shareholder of the Company. The amount is unsecured, repayable upon demand, bears interest at 2% (2020: 2%) per annum and is to be settled in cash.

Loan 2 is unsecured, bears interest at 2.8% (2020: 2.8%) per annum. Included in amount due from the associate is an amount of \$969,753 (2020: \$926,424) denominated in United States Dollar. Subsequent to year end, the loan has been capitalised as cost of investment in the associate.

Amounts due to associates are non-trade related, unsecured, non-interest bearing, repayable on demand and to be settled in cash. Included in amounts due to associates is an amount of \$1,443,625 (2020: \$1,443,625) being cash held on behalf of an associate.

18. INVESTMENT IN JOINT VENTURES

The Group's investment in joint ventures is summarised below:

	Group	
	2021	2020
	\$	\$
Neo Pav E Investments LLP	2,796,172	2,332,544
Neo Bankside Retail LLP	1,955,493	1,908,248
Loman Holdings Ltd	-	-
	<u>4,751,665</u>	<u>4,240,792</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. INVESTMENT IN JOINT VENTURES (CONT'D)

The Group has a 50% (2020: 50%) interest in the ownership and voting rights in two limited liability partnership joint ventures, Neo Pav E Investments LLP and Neo Bankside Retail LLP that are held through a subsidiary. The Group jointly controls the ventures with the other partner under the contractual agreement which requires unanimous consent for all major decisions over the relevant activities.

In the previous financial year, the Group had a 50% interest in Loman Holdings Ltd and had joint control over the entity under the shareholders' agreement as it had the ability to prevent the other partners from making unilateral decisions without the Group's consent. During the year, the Group disposed of the interest in Loman Holdings Ltd to a related company in SCLOF.

In the previous financial year, the Group had not recognised losses relating to Loman Holdings Ltd where its share of losses exceeds the Group's interest in this joint venture. The Group's share of unrecognised losses at the end of the previous financial year was \$594,692 of which \$432,668 was the share of the previous financial year's losses. The Group had no obligation in respect of these losses.

Summarised financial information in respect of Loman Holdings Limited, Neo Pav E Investments LLP and Neo Bankside Retail LLP based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Neo Bankside Retail LLP		Neo Pav E Investments LLP		Loman Holdings Limited	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Cash and cash equivalents	1,147,026	595,190	272,132	36,946	-	219,391
Prepayments	-	-	-	89,602	-	-
Other current assets	277,829	240,023	489,757	244,220	-	3,248,011
Total current assets	1,424,855	835,213	761,889	370,768	-	3,467,402
Investment property	17,608,264	18,185,998	17,544,436	16,117,321	-	33,441,469
Total assets	19,033,119	19,021,211	18,306,325	16,488,089	-	36,908,871
Current liabilities	503,526	349,508	367,721	518,547	-	759,501
Long-term borrowing	14,618,608	14,505,714	9,089,216	7,218,561	-	14,473,812
Shareholders' loan	-	-	-	-	-	22,028,422
Total non-current liabilities	14,618,608	14,505,714	9,089,216	7,218,561	-	36,502,234
Total liabilities	15,122,134	14,855,222	9,456,937	7,737,108	-	37,261,735

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. INVESTMENT IN JOINT VENTURES (CONT'D)

Summarised balance sheet (cont'd)

	Neo Bankside Retail LLP		Neo Pav E Investments LLP		Loman Holdings Limited	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Net assets/(liabilities)	3,910,985	4,165,989	8,849,388	8,750,981	-	(352,864)
Proportion of the Group's ownership	50%	50%	50%	50%	-	50%
Group's share of net assets	1,955,493	2,082,995	4,424,694	4,375,491	-	(176,432)
Other adjustments ⁽¹⁾	-	(174,747)	(1,628,522)	(2,042,947)	-	176,432
Carrying amount of the investment	1,955,493	1,908,248	2,796,172	2,332,544	-	-

The summarised statement of comprehensive income in respect of Neo Bankside Retail LLP, Neo Pav E Investments LLP and Loman Holdings Limited based on their IFRS financial statements, before accounting for the group's share of the results in the joint ventures are as follows:

Summarised statement of comprehensive income

	Neo Bankside Retail LLP		Neo Pav E Investments LLP		Loman Holdings Limited	
	2021 \$	2020 \$	2021 \$	2020 \$	1 January 2021 to 1 November 2021 \$	2020 \$
Revenue	772,238	354,351	903,041	638,895	448,085	-
Other income	206	1,494	-	-	106,367	4,285
Operating expenses	(250,502)	(162,972)	(183,801)	(1,430,084)	(1,051,468)	(389,466)
Interest expense	(308,953)	(324,382)	(309,577)	(234,188)	-	-
	212,989	(131,509)	409,663	(1,025,377)	(497,016)	(385,181)
Other adjustments ⁽¹⁾	(470,755)	(211,023)	(295,157)	745,131	497,016	385,181
(Loss)/profit after tax, representing total comprehensive income	(257,766)	(342,532)	114,506	(280,246)	-	-

⁽¹⁾ Other adjustments mainly relate to adjustments made to the carrying values of the joint ventures' investment properties in order to align their accounting treatment with the accounting policies of the Group on a 100% basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. INVESTMENT SECURITIES

	Group	
	2021	2020
	\$	\$
Current		
<i>At fair value through profit or loss</i>		
- Equity securities (quoted)	20,409,054	16,032,744
- Debt instruments (unquoted)	1,977,683	1,294,625
- Debt instruments (quoted)	1,000,000	-
	23,386,737	17,327,369
Non-current		
<i>At fair value through other comprehensive income</i>		
- Equity securities (quoted)	3,092,892	5,596,809
- Equity securities (unquoted)	11,762,830	13,270,033
- Non-equity securities (quoted)	4,105,261	4,306,903
	18,960,983	23,173,745

Included in the quoted non-equity investments, unquoted equity securities, quoted equity securities and unquoted debt instruments are amounts of \$10,436,276 (2020: \$11,200,707), \$7,176,302 (2020: \$7,049,848), \$4,468,259 (2020: \$7,399,300) and \$11,282,483 (2020: \$467,543) denominated in Sterling Pound, United States Dollar, Korean Won and Hong Kong Dollars, respectively.

The Group's investment in quoted non-equity securities relates to its investment in quoted preference shares.

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	2021	2020
	\$	\$
MTQ Corporation Ltd	2,960,892	2,546,367
Pan Hong Holdings Group Ltd	132,000	115,200
Singapore Reinsurance Corporation Limited ("Singapore Reinsurance")	-	2,935,242
DCG Asia Value Fund (Cayman) ("DCG Fund")	-	257,607
Value Monetization III Ltd (BVI) ("VML")	1,861,480	1,612,674
Majuven Fund 1 Ltd ("Majuven Fund")	233,196	363,400
Accion Asia Growth Fund (Cayman) ("Accion Fund")	253,818	249,412
Gaw NP Capital Vietnam Fund 1 LP (Cayman) ("Gaw Fund")	3,083,321	3,893,137
GOGC Allen House, LP (Cayman)	6,331,015	6,893,803
	14,855,722	18,866,842

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. INVESTMENT SECURITIES (CONT'D)

During the financial year, the Group disposed all its investment in quoted shares of Singapore Reinsurance of \$3,517,315 as part of a voluntary conditional cash offer made to investors. The Group also redeemed its investment in DCG Fund of \$298,185. The cumulative gain arising from derecognition of these equity instruments of \$1,050,386 was transferred from fair value reserve to revenue reserve.

During the financial year, the Group received returns of capital of \$109,113 from Majuven Fund (2020: \$608,176 and \$15,342 from VML and Accion Fund).

The Group recognised a dividend of \$12,000 and \$59,218 from Pan Hong Holdings Group Ltd and MTQ Corporation Ltd during the year (2020: \$12,000, \$114,424 and \$118,436 from Pan Hong Holdings Group Ltd, Singapore Reinsurance and MTQ Corporation Ltd respectively).

20. OTHER RECEIVABLES AND ASSETS

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Current				
Sundry receivables	208,214	337,016	-	-
Dividend receivable	117,244	59,534	-	-
Interest receivable	17,480	6,752	-	-
Deposits receivable	655,551	790,190	-	-
Deferred rental receivable	310,829	215,075	-	-
Amounts due from property manager	2,042,330	1,196,826	-	-
	<u>3,351,648</u>	<u>2,605,393</u>	-	-
Non-current				
Amounts receivable from joint venture	-	11,014,211	-	-
Deferred rental receivable	4,699,719	5,065,250	-	-
	<u>4,699,719</u>	<u>16,079,461</u>	-	-
Total other receivables and assets	<u>8,051,367</u>	<u>18,684,854</u>	-	-

Amounts due from property manager of \$2,042,330 (2020: \$1,196,826), deposits receivable of \$654,931 (2020: \$781,570) and the non-current amounts receivable from joint venture of \$11,014,211 in the previous financial year are denominated in Sterling Pound.

Deposits receivable

The amount pertains to tenants' deposits receivable from agents and is repayable on demand.

Non-current amounts receivable from joint venture

The amount receivable from joint venture of \$11,014,211 was non-interest bearing, unsecured, non-trade related. This amount was repaid during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20. OTHER RECEIVABLES AND ASSETS (CONT'D)

Deferred rental receivable

Deferred rental receivable relates to lease income that remains to be amortised over the lease term on a straight-line basis. The amount is mainly contributed by rental income from a Singapore investment property, for which a subsidiary has entered into a 15-year commercial property lease and granted the lessee a 7-month rent free period.

Expected credit losses

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

	Group	
	2021	2020
	\$	\$
Other receivables and assets, nominal amounts	166,817	166,817
Allowance for expected credit loss	(166,817)	(166,817)
	<u>-</u>	<u>-</u>
 Movement of allowance for expected credit loss		
	\$	\$
At 1 January	166,817	-
Allowance for expected credit loss	-	(2,024,984)
Written off	-	1,858,167
	<u>166,817</u>	<u>166,817</u>
At 31 December	<u>166,817</u>	<u>166,817</u>

In the previous financial year, the Group had written off an amount of expected credit loss of \$1,858,167 on the deferred rental receivables of a tenant in London. The tenant had gone into administration during the period due, inter alia, to the current COVID-19 pandemic and the government imposed lockdown in the UK.

21. TRADE RECEIVABLES

	Group	
	2021	2020
	\$	\$
Trade receivables	1,027,143	457,046
Allowance for expected credit loss	(205,127)	-
	<u>822,016</u>	<u>457,046</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. TRADE RECEIVABLES (CONT'D)

Expected credit losses

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

	Group	
	2021	2020
	\$	\$
Trade receivables, nominal amounts	205,127	-
Allowance for expected credit loss	(205,127)	-
	<u>-</u>	<u>-</u>
 Movement of allowance for expected credit loss		
	\$	\$
At 1 January	-	-
Allowance for expected credit loss (Note 8)	959,477	-
Written off	(750,819)	-
Exchange differences	(3,531)	-
	<u>205,127</u>	<u>-</u>
At 31 December	<u>205,127</u>	<u>-</u>

At the end of the reporting period, the Group determined an amount of \$205,127 (2020: \$Nil) to be impaired following an assessment to determine collectability of the debt.

22. CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Fixed deposits	17,677,420	25,406,677	-	3,500,000
Cash at bank and on hand	24,552,197	19,272,100	331,875	497,545
			<u>331,875</u>	<u>3,997,545</u>
Cash and bank balances in the statement of financial position	42,229,617	44,678,777	<u>331,875</u>	<u>3,997,545</u>
Fixed deposits pledged for banking facilities	(15,557,420)	(15,286,676)		
Bank overdrafts	(377,337)	(228,853)		
Restricted cash (Note 17)	(1,443,625)	(1,443,625)		
	<u>24,851,235</u>	<u>27,719,623</u>		
Cash and cash equivalents in the statement of cash flows	<u>24,851,235</u>	<u>27,719,623</u>		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. CASH AND BANK BALANCES (CONT'D)

Fixed deposits are made for varying periods of between one month and six months, depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective fixed deposit rates. The effective interest rates at 31 December 2021 were in the range of 0.04% to 0.23% (2020: 0.05% to 1.97%) per annum.

Cash and bank balances denominated in foreign currencies as at reporting date are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Hong Kong Dollars	33,393	3,827	-	-
Sterling Pound	364,363	170,333	-	-
Singapore Dollars	44,267	46,691	-	-
United States Dollars	1,741,530	6,820,200	-	-

23. INVESTMENT PROPERTY CLASSIFIED AS HELD FOR SALE

On 13 December 2021, the Group entered into an agreement with a third party to dispose of its investment property at 58 Queensgate London for a consideration of GBP10,750,000.

The net carrying amount of the property reclassified to investment property held for sale is as follows:

	Group	
	2021	2020
	\$	\$
Investment property (Note 15)	3,165,543	-

The reportable segment in which the investment property classified as held for sale is presented under segment assets – rental.

The sale was completed on 28 January 2022.

24. BANK OVERDRAFT

The bank overdraft is denominated in SGD, bears interest at 5% p.a (2020: 5% p.a). and is secured by the leasehold building and assignment of tenancy agreement in respect of the property (Note 14).

25. TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26. OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Current				
Tenancy deposits	1,905,775	1,958,379	-	-
Unclaimed dividends	346,076	343,227	346,076	343,227
Deferred income	338,371	667,716	-	-
Deferred grant income	-	25,774	-	-
Construction related costs payable	64,670	61,420	-	-
Rental received in advance	382	3,764	-	-
Retention payable	64,123	40,597	-	-
Sundry payables	766,708	761,273	33,802	32,892
	<u>3,486,105</u>	<u>3,862,150</u>	<u>379,878</u>	<u>376,119</u>
Non-current				
Tenancy deposits	397,396	486,825	-	-
Loan from non-controlling interest	5,894,464	4,938,967	-	-
Retention payable	64,123	40,596	-	-
	<u>6,355,983</u>	<u>5,466,388</u>	<u>-</u>	<u>-</u>

Sundry payables are non-interest bearing and have an average term of 60 days.

Loan from non-controlling interest

Loan from non-controlling interest is denominated in Sterling Pound. The amount is unsecured, non-interest bearing, and not repayable within the next 12 months.

Other payables denominated in foreign currencies as at 31 December are as follows:

	Group	
	2021	2020
	\$	\$
Chinese Renminbi	<u>259,290</u>	<u>246,596</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. BANK LOANS (SECURED)

	Group	
	2021	2020
	\$	\$
Current		
- Short-term Singapore Dollar bank loan	500,000	1,000,000
- Short-term Sterling Pound bank loans	52,098,679	71,805,041
	<u>52,598,679</u>	<u>72,805,041</u>
Non-current		
- Long-term Singapore Dollar bank loan	5,202,612	4,397,710
- Long-term Sterling Pound bank loan	18,152,850	-
	<u>23,355,462</u>	<u>4,397,710</u>
Total bank loans	<u>75,954,141</u>	<u>77,202,751</u>

Short-term Singapore Dollar bank loan comprises of a revolving loan of \$500,000 (2020: \$1,000,000) which is secured by a legal charge over a subsidiary's investment property, assignment of tenancy agreements in the investment property and a corporate guarantee from another subsidiary. The loan bears interest at bank's cost of funds rate plus 1.4% (2020: 1.4%) per annum.

Short-term Sterling Pound bank loans comprise of:

- (a) A revolving loan of \$31,767,487 (2020: \$28,488,412) was granted to a subsidiary. The loan is secured by a legal charge over the subsidiary's investment property and assignment of tenancy agreement in respect of the property. The loan bears interest at bank's offer rate plus 1.4% (2020: 1.4%) per annum.
- (b) A revolving loan of \$20,331,192 (2020: \$25,442,480) granted by another bank to the same subsidiary as in (a) above. The loan is secured by a corporate guarantee from the holding company and a legal charge of \$15,000,000 (2020: \$15,000,000) over the subsidiary's fixed deposits. The loan bears interest at bank's costs of funds rate plus 1.1% - 1.7% (2020: 1.1% - 1.7%) per annum.
- (c) In the previous financial year, short-term Sterling Pound bank loans comprises of a bank loan of \$17,874,149 granted to a subsidiary. With the refinancing exercise carried out in the current financial year, the loan of \$18,152,850 was extended and reclassified to long-term bank loan. The loan is secured by a legal charge over the subsidiary's investment property, a pledged deposit of \$557,420 (2020: \$286,676), assignment of tenancy agreement and rental income and a corporate guarantee from another subsidiary. The loan bears interest at LIBOR rate plus 2.3% (2020: 2.3%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. BANK LOANS (SECURED) (CONT'D)

Long-term Singapore Dollar bank loan comprises a revolving credit facility which is secured by a legal charge over the investment properties, assignment of construction contracts, performance bonds in respect to the development of the investment properties and a corporate guarantee from one of the subsidiary companies. The loan bears interest at bank's swap rate plus 1.6% (2020: 1.6%) per annum.

Under the terms and conditions of the respective loans, these subsidiaries are prohibited from lifting the fixed deposits or subjecting them to further charges without furnishing a replacement security of similar value.

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

2021	At 1 January \$	Proceeds \$	Repayments \$	Non-cash changes			At 31 December \$
				Foreign exchange movement \$	Reclassification \$	Other \$	
Bank loans							
- Current	72,805,041	5,803,715	(8,847,089)	945,455	(18,152,850)	44,407	52,598,679
- Non-current	4,397,710	804,902	-	-	18,152,850	-	23,355,462
	77,202,751	6,608,617	(8,847,089)	945,455	-	44,407	75,954,141
Loan from non- controlling interest (Note 26)	4,938,967	905,878	-	49,619	-	-	5,894,464
Total	82,141,718	7,514,495	(8,847,089)	995,074	-	44,407	81,848,605

2020	At 1 January \$	Proceeds \$	Repayments \$	Non-cash changes			At 31 December \$
				Foreign exchange movement \$	Reclassification \$	Other \$	
Bank loans							
- Current	61,310,587	-	(7,102,196)	961,403	17,546,509	88,738	72,805,041
- Non-current	17,885,607	4,058,612	-	-	(17,546,509)	-	4,397,710
	79,196,194	4,058,612	(7,102,196)	961,403	-	88,738	77,202,751
Loan from non- controlling interest (Note 26)	5,095,373	-	(223,539)	67,133	-	-	4,938,967
Total	84,291,567	4,058,612	(7,325,735)	1,028,536	-	88,738	82,141,718

The 'Other' column relates to amortisation of capitalised finance costs using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28. DEFERRED TAX LIABILITIES

Group	Group			
	Consolidated balance sheet		Consolidated income statement	
	2021	2020	2021	2020
	\$	\$	\$	\$
<i>Deferred tax liabilities</i>				
Remeasurement gain ⁽¹⁾	(833,466)	(822,649)	-	(416,661)
Differences in depreciation and capital allowances	(1,028,498)	(1,132,295)	(103,797)	(107,042)
Accrued interest income	(3,348,879)	(2,959,410)	389,469	365,542
Exchange differences	-	-	-	(12,954)
	<u>(5,210,843)</u>	<u>(4,914,354)</u>		
Net deferred tax liabilities	(5,210,843)	(4,914,354)		
Deferred tax expense/(credit)			<u>285,672</u>	<u>(171,115)</u>

⁽¹⁾ The movement in deferred tax on remeasurement gain relates to movement in currency translation differences.

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately \$9,224,000 (2020: \$9,397,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unrecognised deferred tax liabilities

The temporary differences associated with investments in the Group's subsidiaries and joint ventures, for which a deferred tax liability has not been recognised in the periods presented, aggregate to approximately \$22,467,000 (2020: \$24,571,000). The Group has determined that the undistributed profits of its subsidiaries or joint venture will not be distributed in the foreseeable future.

Tax consequences of proposed dividends

There are no income tax consequences (2020: \$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

29. DIVIDENDS

	Group	
	2021	2020
	\$	\$
In respect of financial year ended 31 December 2019:		
- Final exempt (one-tier) dividend of 1.0 cent per share	-	6,526,611
In respect of financial year ended 31 December 2020:		
- Final exempt (one-tier) dividend of 1.0 cents per share	6,526,611	-
	6,526,611	6,526,611

The directors of the Company have recommended a final tax exempt ordinary dividend of 1.0 cent per share, totaling \$6,526,611 to be paid in respect of the financial year ended 31 December 2021, subject to shareholders' approval at the annual general meeting of the Company.

30. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions are entered into by the Group and the Company with related parties at terms agreed between the parties:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<u>Income statement</u>				
Management fees paid and payable to a subsidiary	-	-	111,633	119,713
Rental fee paid and payable to a subsidiary	-	-	56,400	56,400
Reimbursement of expense to a subsidiary	-	-	10,784	12,053
Interest income from associates	(139,476)	(125,413)	-	-
Rental income from an associated company	(29,754)	(22,668)	-	-
Management fees from an associated company	(3,000)	(3,000)	-	-
Reimbursement of expense from an associated company	(8,667)	(8,174)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. COMMITMENT AND CONTINGENCIES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
(a) Contingent liabilities				
Financial guarantees given to financial institutions in connection with facilities given to its joint ventures and subsidiaries	8,277,700	8,170,261	15,000,000	15,000,000

The fair value of the financial guarantees provided for its joint ventures and subsidiaries is not expected to be material as a portion of the loans and borrowings are collateralised against the joint ventures' investment properties and a subsidiary's fixed deposits. Further, the probability of the joint ventures and the subsidiaries defaulting on the credit lines is remote. Accordingly, the financial guarantees have not been recognised.

	Group	
	2021	2020
	\$	\$
(b) Capital commitments		
Investment properties	7,595,602	3,037,798
Property, plant and equipment	255,750	275,310
Unquoted investment securities	3,357,685	4,753,969
Investment in associated companies	20,459,558	4,490,956

(c) **Contingent asset**

In April 2013, one of the Group's joint ventures (the "JV") was granted a 125 year lease on the site of the former post office building in Fitzalan Square, Sheffield, United Kingdom (the "Site") as part of the redevelopment of the Site.

Concurrently, the lessee of the Site, the JV and the development manager of the site ("DM") have entered into agreements for the redevelopment of the Site ("Agreements") and the Group opined that the Agreements were integral to the 125 year lease as the lease would not have been granted had the Agreements not been put in place.

Pursuant to the Agreements, the funds required for the redevelopment of the Site are to be provided by the lessee and the JV could be entitled to receive up to GBP2.16 million in the event the Site is refinanced or disposed of in the future following its redevelopment, including the Group's share of GBP1.08 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. COMMITMENT AND CONTINGENCIES (CONT'D)

(c) *Contingent asset (cont'd)*

During the financial year ended 31 December 2016, the JV has received GBP749,000 (equivalent to approximately \$1,399,546), including the Group's share of GBP374,500 (equivalent to approximately \$699,773) upon the completion of the Site refinancing.

During the financial year ended 31 December 2019, the JV has recognised gain of GBP250,000, including the Group's share of GBP125,000 (equivalent to approximately \$217,966).

During the financial year ended 31 December 2020, the JV has recognised gain of GBP88,100, including the Group's share of GBP44,050 (equivalent to approximately \$78,222).

During the financial year ended 31 December 2021, the JV has recognised gain of GBP65,000, including the Group's share of GBP32,500 (equivalent to approximately \$60,012).

The JV could be entitled to receive the remaining balance of GBP1,007,900 (equivalent to approximately \$1,829,626), including the Group's share of GBP503,950 (equivalent to approximately \$914,813), in the event the Site is disposed of in the future following its redevelopment.

Given the uncertainty in relation to (i) the future value of the Site post-development; and (ii) the possible sale of the redeveloped Site post-completion, the management believes that it is not virtually certain that a profit will be realised. Hence, no asset in respect of the Group's share of the remaining balance of GBP503,950 (2020: GBP536,450) is recognised at the end of the reporting period in 2021 and 2020.

(d) *Operating lease commitments - As lessor*

The Group has entered into residential and commercial property leases on its investment property portfolio. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 117 years (2020: 1 and 118 years). All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum lease payments receivable under non-cancellable operating leases as at 31 December are as follows:

	Group	
	2021	2020
	\$	\$
Within one year	6,053,618	7,764,506
Between one year and five years	22,457,795	21,853,302
Later than 5 years	11,754,144	16,436,932
	<u>40,265,557</u>	<u>46,054,740</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

32. DIRECTORS' REMUNERATION

The number of directors of the Company whose emoluments fall within the following bands is as follows:

	2021	2020
\$500,001 to \$750,000	2 ⁽¹⁾	1
Between \$250,001 to \$500,000	–	–
Below \$250,000*	7 ⁽²⁾	8 ⁽³⁾
	<hr/>	<hr/>
	9	9

⁽¹⁾ Included a director who retired on 23 April 2021 and a newly appointed director on 23 April 2021.

⁽²⁾ Included a newly appointed director of the Company.

⁽³⁾ Included 2 directors who ceased to be directors of the Company during the year.

33. GROUP SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the chief operating decision maker to make decisions about allocation of resources and assessment of performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic units offer different products and services and are managed separately because they require different strategies.

The following summary describes the operations in each of the Group's reportable segments:

- Rental: rental of residential, commercial properties and warehouse
- Investments: investment holding (other than the Company's investment in subsidiaries)
- Corporate and others: the Company's investment holding of subsidiaries

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. All assets and liabilities are allocated to reportable segments.

For purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors performance based on segment profit before income tax. Segment profit is measured as management believes the information is useful in evaluating the results of certain segments relative to other entities that operate within these industries. The segment transactions are determined on an arm's length basis.

Transfer prices between operating segments are on an arms' length basis in a manner similar to transactions with third parties.

Unallocated items such as cash at bank, bank overdraft, bank loans, provision for tax, deferred taxation, group financing (including finance costs), income tax and certain foreign exchange differences are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

33. GROUP SEGMENTAL INFORMATION (CONT'D)

31 December	Rental		Investments	
	2021 \$	2020 \$	2021 \$	2020 \$
Revenue				
- External	9,040,585	8,957,296	1,083,106	1,353,356
- Inter-segment	-	-	-	-
Total revenue	9,040,585	8,957,296	1,083,106	1,353,356
Results:				
Interest income (in other income)	303	3,523	-	-
Depreciation of property, plant and equipment and investment properties	(2,485,832)	(2,448,153)	(41,229)	(41,118)
Fair value changes in investment securities	-	-	(136,861)	5,225,328
Gain on disposal of investment properties	4,133,217	5,874,940	-	-
Gain on disposal of a joint venture	-	-	763,381	-
Impairment loss on other receivables and assets	-	(1,858,167)	-	(166,817)
Impairment loss on trade receivables	(959,477)	-	-	-
Impairment loss on investment properties	-	(3,068,682)	-	-
Share of results of associates and joint ventures	-	-	2,757,484	505,384
Segment profit/(loss) before tax	5,935,603	3,317,374	3,182,222	5,624,053
Investment in joint ventures	-	-	4,751,655	4,240,792
Investment in associates	-	-	30,049,595	20,271,053
Additions to non-current assets	1,684,669	1,419,926	1,287	6,437
Segment assets	164,458,102	166,105,439	172,287,143	176,817,574
Segment liabilities	129,955,954	124,972,375	17,755,869	13,591,342

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Corporate and others		Adjustments and eliminations		Per consolidated financial statements	
2021	2020	2021	2020	2021	2020
\$	\$	\$	\$	\$	\$
-	-	-	-	10,123,691	10,310,652
-	-	-	-		-
-	-	-	-	10,123,691	10,310,652
2,568	34,321	-	-	2,871	37,844
(140,991)	(176,207)	-	-	(2,668,052)	(2,665,478)
-	-	-	-	(136,861)	5,225,328
-	-	-	-	4,133,217	5,874,940
-	-	-	-	763,381	-
-	-	-	-	-	(2,024,984)
-	-	-	-	(959,477)	-
-	-	-	-	-	(3,068,682)
-	-	-	-	2,757,484	505,384
(1,949,485)	(1,861,351)	(1,729,862)	(2,011,348)	5,438,478	5,068,728
-	-	-	-	4,751,655	4,240,792
-	-	-	-	30,049,595	20,271,053
60,537	134,960	-	-	1,746,493	1,561,323
189,625,384	185,689,668	(242,133,536)	(242,823,050)	284,237,093	285,789,631
3,342,772	3,292,953	(52,994,466)	(43,130,727)	98,060,129	98,725,943

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

33. GROUP SEGMENTAL INFORMATION (CONT'D)

- A. The following items are deducted from segment profit to arrive at "profit before tax" presented in the consolidated income statement:

	2021	2020
	\$	\$
Unallocated expenses	(132,131)	(92,712)
Finance costs	(1,597,731)	(1,918,636)
	<u>(1,729,862)</u>	<u>(2,011,348)</u>

- B. Additions to non-current assets consist of additions to property, plant and equipment and investment properties.

- C. The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2021	2020
	\$	\$
Cash and bank balances	42,229,617	44,678,777
Inter-segment assets	(284,363,153)	(287,502,627)
	<u>(242,133,536)</u>	<u>(242,823,850)</u>

- D. The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2021	2020
	\$	\$
Bank loans	75,954,141	77,202,751
Bank overdraft	377,337	228,853
Income tax payable	1,889,077	2,353,861
Deferred tax liabilities	5,210,843	4,914,354
Inter-segment liabilities	(136,425,864)	(127,830,546)
	<u>(52,994,466)</u>	<u>(43,130,727)</u>

Geographical information

	Revenue		Non-current assets	
	2021	2020	2021	2020
	\$	\$	\$	\$
Singapore	5,777,922	6,125,702	105,672,318	101,790,292
United Kingdom	4,345,769	4,184,950	99,221,518	113,007,724
	<u>10,123,691</u>	<u>10,310,652</u>	<u>204,893,836</u>	<u>214,798,016</u>

In presenting information on the basis of geographical segments, segment revenue and assets are based on geographical location of customers and assets respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

33. GROUP SEGMENTAL INFORMATION (CONT'D)

Information about a major customer

Revenue of \$4,368,876 (2020: \$4,368,876) was derived from a single external customer. This revenue was derived in Singapore and relates to rental income.

34. MAJOR PROPERTIES OWNED BY THE GROUP

Location	Company	Type/Usage	Area
Property, plant and equipment			
<u>Leasehold land and building</u>			
38 South Bridge Road Singapore 058672	Paco Industries Pte. Ltd.	Lot 160 – 99 years lease from 1941. Lot 164 – 99 years lease from 1947. Office	Lot 160 – land area of about 121 square metres. Lot 164 – land area of about 123 square metres. Gross floor area of about 1,022 square metres (10,989 sq feet)
<u>Freehold office property</u>			
400 Orchard Road #11-09/10 Orchard Towers Singapore 238875	Singapore Warehouse Company (Private) Ltd	Freehold. Office	Gross floor area of about 157 square metres (1,690 square feet)
Investment properties			
<u>Held by the Group</u>			
93,95 Robertson Quay Singapore 238255/6/7	Global Trade Investment Management Pte Ltd	Freehold. 1 unit of residential apartment and 4 units of commercial shops.	Gross floor area of 475 square metres (5,112 square feet)
110 Paya Lebar Road Singapore Warehouse Singapore 409009	Singapore Warehouse Company (Private) Ltd	Freehold. Factory, warehouse, ancillary office and showroom	Land area of about 5,480 square metres. Gross floor area of about 14,446.7 square metres (155,504 square feet)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

34. MAJOR PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Company	Type/Usage	Area
Investment properties (cont'd)			
<u>Held by the Group (cont'd)</u>			
Lands lots 2706N and lots 2847M, Jalan Besar Singapore	253 JB Pte. Ltd.	Freehold. 2 commercial freehold sites	Land area of about 900.3 square metres (9,691 square feet)
58 Queensgate London SW7 United Kingdom	Thackeray Properties Limited	Freehold. 6 units of residential apartments	Gross floor area of 630.4 square metres (6,778 square feet)
115B Queensgate London SW7 United Kingdom	Thackeray Properties Limited	Freehold. 2 units of residential apartments	Gross floor area of 177.5 square metres (1,911 square feet)
15/17 Hornton Street London W8 United Kingdom	Pumbledon Limited	Freehold. 1 unit of residential apartments	Gross floor area of 98.57 square metres (1,061 square feet)
71.4% interest in 20 Garrett Street, London EC1Y 0TW, United Kingdom ⁽²⁾	Garrett Property Holdings Ltd	Freehold. Office building	Floor area of 1,625.80 square metres (17,500 square feet)
20 Midtown, Procter Street, Holborn London WC1 6NX United Kingdom	Vantagepro Investment Limited	Freehold. Office building	Floor area of 2,875.88 square metres (30,956 square feet)
50% interest in Head Post Office Fitzalan Square, Sheffield S1 2AB United Kingdom	Vantagepro Investment Limited	Freehold. Office building	Floor area of 6,422.43 square metres (69,131 square feet)
<u>Held by joint ventures</u>			
Block E Bankside 4, London SE1 9RE United Kingdom	Neo Pav E Investments LLP	Leasehold. Office building	Gross floor area of 690.1 square metres (7,428 square feet)
Block A, B, C and D, Retail units located at Bankside 4, London SE1 0SW United Kingdom	Neo Bankside Retail LLP	Leasehold. Retail units	Gross floor area of 1,337.70 square metres (14,399 square feet)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

34. MAJOR PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Company	Type/Usage	Area
Investment properties (cont'd)			
<u>Held by associates</u>			
304 Orchard Road #05-00 Lucky Plaza Singapore 238863	Hong Property Investments Pte Ltd	Freehold. Commercial	Gross floor area of 2,855 square metres (30,731 square feet)
400 Orchard Road #20- 05/05A/06 Orchard Towers Singapore 238875	Hong Property Investments Pte Ltd	Freehold. Commercial	Gross floor area of 330.92 square metres (3,562 square feet)
Kilmuir House Ebury Street, London SW1W 9JL United Kingdom ⁽¹⁾	Clan Kilmuir (Jersey) Limited	Leasehold. Residential	Gross floor area of 3,273 square metres (35,231 square feet)
51 Scotts Road	Scotts Spazio Pte. Ltd.	Leasehold. 15 years from 15 August 2007 4-storey office block	Land area of 1.04 hectares. Maximum permissible gross floor area of 15,666 sq metres (168,628 sq feet)
46 Loman Street London SE1 0EH United Kingdom ⁽³⁾	SCLOF	Freehold. Office building	Gross floor area of 2,314.5 square metres (24,913 square feet)
186 City Road, London EC1V 2NU United Kingdom ⁽⁴⁾	SCLOF	Freehold. Office building.	Gross floor area of 3,599 square metres (38,738 square feet)

⁽¹⁾ Clan Kilmuir (Jersey) Limited has a 50% investment in Kilmuir House (Jersey) Limited, which in turn holds the Kilmuir House property.

⁽²⁾ Garrett Property Holdings Ltd has a 100% investment in Capital Garrett Ltd, which in turn holds the 20 Garrett Street property.

⁽³⁾ SCLOF via its subsidiary entities, holds 50% interests in Loman Holdings Limited, which has a 100% investment in Capital Loman Ltd that in turn holds the 46 Loman Street property.

⁽⁴⁾ SCLOF via its subsidiary entities, has a 100% investment in SCLOF I (City Road) Limited, which in turn holds the 186 City Road property.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

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

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

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

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			Total
	Fair value measurements at the end of the period using			
31 December 2021	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
	\$	\$	\$	\$
Recurring fair value measurements				
Assets:				
Financial assets:				
Investment securities at FVPL (current)				
- Quoted equity securities	20,409,054	-	-	20,409,054
- Quoted debt securities	1,000,000	-	-	1,000,000
- Unquoted debt securities	-	-	1,977,683	1,977,683
Equity securities at FVOCI (non-current)				
- Quoted equity securities	3,092,892	-	-	3,092,892
- Quoted non-equity securities	4,105,261	-	-	4,105,261
- Unquoted equity securities	-	-	11,762,830	11,762,830
	28,607,207	-	13,740,513	42,347,720

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

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

	Group			
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	\$	\$	\$	\$
31 December 2020				
Recurring fair value measurements				
Assets:				
Financial assets:				
Investment securities at FVPL (current)				
- Quoted equity securities	16,032,744	-	-	16,032,744
- Unquoted debt securities	-	-	1,294,625	1,294,625
Equity securities at FVOCI (non-current)				
- Quoted equity securities	5,596,809	-	-	5,596,809
- Quoted non-equity securities	4,306,903	-	-	4,306,903
- Unquoted equity securities	-	257,607	13,012,426	13,270,033
	25,936,456	257,607	14,307,051	40,501,114

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

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

	Group			Total
	Fair value measurements at the end of the period using			
31 December 2020	Quoted prices in active markets for identical instruments (Level 1) \$	Significant observable inputs other than quoted prices (Level 2) \$	Significant unobservable inputs (Level 3) \$	\$
Recurring fair value measurements				
Liabilities:				
Financial liabilities:				
Derivatives	-	(46,420)	-	(46,420)

(c) *Level 2 fair value measurement*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Unquoted equity securities (non-current)

The investments relate to funds which invest primarily in equities that are publicly traded and listed in recognised stock exchanges. Fair values have been determined based on investor statements issued by the fund managers.

Derivatives (current)

The fair value of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date. The derivative has been redeemed during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(d) *Level 3 fair value measurements*

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

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

Description	Fair value at 31 December 2021 \$	Valuation techniques	Unobservable inputs
Recurring fair value measurements			
Investment securities at FVPL			
- Unquoted debt securities (current)	1,977,683	Expected present value method	Discount rate
Equity securities at FVOCI			
- Unquoted equity investments, (non-current)	11,762,830	Quote from fund manager	Not applicable

Description	Fair value at 31 December 2020 \$	Valuation techniques	Unobservable inputs
Recurring fair value measurements			
Investment securities at FVPL			
- Unquoted debt securities (current)	1,294,625	Expected present value method	Discount rate
Equity securities at FVOCI			
- Unquoted equity investments, (non-current)	13,012,426	Quote from fund manager	Not applicable

For investment securities at FVPL, a significant increase (decrease) in the discount rate would result in a significantly lower (higher) fair value measurement.

Equity securities at FVOCI relate to funds which invest primarily in unquoted assets. Fair values have been determined based on investor statements issued by the fund managers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(d) *Level 3 fair value measurements (cont'd)*

Movements in Level 3 assets and liabilities measured at fair value

	Group	
	2021	2020
	\$	\$
Fair value measurements using significant unobservable inputs (Level 3)		
Investment securities at FVPL:		
Unquoted debt securities (current)		
At 1 January	1,294,625	1,322,038
Net change in fair value included in profit or loss	683,058	(27,413)
	<hr/>	<hr/>
At 31 December	1,977,683	1,294,625
	<hr/>	<hr/>
Equity securities:		
Unquoted equity investments (non-current)		
At 1 January	13,012,426	14,807,461
Net change in fair value included in other comprehensive income	(1,150,483)	(1,171,517)
Return of capital during the year	(109,113)	(623,518)
Purchased during the year	10,000	-
	<hr/>	<hr/>
At 31 December	11,762,830	13,012,426
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

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

The following table shows an analysis of the Group's assets and liabilities not measured at fair value at 31 December but for which fair value is disclosed:

	Group			
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	\$	\$	\$	\$
31 December 2021				
Non-financial assets:				
Investment properties				
- Commercial	-	-	228,947,910	228,947,910
- Residential	-	-	11,088,847	11,088,847
	-	-	240,036,757	240,036,757

	Group			
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	\$	\$	\$	\$
31 December 2020				
Non-financial assets:				
Investment properties				
- Commercial	-	-	219,652,511	219,652,511
- Residential	-	-	34,632,736	34,632,736
	-	-	254,285,247	254,285,247

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

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

Determination of fair value

Commercial investment properties

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

The valuation of the other Singapore property was based on direct comparison method and residual method as the property is still under development.

The valuations for United Kingdom office and commercial properties were derived using the direct comparable and income capitalisation methods, where the fair value was derived having taken into consideration the rental and capital transactions in the vicinity of the investment properties, the passing rents and the estimated rental values of the properties which have been capitalised using investment yields. The fair value, after deducting purchaser's costs, was compared to other capital transactions on a capital value per square foot basis.

Residential investment properties

Valuations are based on comparable market transactions that consider the sale of similar properties that have been transacted in the open market.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(f) *Carrying amounts of financial instruments by categories*

The table below is an analysis of the carrying amounts of financial instruments by categories as at 31 December:

	Note	Group 2021 \$	Group 2020 \$
<i>Financial assets measured at amortised cost</i>			
Other receivables and assets (exclude deferred rental receivable)		3,040,819	13,404,529
Trade receivables	21	1,027,144	457,046
Amounts due from associates	17	6,227,138	5,773,735
Cash and bank balances	22	42,229,617	44,678,777
		<u>52,524,718</u>	<u>64,314,087</u>
<i>Equity securities</i>			
<i>At fair value through profit and loss</i>			
- Quoted equity securities (current)	19	20,409,054	16,032,744
- Quoted debt instruments (current)	19	1,000,000	-
- Unquoted debt instruments (current)	19	1,977,683	1,294,625
<i>At fair value through other comprehensive income</i>			
- Quoted equity securities (non-current)	19	3,092,892	5,596,809
- Quoted non-equity securities (non-current)	19	4,105,261	4,306,903
- Unquoted equity securities (non-current)	19	11,762,830	13,270,033
		<u>42,347,720</u>	<u>40,501,114</u>
<i>Financial liabilities measured at amortised cost</i>			
Bank overdraft	24	377,337	228,853
Trade payable	25	362,292	475,372
Other payables (exclude deferred income, rental received in advance and other tax payables)		9,503,333	8,631,284
Accrued operating expenses		2,428,682	2,195,928
Amounts due to associates	17	1,995,669	1,979,866
Bank loans (secured)	27	75,954,141	77,202,751
		<u>90,621,454</u>	<u>90,714,054</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(f) *Carrying amounts of financial instruments by categories (cont'd)*

The table below is an analysis of the carrying amounts of financial instruments by categories as at 31 December: (cont'd)

		Group	
		2021	2020
		\$	\$
Financial liabilities at fair value through profit and loss			
Derivatives		-	46,420
	Note	Company	
		2021	2020
		\$	\$
Financial assets measured at amortised cost			
Amounts due from subsidiaries	16	10,247,000	5,069,000
Cash and bank balances	22	331,875	3,997,545
		10,578,875	9,066,545
Financial liabilities measured at amortised cost			
Other payables	26	379,878	376,119
Accrued operating expenses		193,274	244,295
Amounts due to associates	17	365,467	358,799
		938,619	979,213

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include equity price risk, interest rate risk, liquidity risk, credit risk and foreign currency risk. The directors review and agree policies and procedures for the management of these risks. 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 Audit and Risk Committee provides independent oversight on the effectiveness of the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

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

(a) *Equity price risk*

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on stock exchanges in Singapore, Korea, London and Hong Kong. The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility. To manage its price risk arising from investments in quoted equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below demonstrates the sensitivity to a reasonably possible change in equity price risk with all other variables held constant, of the Group's profit before tax and the Group's fair value reserve:

	Group		
	Percentage point change in assumption	Effect on profit before tax \$'000	Effect on fair value reserve \$'000
2021			
- Straits Times Index	+10%	412	51
	-10%	(412)	(51)
- Korea Composite Stock Price Index	+10%	447	-
	-10%	(447)	-
- London Stock Exchange	+10%	-	411
	-10%	-	(411)
- Hang Seng Index	+10%	1,128	-
	-10%	(1,128)	-
2020			
- Straits Times Index	+10%	647	512
	-10%	(647)	(512)
- Korea Composite Stock Price Index	+10%	740	-
	-10%	(740)	-
- London Stock Exchange	+10%	-	430
	-10%	-	(430)
- Hang Seng Index	+10%	45	-
	-10%	(45)	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its placements in fixed deposits and debt obligations with financial institutions. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group uses a combination of fixed and floating rates facilities to allow the Group to benefit from the relative lower interest rate in short term loans and mitigate sudden hike in interest rates.

At the end of the reporting period, if interest rates had been 50 (2020: 50) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been \$354,000 (2020: \$387,000) higher/lower.

(c) **Liquidity risk**

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

The Group's and the Company's objective is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions if any, without incurring unacceptable losses or risking damage to the Group's reputation. This is achieved through monitoring the cash flow requirements closely and optimising its cash return on investments. In addition, the Group also maintains the availability of stand-by credit facilities.

Surplus funds are placed with reputable banks and/or financial institutions.

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

Group	1 year or less	2 to 5 years	After 5 years	Total
31 December 2021	\$	\$	\$	\$
<u>Financial assets</u>				
Amounts due from associates	6,366,685	-	-	6,366,685
Investment securities	23,386,737	14,924,162	4,036,821	42,347,720
Trade receivables and other receivables and assets	3,862,835	-	-	3,862,835
Cash and bank balances	42,229,617	-	-	42,229,617
Total undiscounted financial assets	75,845,874	14,924,162	4,036,821	94,806,857

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

(c) *Liquidity risk (cont'd)*

Group	1 year or less	2 to 5 years	After 5 years	Total
31 December 2021	\$	\$	\$	\$
<u>Financial liabilities</u>				
Bank overdraft	377,337	-	-	377,337
Trade and other payables	3,509,645	79,523	6,276,459	9,865,627
Accrued operating expenses	2,428,682	-	-	2,428,682
Amounts due to associates	1,995,669	-	-	1,995,669
Bank loans	54,110,580	24,314,047	-	78,424,627
	<hr/>			
Total undiscounted financial liabilities	62,421,913	24,393,570	6,276,459	93,091,942
	<hr/>			
Total net undiscounted financial assets/ (liabilities)	13,423,961	(9,469,408)	(2,239,638)	1,714,915
	<hr/>			
31 December 2020				
<u>Financial assets</u>				
Amounts due from associates	5,901,276	-	-	5,901,276
Investment securities	17,327,369	19,278,882	3,894,863	40,501,114
Trade receivables and other receivables and assets	2,847,364	-	11,014,211	13,861,575
Cash and bank balances	44,678,777	-	-	44,678,777
	<hr/>			
Total undiscounted financial assets	70,754,786	19,278,882	14,909,074	104,942,742
	<hr/>			
<u>Financial liabilities</u>				
Bank overdraft	228,853	-	-	228,853
Trade and other payables	3,640,268	145,425	5,320,963	9,106,656
Derivatives	46,420	-	-	46,420
Accrued operating expenses	2,195,928	-	-	2,195,928
Amounts due to associates	1,979,866	-	-	1,979,866
Bank loans	74,069,332	4,475,692	-	78,545,024
	<hr/>			
Total undiscounted financial liabilities	82,160,667	4,621,117	5,320,963	92,102,747
	<hr/>			
Total net undiscounted financial (liabilities)/ assets	(11,405,881)	14,657,765	9,588,111	12,839,995
	<hr/>			

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

(c) *Liquidity risk (cont'd)*

Company	1 year or less	2 to 5 years	Total
31 December 2021	\$	\$	\$
<u>Financial assets</u>			
Amounts due from subsidiaries	10,247,000	–	10,247,000
Cash and bank balances	331,875	–	331,875
	<hr/>		
Total undiscounted financial assets	10,578,875	–	10,578,875
<u>Financial liabilities</u>			
Other payables	379,878	–	379,878
Amounts due to associates	365,467	–	365,467
Accrued operating expenses	193,274	–	193,274
	<hr/>		
Total undiscounted financial liabilities	938,619	–	938,619
	<hr/>		
Total net undiscounted financial assets	9,640,256	–	9,640,256
<hr/>			
31 December 2020			
<u>Financial assets</u>			
Amounts due from subsidiaries	5,069,000	–	5,069,000
Cash and bank balances	3,997,545	–	3,997,545
	<hr/>		
Total undiscounted financial assets	9,066,545	–	9,066,545
<u>Financial liabilities</u>			
Other payables	376,119	–	376,119
Amounts due to associates	358,799	–	358,799
Accrued operating expenses	244,295	–	244,295
	<hr/>		
Total undiscounted financial liabilities	979,213	–	979,213
	<hr/>		
Total net undiscounted financial assets	8,087,332	–	8,087,332
<hr/>			

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

(c) *Liquidity risk (cont'd)*

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

Group	1 year or less \$	2 to 5 years \$	Total \$
31 December 2021			
Financial guarantees provided to joint ventures	-	8,277,700	8,277,700
31 December 2020			
Financial guarantees provided to joint ventures	-	8,170,261	8,170,261
Company			
31 December 2021			
Financial guarantees provided to subsidiaries	15,000,000	-	15,000,000
31 December 2020			
Financial guarantees provided to subsidiaries	15,000,000	-	15,000,000

(d) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises mainly from amounts due from subsidiaries/associates, trade receivables and other receivables and assets. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

(d) *Credit risk (cont'd)*

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

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

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

At the end of the reporting period, the carrying amount of amounts due from subsidiaries/associates, trade receivables, other receivables and assets and cash and bank balances represent the Group's and the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

At the end of the reporting period, there was no significant concentration of credit risks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

(e) Foreign currency risk

Currency risk arises when transactions are denominated in currencies other than the functional currencies of the respective entities. In addition, the Group is exposed to currency translation gains/losses as a result of translating its overseas assets and liabilities held through its subsidiaries. Such translation gains/losses are unrealised in nature and do not impact current year profits unless the underlying assets or liabilities of the subsidiaries are disposed of.

The Group does not generally use derivative foreign exchange contracts in managing its foreign currency risk arising from cash flows from anticipated transactions denominated in foreign currencies, primarily the Sterling Pound and Korean Won. Wherever possible, the Group manages its currency risks by financing its purchases using bank borrowings denominated in the currency of the country in which the asset is situated. Foreign currencies received are kept in foreign currencies accounts and are converted to the respective functional currency of the Group companies on a need-to basis so as to minimise foreign exchange exposure.

Sensitivity analysis for foreign currency risk

Entities in the Group regularly transact in currencies other than their respective functional currencies, such as Singapore Dollar and Sterling Pound. The following table demonstrates the sensitivity to a reasonably possible change in the Singapore Dollar, United States Dollar, Sterling Pound, Korean Won and Hong Kong Dollar, against the respective functional currencies of the Group's entities with all other variables held constant, on the Group's profit before tax and fair value reserve:

	Group			
	2021			2020
	Profit before tax \$'000	Fair value reserve \$'000	Profit before tax \$'000	Fair value reserve \$'000
<i>United States Dollar/Singapore Dollar</i>				
- strengthened 10% (2020: 10%)	470	427	905	495
- weakened 10% (2020: 10%)	(470)	(427)	(905)	(495)
<hr/>				
<i>Sterling Pound/Singapore Dollar</i>				
- strengthened 10% (2020: 10%)	116	633	(549)	689
- weakened 10% (2020: 10%)	(116)	(633)	549	(689)
<hr/>				
<i>United States Dollar/Sterling Pound</i>				
- strengthened 10% (2020: 10%)	-	(93)	-	(81)
- weakened 10% (2020: 10%)	-	93	-	81
<hr/>				
<i>Korean Won/Singapore Dollar</i>				
- strengthened 10% (2020: 10%)	447	-	740	-
- weakened 10% (2020: 10%)	(447)	-	(740)	-
<hr/>				
<i>Hong Kong Dollar/Singapore Dollar</i>				
- strengthened 10% (2020: 10%)	1,131	-	47	-
- weakened 10% (2020: 10%)	(1,131)	-	(47)	-
<hr/>				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. CAPITAL MANAGEMENT

Capital includes equity attributable to owners of the Company.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Company may also purchase its own shares on the market; subject to the terms of the share purchase mandate as approved by the shareholders. Share purchase allows the Company greater flexibility over its share capital structure with a view to improving, *inter alia*, its return on equity. Share purchase in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders. There were no such acquisition of treasury shares transacted in 2021 (2020: Nil).

No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 2020.

The Group monitors capital based on gearing ratio which is total liabilities divided by total equity. At 31 December 2021, total liabilities and total equity are \$98,060,129 (2020: \$98,725,943) and \$186,176,964 (2020: \$187,063,688) respectively. The Group also monitors dividends paid to shareholders. The Group seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. At 31 December 2021, the Group's gearing ratio was 0.53 (2020: 0.53).

38. SUBSEQUENT EVENT

Subsequent to year end, one of the associated companies, Singamet Trading Pte. Ltd was placed under member's voluntary liquidation on 20 January 2022.

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 1 March 2022.

SHAREHOLDING STATISTICS

As At 1 March 2022

No. of Issue Shares	: 653,504,000
No. of Issue Shares (excluding Treasury Shares)	: 652,661,100
No. of Treasury Shares Held	: 842,900
No. of Subsidiary Holdings held	: Nil
Class of Shares	: Ordinary Shares
Voting Rights	: 1 vote per ordinary share (no vote for treasury shares)

Percentage of the aggregate number of the Treasury Shares and Subsidiary Holdings held against the total number of issued Ordinary Shares: 0.13%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	33	0.71	721	0.00
100 - 1,000	215	4.64	143,795	0.02
1,001 - 10,000	2,128	45.88	14,114,301	2.16
10,001 - 1,000,000	2,230	48.08	105,984,617	16.24
1,000,001 and above	32	0.69	532,417,666	81.58
Total	4,638	100.00	652,661,100	100.00

TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	%
1. Ely Investments (Pte) Ltd.	80,986,000	12.41
2. Raffles Nominees (Pte.) Limited	70,192,223	10.75
3. Citibank Nominees Singapore Pte Ltd	62,476,100	9.57
4. Ong Kay Eng	58,000,000	8.89
5. Ong Eng Hui David (Wang Ronghui David)	41,185,000	6.31
6. Ong Eng Loke	36,090,858	5.53
7. City Developments Realty Limited	33,355,000	5.11
8. Astute Investment Holdings Pte Ltd	31,328,552	4.80
9. Ong Hoo Eng and Sharon Chng	22,886,753	3.51
10. Ong Mui Eng	11,505,664	1.76
11. Ong Hoo Eng	11,000,000	1.69
12. DBS Nominees (Private) Limited	8,779,602	1.35
13. United Overseas Bank Nominees (Private) Limited	7,503,700	1.15
14. Chen Wah Chi @ Chen Rosy	6,527,000	1.00
15. Ong Bee Sun	6,182,380	0.95
16. Chew Cheng Hoi Investments Pte Ltd	6,082,734	0.93
17. UOB Kay Hian Private Limited	5,555,200	0.85
18. OCBC Nominees Singapore Private Limited	4,017,300	0.62
19. HSBC (Singapore) Nominees Pte Ltd	3,235,900	0.50
20. Ong Choo Eng	3,178,000	0.49
Total	510,067,966	78.17

PERCENTAGE OF PUBLIC FLOAT

Based on information available to the Company as at 1 March 2022, approximately 34.57% of the issued Ordinary Shares of the Company are held by the public and accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

SHAREHOLDING STATISTICS

As At 1 March 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest	Deemed Interest	Aggregate	% ¹⁴
Ong Choo Eng ¹	903,000	80,986,000	81,889,000	12.547
Ong Kwee Eng ²	2,809,812	32,929,052	35,738,864	5.476
Ong Eng Loke ³	36,090,858	884,000	36,974,858	5.665
Ong Eng Yaw ⁴	5,967,200	80,986,000	86,953,200	13.323
Ong Bee Leem ⁵	151,440	80,986,000	81,137,440	12.432
Ely Investments (Pte) Ltd.	80,986,000	-	80,986,000	12.409
City Developments Realty Limited ⁶	33,355,000	-	33,355,000	5.111
City Developments Limited ⁷	-	33,355,000	33,355,000	5.111
Hong Leong Investment Holdings Pte. Ltd. ⁸	-	33,355,000	33,355,000	5.111
Kwek Holdings Pte Ltd ⁹	-	33,355,000	33,355,000	5.111
Davos Investment Holdings Private Limited ⁹	-	33,355,000	33,355,000	5.111
Ong Kay Eng ¹⁰	58,000,000	47,712,000	105,712,000	16.197
Ong Hoo Eng ¹¹	35,578,353	-	35,578,353	5.451
Ong Eng Hui David ¹²	41,185,000	-	41,185,000	6.310
Roswell Assets Limited ¹³	40,000,000	-	40,000,000	6.128

Notes:

- This information is based on Ong Choo Eng's last director's/substantial shareholding notification given to the Company on 4 May 2015 and subsequent to this, Ong Choo Eng had acquired an aggregate of 2,275,000 Shares from 6 May 2021 to 24 December 2021 ("Subsequent Acquisitions") but is not required to file notice of change of substantial shareholding interests as these acquisitions did not give rise to a change in the percentage level of his interests in the Company. Ong Choo Eng is deemed under Section 4 of the SFA to have an interest in the Shares held by Ely Investments in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof. Taking into account Ong Choo Eng's Subsequent Acquisitions, his shareholding percentage is 12.896%.
- Ong Kwee Eng is deemed under Section 4 of the SFA to have an interest in the shares held by his spouse and Astute Investment Holdings Pte. Ltd., in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- Ong Eng Loke is deemed under Section 4 of the SFA to have an interest in the shares held by OME Investment Holding Pte Ltd, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- Ong Eng Yaw is deemed under Section 4 of the SFA to have an interest in the shares held by Ely Investments, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- Ong Bee Leem is deemed under Section 4 of the SFA to have an interest in the shares held by Ely Investments, in which she and/or her associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- The aggregate interest of City Developments Realty Limited ("CDRL") is based on its last notification to the Company on 13 February 2006.
- The aggregate interest of City Developments Limited ("CDL") is based on its last notification to the Company on 13 February 2006. CDL is deemed under Section 4 of the SFA to have an interest in the shares held by its wholly owned subsidiary, CDRL.
- The aggregate interest of Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is based on its last notification to the Company on 24 September 2021. HLIH is deemed under Section 4 of the SFA to have an interest in the shares held by CDRL, being company in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- The aggregate interest of each of Kwek Holdings Pte Ltd ("KH") and Davos Investment Holdings Private Limited ("Davos") is based on their last notification to the Company on 24 September 2021. Each of KH and Davos is deemed under Section 4 of the SFA to have an interest in the 33,355,000 Ordinary Shares held indirectly by HLIH, in which each is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- The aggregate interest of Ong Kay Eng is based on his last notification to the Company on 7 December 2020 (in respect of a change in interest on 4 December 2020). Ong Kay Eng is deemed to have an interest in 6,527,000 Shares registered in the name of his spouse, Chen Wah Chi @ Chen Rosy and 41,185,000 Shares registered in the name of Ong Eng Hui David.
- The aggregate interest of Ong Hoo Eng is based on his last notification to the Company on 2 November 2018.
- The aggregate interest of Ong Eng Hui David is based on his last notification to the Company on 7 July 2021.
- The aggregate interest of Roswell Assets Limited is based on its last notification to the Company on 22 September 2021.
- The percentage of interest is calculated based on the total issued Ordinary Shares excluding treasury shares (i.e. 652,661,100 Ordinary Shares).
- The above information is based on the notifications received from the respective substantial shareholders as at 1 March 2022.

NOTICE OF ANNUAL GENERAL MEETING

HWA HONG CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 195200130C)

NOTICE IS HEREBY GIVEN that the Sixty-Ninth Annual General Meeting of Hwa Hong Corporation Limited (the “**Company**”) will be held by way of electronic means on Monday, 18 April 2022 at 10.00 a.m. (Singapore time) for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2021 and the auditors’ report thereon. **Resolution 1**
2. To declare a one-tier tax exempt final ordinary dividend of 1 cent per ordinary share in respect of the financial year ended 31 December 2021. **Resolution 2**
3. To approve the payment of pro-rated Directors’ fees amounting to S\$16,333 to a Non-Executive Director of the Company, Dr Ong Eng Hui David, for the financial year ended 31 December 2021.
[See Explanatory Note (i)] **Resolution 3**
4. To approve the payment of Directors’ fees of up to S\$333,000 in aggregate to the Non-Executive Directors of the Company for the financial year ending 31 December 2022 (FY2021: S\$306,000), such fees to be paid on a quarterly basis in arrears, at the end of each calendar quarter.
[See Explanatory Note (ii)] **Resolution 4**
5. To re-appoint Mr Tham Chee Soon, who is retiring by rotation in accordance with Regulation 113 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
[See Explanatory Note (iii)] **Resolution 5**
6. To note the retirement of Mr Guan Meng Kuan as a Director of the Company in accordance with Regulation 113 of the Constitution of the Company.
[See Explanatory Note (iv)]
7. To re-appoint Mr Ong Eng Yaw, who ceases to hold office in accordance with Regulation 103 of the Constitution of the Company and being eligible, offers himself for re-election as a Director.
[See Explanatory Note (v)] **Resolution 6**
8. To re-appoint Dr Ong Eng Hui David, who ceases to hold office in accordance with Regulation 103 of the Constitution of the Company and being eligible, offers himself for re-election as a Director.
[See Explanatory Note (vi)] **Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING

9. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 8**
10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions as **Ordinary Resolutions:**

Two-Tier Voting Process for Mr Huang Yuan Chiang

11. Contingent upon the passing of Resolution 10 and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST which came into effect on 1 January 2022, members of the Company to approve the continued appointment of Mr Huang Yuan Chiang as an Independent Director, and such appointment as an Independent Director shall continue in force until the earlier of (i) the retirement or resignation of Mr Huang Yuan Chiang as a Director; or (ii) the conclusion of the third AGM following the passing of this Resolution 9.
[See Explanatory Note (vii)] **Resolution 9**
12. Contingent upon the passing of Resolution 9 above and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST which came into effect on 1 January 2022, members of the Company, excluding the Directors and the Chief Executive Officer (“**CEO**”) of the Company, and associates of such Directors and CEO, to approve the continued appointment of Mr Huang Yuan Chiang as an Independent Director, and such appointment as an Independent Director shall continue in force until the earlier of (i) the retirement or resignation of Mr Huang Yuan Chiang as a Director; or (ii) the conclusion of the third AGM following the passing of this Resolution 10.
[See Explanatory Note (vii)] **Resolution 10**
13. **Authority to issue shares** **Resolution 11**
- “That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:
- (a) (i) issue shares in the capital 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 during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may, in their absolute discretion, deem fit; and
- (b) (even though the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares and subsidiary holdings shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares,

provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the authority continues to be in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”
[See Explanatory Note (viii)]

14. **Authority to issue shares under Hwa Hong Corporation Limited Scrip Dividend Scheme** **Resolution 12**

“That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to issue such shares in the Company as may be required to be issued pursuant to the Hwa Hong Corporation Limited Scrip Dividend Scheme (“**Scrip Dividend Scheme**”) from time to time in accordance with the “Terms and Conditions of the Scrip Dividend Scheme” approved by shareholders of the Company in general meeting on 7 November 2003, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

[See Explanatory Note (ix)]

NOTICE OF ANNUAL GENERAL MEETING

15. Renewal of the Share Purchase Mandate

Resolution 13

“That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore, as may be amended or modified from time to time (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held; or
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;

(c) in this Resolution:

“**subsidiary holdings**” has the meaning ascribed to it in the Listing Manual of the SGX-ST;

“**Prescribed Limit**” means, subject to the Companies Act, 10% of the total number of issued Shares of the Company (excluding any Shares which are held as treasury shares and subsidiary holdings) as at the date of the passing of this Resolution; and

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price (as defined hereinafter),

NOTICE OF ANNUAL GENERAL MEETING

where:

“Average Closing Price” means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase;

“Closing Market Price” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Market Day” means a day on which the SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.”

[See Explanatory Note (x)]

To consider and, if thought fit, to pass the following resolutions with or without modifications, as **Special Resolutions:**

16. Proposed Adoption of New Constitution

Resolution 14

“That:

- (a) the regulations contained in the New Constitution as set out in the Appendix to the Notice of Annual General Meeting dated 25 March 2022 issued by the Company to its shareholders and submitted to this Meeting, be approved and adopted as the Constitution of the Company in substitution for and to the exclusion of, the Existing Constitution; and
- (b) the Directors and/or each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or each of them may consider expedient or necessary to give effect to this Resolution.”

[See Explanatory Note (xi)]

NOTICE OF ANNUAL GENERAL MEETING

17. Proposed Amendment of Certain Provisions in the New Constitution

Resolution 15

“That subject to and contingent upon the passing of Special Resolution 14,

- (a) Regulations 1, 116, 117, 118, 119, 148 and 194 of the New Constitution be amended in the manner and to the extent as set out in Annex 3 to the Appendix; and
- (b) the Directors and/or each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or each of them may consider expedient or necessary to give effect to this Resolution.”

[See Explanatory Note (xii)]

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Appendix to the Notice of Annual General Meeting dated 25 March 2022 (including supplements and modifications thereto) (“**Appendix**”). Shareholders should refer to the Appendix for information relating to the proposed adoption of the New Constitution and the proposed amendment to certain regulations under the New Constitution.

BY ORDER OF THE BOARD
Gwendolin Lee Soo Fern
Company Secretary

Singapore, 25 March 2022

Notes:

The Annual General Meeting (“**AGM**”) is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

In light of the current COVID-19 measures in Singapore and the Company’s effort to minimise physical interactions and risk of community spread of COVID-19, members will not be able to attend the AGM in person, physically, but will be able to do so remotely, via electronic means.

Printed copies of this Notice of AGM, the Appendix to the Notice of AGM, the Proxy Form, the Company’s accompanying announcement dated 25 March 2022 (the “**Alternative Arrangements Announcement**”) and the FY2021 Annual Report (collectively referred to as the “**AGM Documents**”) will not be sent to members but will be made available to members by electronic means via publication on the Company’s corporate website at the URL <https://hwahongcorp.com/investorrelations/> and the SGXNET website at the URL <https://www.sgx.com/securities/company-announcements>, unless printed copies are being requested for. Members who wish to request for printed copies of the AGM Documents should submit their request via email to secretariat@hwahongcorp.com by **5.00 p.m. on 12 April 2022**.

Alternative arrangements relating to the (i) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via “live” audio-visual webcast and “live” audio-only stream); (ii) submission of questions to the Chairman of the Meeting in advance of the AGM or during the AGM via an online chat box, and the addressing of relevant questions at the AGM; and (iii) voting at the AGM via electronic means through personal-remote attendance or by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Alternative Arrangements Announcement. The Company has implemented the use of both real-time remote electronic voting, as well as real-time electronic communication at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

As announced in the Alternative Arrangements Announcement, a member (whether individual or corporate) may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member do not wish to attend and/or vote at the AGM remotely. The accompanying proxy form for the AGM may be accessed on the SGXNet. In addition, where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. Please note that where the Chairman of the Meeting has been appointed as proxy, and where such member subsequently decides to attend the AGM remotely, he/she/it will not be able to vote at the AGM if he/she/it does not withdraw his/her/its proxy instructions by **10.00 a.m. on 16 April 2022**.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), other than CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective relevant intermediaries through which they hold such Shares as soon as possible in order to specify his/her voting instructions. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 5 April 2022**.

The Chairman of the Meeting, as proxy, need not be a member of the Company.

The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- (i) if submitted by post, deposited at the Company's Share Registrar's address at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
- (ii) if submitted electronically, be submitted via email to HwaHong-AGM2022@boardroomlimited.com in either case, at least forty-eight (48) hours before the time appointed for holding of the AGM.

A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit the completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have shares entered against their names in the Depository Register (as defined in Part IIIA of the Securities and Futures Act 2001 of Singapore), 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.

Explanatory Notes to Ordinary Business

- (i) Resolution 3, if passed, will authorise the Company to effect payment of pro-rated Directors' fees to Dr Ong Eng Hui David for the period from 31 May 2021 to 31 December 2021. Dr Ong was appointed during the financial year ended 31 December 2021, as a Non-Independent Non-Executive Director on 31 May 2021.
- (ii) Resolution 4, if passed, will authorise the Company to effect payment of Directors' fees to the Non-Executive Directors (including fees payable to members of the various committees of the Board) for the financial year ending 31 December 2022, such payments to be made quarterly in arrears at the end of each calendar quarter. This Resolution will facilitate the payment by the Company of the Directors' fees during the financial year in which they are incurred.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) Mr Tham Chee Soon, if re-appointed, will remain as Chairman of the Audit and Risk Committee and a member of the Nominating Committee. He is considered a Non-Executive Independent Director. In line with Provisions 2.1 and 4.4 of the Code of Corporate Governance 2018 (“**2018 CG Code**”), there are no relationships or business relationships which Mr Tham, his immediate family member, or an organisation in which Mr Tham or his immediate member is a substantial shareholder, partner (with 5% or more stake), executive officer or director of, has with the Company or any of its related corporations, and Mr Tham is not and has not been directly associated with a substantial shareholder of the Company, in the current and immediate past financial year. Details of his other principal commitments can be found in the FY2021 Annual Report, under the “Board of Directors” section. Additional information on Mr Tham as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found on pages 153 to 159 of the FY2021 Annual Report.
- (iv) Mr Guan Meng Kuan will not be seeking re-appointment and will retire as a Director of the Company on 18 April 2022 following the conclusion of the AGM.
- (v) Mr Ong Eng Yaw shall retire from office at the close of the AGM and will be seeking re-election pursuant to Regulation 103 of the Company’s Constitution. Mr Ong was appointed the Acting Group Managing Director last year, on 23 April 2021, following the retirement of the former Group Managing Director, Mr Ong Choo Eng. Mr Ong Eng Yaw is the son of Mr Ong Choo Eng, a substantial shareholder. He is nephew of Dr Ong Hian Eng and Mr Ong Mui Eng who are Directors, as well as Mr Ong Kwee Eng, Mr Ong Kay Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is the brother of Ms Ong Bee Leem, a substantial shareholder. He is cousin of Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder, Dr Ong Eng Hui David, a non-independent and non-executive director and a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng. Additional information on Mr Ong as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found on pages 153 to 159 of the FY2021 Annual Report.
- (vi) Dr Ong Eng Hui David shall retire from office at the close of the Annual General Meeting and will be seeking re-election pursuant to Regulation 103 of the Company’s Constitution. He is considered Non-Independent and Non-Executive Director. Dr Ong Eng Hui David is the son of Mr Ong Kay Eng, a substantial shareholder. He is nephew of Dr Ong Hian Eng and Mr Ong Mui Eng who are Directors, as well as Mr Ong Choo Eng, Mr Ong Kwee Eng and Mr Ong Hoo Eng, who are substantial shareholders. He is cousin of Mr Ong Eng Yaw, Acting Group Managing Director and a substantial shareholder, Mr Ong Eng Loke, Senior Vice President, Fund Management, alternate director to Mr Ong Mui Eng and a substantial shareholder, Ms Ong Bee Leem, a substantial shareholder and Mr Ong Eng Keong, alternate director to Dr Ong Hian Eng. Additional information on Dr Ong as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found on pages 160 to 165 of the FY2021 Annual Report.

Explanatory Notes to Special Business

- (vii) Resolutions 9 and 10 are being sought arising from Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which came into effect on 1 January 2022. Rule 210(5)(d)(iii) provides that a director will not be independent if he has been a director for an aggregate period of more than 9 years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all members; and (B) members, excluding the Directors and the Chief Executive Officer and their respective associates (who must not accept appointment as proxies unless specific instructions as to voting are given) (the “**Two-Tier Vote**”). Mr Huang Yuan Chiang was first appointed on 19 April 2013 and his 9-year tenure falls on 18 April 2022. Mr Huang will therefore cease to be regarded as independent on such date unless his continued appointment as an independent director is approved under the two-tier voting process as mentioned above.

The Company is proposing to seek the requisite members’ approval for Mr Huang’s continued appointment as an Independent Director, until the earlier of his retirement or resignation, or the conclusion of the third AGM, by passing both Resolutions 9 and 10. The Two-Tier Vote is contingent upon each other. In the absence of the

NOTICE OF ANNUAL GENERAL MEETING

requisite members' approval of both Resolutions 9 and 10, Mr Huang will not be deemed independent and shall be re-designated as non-independent. In this regard, the Company is cognizant of Rule 210(5)(c) of the Listing Manual of the SGX-ST where independent directors must comprise at least one-third of a company's board.

If his continued appointment as Independent Director is approved under the Two-Tier Vote, Mr Huang will remain as Independent Director until the earlier of his retirement or resignation as a Director or at the conclusion of the AGM to be held in 2025.

If re-appointed, Mr Huang will remain as a Chairman of the Remuneration Committee and a member of the Audit and Risk Committee. He will be considered a Non-Executive Independent Director. In line with Provisions 2.1 and 4.4 of the 2018 CG Code, there are no relationships or business relationships which Mr Huang, his immediate family member, or an organisation which Mr Huang or his immediate member is a substantial shareholder, partner (with 5% or more stake), executive officer or director of, has with the Company or any of its related corporations, and Mr Huang is not and has not been directly associated with a substantial shareholder of the Company, in the current and immediate past financial year. Details of his other principal commitments can be found in the FY2021 Annual Report, under the "Board of Directors" section. Additional information on Mr Huang as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found on pages 160 to 165 of the FY2021 Annual Report.

- (viii) Resolution 11, 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 to 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 of the Company.

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.

- (ix) Resolution 12, 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 when such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares in the Company from time to time pursuant to the Scrip Dividend Scheme approved at the Extraordinary General Meeting of the Company held on 7 November 2003. The validity of the Scrip Dividend Scheme remains until such time it is so terminated by the Directors upon written notice to shareholders of the Company.
- (x) Resolution 13, if passed, will empower the Directors of the Company to exercise all powers of the Company to purchase or otherwise acquire ordinary shares of the Company (whether by way of market purchases or off-market purchases) of up to 10 percent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (the "Shares") at the Maximum Price as defined in the Appendix, and on the terms of the Share Purchase Mandate. The authority conferred by this Resolution will continue in force until 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 on the date on which purchases or acquisitions of Shares are carried out to the full extent mandated, whichever is the earlier, unless previously revoked or varied at a general meeting.

NOTICE OF ANNUAL GENERAL MEETING

The Company intends to use the Group's internal resources to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire the Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

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 Purchase Mandate on the Audited Consolidated Financial Statements of the Group for the financial year ended 31 December 2021 are set out in greater detail in paragraphs 3.3 to 3.7 of the Appendix.

- (xi) Resolution 14, if passed, is to adopt the New Constitution of the Company in substitution for, and replacement of, the Company's existing Constitution. The New Constitution contains regulations that take into account the wide-ranging changes to the Companies Act introduced by the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Please refer to paragraph 2 of the Appendix for more details.
- (xii) Resolution 15, if passed, is to amend Regulations 116 to 119 of the New Constitution as well as to make the Consequential Amendments. **The passing of Resolution 15 is subject to and contingent upon the passing of Resolution 14. This means that if Resolution 14 is not approved, Resolution 15 would not be duly passed.** Please refer to paragraph 2 of the Appendix for more details.

Personal data privacy:

By (i) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and/or vote at the AGM and/or any adjournment thereof or (ii) submitting details for the registration to attend the AGM via electronic means, or (iii) submitting any question(s) prior to the AGM in accordance with this Notice of AGM, a member of the Company 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 the appointment of Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the (i) preparation and compilation of the registration for the purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary, (ii) addressing relevant and substantial questions from members received before or at the AGM, (iii) preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and (iv) in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information on Mr Tham Chee Soon, Mr Ong Eng Yaw, Dr Ong Eng Hui David and Mr Huang Yuan Chiang, all of whom are seeking re-appointment as Directors at the Company's Sixty-Ninth Annual General Meeting are set out below:

Information as required in Appendix 7.4.1	MR THAM CHEE SOON Independent and Non-Executive Director	MR ONG ENG YAW Acting Group Managing Director Non-Independent Director
Date of Appointment	22 May 2020	23 April 2021
Date of last re-appointment	NA	N.A.
Age	57	49
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process)	Following its assessment, the NC had recommended to the Board the re-appointment of Mr Tham as an Independent Director, taking into account his attendance at meetings, contributions and performance, including his independence based on his conduct, character and relationships with the Company and/or its substantial shareholders. The Board concurred with the NC's recommendation on Mr Tham's re-appointment as a Director of the Company.	The NC had recommended to the Board the re-appointment of Mr Ong as a Director and took into account Mr Ong's attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NC's recommendation on Mr Ong's re-appointment as a Director of the Company.
Whether re-appointment is executive, and if so, the area of responsibility	N.A.	Manage and oversee the overall operations of the Group and concurrently oversee the Group's business development and investment activities in the real estate sector in his capacity as Chief Operating Officer
Job Title	Independent and Non-Executive Director, Chairman of the Audit & Risk Committee and member of the Nominating Committee	Acting Group Managing Director, Non-Independent Director
Professional qualifications	<ul style="list-style-type: none"> • Bachelor's degree in Accountancy, National University of Singapore • Fellow, Institute of Singapore Chartered Accountants • Certified Public Accountant (US and Australia) • CFA Charterholder • Licensed Insolvency Practitioner 	<ul style="list-style-type: none"> • Bachelor of Laws (second upper class division), University College London. • MSc (Investment Management), Cass Business School. • MBA, INSEAD.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	MR THAM CHEE SOON Independent and Non-Executive Director	MR ONG ENG YAW Acting Group Managing Director Non-Independent Director
Working experience and occupation(s) during the past 10 years	<p>2018 to Present: Founder/Director, iCFO Advisors Pte. Ltd.</p> <p>Past: Audit Partner of Ernst & Young LLP until retirement in June 2018, after 31 years with the firm.</p> <p>Please refer to the “Board of Directors” section on pages 22 to 23.</p>	<p>2011 – Present: Mr Ong Eng Yaw joined the Company as Manager for Investments on 1 August 2008. With effect from March 2020, Mr Ong was appointed as Chief Operating Officer. He is responsible for overseeing the operations of Company and the Group’s business development and investment activities in the real estate sector.</p> <p>Please refer to the “Board of Directors” section on page 21.</p>
Shareholding interest in the Company and its subsidiaries	Nil	Please refer to the “Directors’ Statement” section on pages 47 to 49.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	MR THAM CHEE SOON Independent and Non-Executive Director	MR ONG ENG YAW Acting Group Managing Director Non-Independent Director
<p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries</p>	<p>Nil</p>	<p>Mr Ong is:</p> <ul style="list-style-type: none"> • Son of Mr Ong Choo Eng, who is a substantial shareholder. • Nephew of Dr Ong Hian Eng, who is a Non-Independent and Non-Executive Director. • Nephew of Mr Ong Mui Eng, who is a Non-Independent and Executive Director. • Nephew of Mr Ong Kwee Eng, Mr Ong Kay Eng and Mr Ong Hoo Eng, who are substantial shareholders. • Brother of Ms Ong Bee Leem, who is a substantial shareholder. • Cousin of Mr Ong Eng Loke, who is the Senior Vice President, Fund Management, Alternate Director to Mr Ong Mui Eng and a substantial shareholder. • Cousin of Dr Ong Eng Hui David, who is a Non-Independent and Non-Executive Director and substantial shareholder. • Cousin of Mr Ong Eng Keong, who is Alternate Director to Dr Ong Hian Eng.
<p>Conflict of interest (including any competing business)</p>	<p>Nil</p>	<p>Nil</p>
<p>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST has been submitted to the Company</p>	<p>Yes</p>	<p>Yes</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	MR THAM CHEE SOON Independent and Non-Executive Director	MR ONG ENG YAW Acting Group Managing Director Non-Independent Director
Other Principal Commitments¹ including Directorships²	<p>Past Directorships (for the last 5 years) Listed Companies:</p> <ul style="list-style-type: none"> • Fragrance Group Limited <p>Past other principal commitment 2004 to 2018: Ernst & Young LLP, Singapore – Audit Partner</p> <p>Present / Existing Directorships Listed Companies:</p> <ul style="list-style-type: none"> • ecoWise Holdings Limited <p>Others:</p> <ul style="list-style-type: none"> • iCFO Advisors Pte. Ltd. • Temenggong Artists-in-Residence Ltd • The Teng Ensemble Ltd <p>Present/Existing other principal commitments</p> <ul style="list-style-type: none"> • Bone Marrow Donor Programme – Board member • Dover Park Hospice – Audit Committee member 	<p>Past Directorships (for the last 5 years) Listed Companies:</p> <ul style="list-style-type: none"> • Nil <p>Others:</p> <ul style="list-style-type: none"> • Nil <p>Present / Existing Directorships Listed Companies:</p> <ul style="list-style-type: none"> • Singapore Reinsurance Corporation Limited • MTQ Corporation Limited <p>Others:</p> <ul style="list-style-type: none"> • Ely Investments (Pte) Ltd. • Cai Sheng Investments Limited • Scotts Spazio Pte. Ltd. • Langland Developments (Fitzalan) Ltd • Clan Kilmur (Jersey) Limited • Capital Eagle Limited • Capital Loman Ltd • Loman Holdings Ltd • Shorea Capital Pte. Ltd. • Shorea Capital (Delaware), Inc • Garrett Property Holdings Ltd • Capital Garrett Ltd • Jaguar Listed Property LLC • LEYO Capital Pte Ltd • 253 JB Pte. Ltd. • Global Trade Investment Management Pte Ltd • Singapore Warehouse Company (Private) Ltd. • Sam Peak Pte. Ltd. • Shorea Capital London Office Fund GP Pte. Ltd. • Sam Peak II Pte. Ltd. • Sam Peak III Pte. Ltd. • Sam Peak IV Pte. Ltd • Paco Industries Pte. Ltd. • Hwa Hong Edible Oil Industries Pte. Ltd.

- 1 "Principal Commitments" has the same meaning as defined in the 2018 CG Code (i.e. includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments).
- 2 Not applicable for announcements of appointment pursuant to Rule 704(9) of the Listing Manual of the SGX-ST (i.e. appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the Company to a managerial position in the Company or any of its principal subsidiaries).

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	MR THAM CHEE SOON Independent and Non-Executive Director	MR ONG ENG YAW Acting Group Managing Director Non-Independent Director
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	MR THAM CHEE SOON Independent and Non-Executive Director	MR ONG ENG YAW Acting Group Managing Director Non-Independent Director
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	MR THAM CHEE SOON Independent and Non-Executive Director	MR ONG ENG YAW Acting Group Managing Director Non-Independent Director
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(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</p> <p>(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</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>	<p>No</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	DR ONG ENG HUI DAVID Non-Independent and Non-Executive Director	MR HUANG YUAN CHIANG Independent and Non-Executive Director
Date of Appointment	31 May 2021	19 April 2013
Date of last re-appointment	N.A.	23 April 2021
Age	49	62
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process)	<p>The NC had recommended to the Board the re-appointment of Dr Ong as a Director and took into account Dr Ong's attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NC's recommendation on Dr Ong's re-appointment as a Director of the Company.</p>	<p>Although Mr Huang had on 23 April 2021 sought his re-appointment to the Board, he is subject to retirement and re-appointment for the purposes of Rule 210(5)(iii) of the Listing Manual of the SGX-ST and he will be subject to a two-tier vote at the forthcoming Annual General Meeting.</p> <p>Following its assessment, the NC had recommended to the Board the re-appointment of Mr Huang as an Independent Director, taking into account his attendance at meetings, contributions, performance, including his independence based on his conduct, character and relationships with the Company and/or its substantial shareholders. The Board concurred with the NC's recommendation on Mr Huang's re-appointment as a Director of the Company.</p>
Whether re-appointment is executive, and if so, the area of responsibility	N.A.	N.A.
Job Title	Non- Independent and Non-Executive Director	Independent and Non-Executive Director, Chairman of the Remuneration Committee and member of the Audit & Risk Committee
Professional qualifications	<ul style="list-style-type: none"> • Bachelor of Medicine, Bachelor of Surgery (MBChB) - University of Bristol UK • Membership of the Royal College of Physicians (MRCP)(UK) • Fellowship of the Royal College of Physicians (FRCP)(Edinburgh) • Fellow of the Academy of Medicine (FAMS) (Gastroenterology) 	<ul style="list-style-type: none"> • Bachelor's degree in Economics • Bachelor's degree in Laws

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	DR ONG ENG HUI DAVID Non-Independent and Non-Executive Director	MR HUANG YUAN CHIANG Independent and Non-Executive Director
<p>Working experience and occupation(s) during the past 10 years</p>	<p>2011 – Present: Since May 2021 Senior Consultant Gastroenterologist/ Director Gastroenterology by David Ong Pte Ltd</p> <p>Adjunct Associate Professor Department of Medicine National University of Singapore</p> <p>Visiting Consultant Division of Gastroenterology and Hepatology Department of Medicine National University Hospital, Singapore</p> <p>Prior to May 2021 Since 2009 Associate Consultant (2009 - 2011) Division of Gastroenterology and Hepatology National University Hospital, Singapore</p> <p>Consultant (2012 - 2015) Division of Gastroenterology and Hepatology National University Hospital, Singapore</p> <p>Senior Consultant (2016 onwards) Division of Gastroenterology and Hepatology National University Hospital, Singapore</p> <p>Please refer to the “Board of Directors” section on page 23.</p>	<p>2011 – Present: Freelance Consultant and Professional Director.</p> <p>Please refer to the “Board of Directors” section on page 22.</p>
<p>Shareholding interest in the Company and its subsidiaries</p>	<p>Please refer to the “Directors’ Statement” section on pages 47 to 49.</p>	<p>Nil</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	DR ONG ENG HUI DAVID Non-Independent and Non-Executive Director	MR HUANG YUAN CHIANG Independent and Non-Executive Director
<p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries</p>	<p>Dr Ong is:</p> <ul style="list-style-type: none"> • Son of Mr Ong Kay Eng, who is a substantial shareholder. • Nephew of Dr Ong Hian Eng, who is a Non-Independent and Non-Executive Director. • Nephew of Mr Ong Mui Eng, who is a Non-Independent and Executive Director. • Nephew of Mr Ong Kwee Eng, Mr Ong Choo Eng and Mr Ong Hoo Eng, who are substantial shareholders. • Cousin of Mr Ong Eng Yaw, Non-Independent Executive Director and Acting Group Managing Director • Cousin of Mr Ong Eng Loke, who is the Senior Vice President, Fund Management, Alternate Director to Mr Ong Mui Eng and a substantial shareholder. • Cousin of Ms Ong Bee Leem, who is a substantial shareholder. • Cousin of Mr Ong Eng Keong, who is Alternate Director to Dr Ong Hian Eng. 	<p>Nil</p>
<p>Conflict of interest (including any competing business)</p>	<p>Nil</p>	<p>Nil</p>
<p>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST has been submitted to the Company</p>	<p>Yes</p>	<p>Yes</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	DR ONG ENG HUI DAVID Non-Independent and Non-Executive Director	MR HUANG YUAN CHIANG Independent and Non-Executive Director
<p>Other Principal Commitments¹ including Directorships²</p>	<p>Past Directorships (for the last 5 years) Listed Companies:</p> <ul style="list-style-type: none"> • Nil <p>Others:</p> <ul style="list-style-type: none"> • National University Hospital, Singapore (“NUH”) – Division of Gastroenterology and Hepatology: Senior Consultant/Head of Division • National University Health Systems (“NUHS”): Director of Risk, Group Chairman Medical Board Office • NUH – Risk Management and Medico-Legal: Associate Chairman, Medical Board • Yong Loo Lin School of Medicine, Department of Medicine: Assistant Professor • Altrade Investments Pte Ltd <p>Present / Existing Directorships Listed Companies:</p> <ul style="list-style-type: none"> • Nil <p>Others:</p> <ul style="list-style-type: none"> • Gastroenterology by David Ong Pte Ltd • Asian Gut Project Pte Ltd • Asian Microbiome Library Pte Ltd • Plastic Surgery by SJ Lee Pte Ltd 	<p>Past Directorships (for the last 5 years) Listed Companies:</p> <p>MTQ Corporation Limited</p> <p>Others:</p> <p>LaTache Pte Ltd</p> <p>Present / Existing Directorships Listed Companies:</p> <ul style="list-style-type: none"> • Asia Commercial Bank (Vietnam) <p>Others:</p> <ul style="list-style-type: none"> • HQ Solutions Sdn. Bhd. • Mankong Tamrong Sin Limited • Pintas Bidara Sdn Bhd • Rayan Holdings Company Limited • Rayan Management Company Limited • SGAT (Malaysia) Sdn Bhd • Kaer Sdn Bhd • Monopole Pte Ltd • Monopole Fine Wines Sdn Bhd • LGM Trading Malaysia Sdn Bhd
<p>(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?</p>	<p>No</p>	<p>No</p>

1 “Principal Commitments” has the same meaning as defined in the 2018 CG Code (i.e. includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments).

2 Not applicable for announcements of appointment pursuant to Rule 704(9) of the Listing Manual of the SGX-ST (i.e. appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the Company to a managerial position in the Company or any of its principal subsidiaries).

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	DR ONG ENG HUI DAVID Non-Independent and Non-Executive Director	MR HUANG YUAN CHIANG Independent and Non-Executive Director
(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
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information as required in Appendix 7.4.1	DR ONG ENG HUI DAVID Non-Independent and Non-Executive Director	MR HUANG YUAN CHIANG Independent and Non-Executive Director
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No No No No	No No No No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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HWA HONG CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 195200130C)

IMPORTANT:

- The Annual General Meeting ("AGM") of Hwa Hong Corporation Limited (the "Company") is being convened, and will be held by way of electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM, the Appendix to the Notice of AGM and this Proxy Form will not be sent to members but will be made available to members by electronic means via publication on the Company's corporate website at the URL <https://hwahongcorp.com/investorrelations/> and the SGXNET website at the URL <https://www.sgx.com/securities/company-announcements>, unless printed copies are being requested for. Members who wish to request for printed copies of these documents should submit their request via email to secretariat@hwahongcorp.com by 5.00 p.m. on 12 April 2022.
- Alternative arrangements relating to the (i) attendance at the AGM via electronic means; (ii) submission of questions to the Chairman of the Meeting in advance of the AGM or raising questions "live" at the AGM, via an online "chat box" and addressing of relevant questions at the AGM; and (iii) voting at the AGM via electronic means through personal-remote attendance or by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement released on the SGXNet on 25 March 2022 ("Announcement"). The Company has implemented the use of both real-time remote electronic voting, as well as, real-time electronic communication at the AGM.
- In light of the current Covid-19 measures in Singapore and the Company's effort to minimise physical interactions and risk of community spread of Covid-19, a member will not be able to attend the AGM in person, physically, but will be able to do so remotely, via electronic means. A member (whether individual or corporate) may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member does not wish to attend and/or vote at the AGM remotely. In appointing the Chairman as proxy, a member must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid. Please note that where the Chairman of the Meeting has been appointed as proxy, and where such member subsequently decides to attend the AGM remotely, he/she/it will not be able to vote at the AGM if he/she/it does not withdraw his/her/its proxy instructions by 10.00 a.m. on 16 April 2022.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.
- For investors who have used their CPF/SRS monies to buy shares in the Company, this report is forwarded to them at the request of their CPF Agent Banks and/or SRS Operators. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to vote should contact their CPF Agent Banks and/or SRS Operators to submit their votes by 5.00 p.m. on 5 April 2022.

Proxy Form

*I/We, _____ (Name) _____ (NRIC/Passport/Co. Reg.No.)

of _____ (Address)

being *a Member/Members of **HWA HONG CORPORATION LIMITED** (the "Company") hereby appoint the Chairman of the Meeting, as *my/our *proxy to attend, speak and vote for *me/us on *my/our behalf at the **Sixty-Ninth Annual General Meeting ("AGM")** of the Company to be held by way of electronic means on **Monday, 18 April 2022 at 10.00 a.m.** (Singapore time) and at any adjournment thereof.

(*I/We direct *my/our proxy to vote for or against or abstain the Resolutions to be proposed at the AGM as indicated hereunder.)

Resolution No.	Resolutions relating to:	No. of Votes For ⁽¹⁾	No. of Votes Against ⁽¹⁾	No. of Votes Abstain ⁽¹⁾
ORDINARY BUSINESS				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021 together with the auditors' report thereon			
2	Payment of proposed final ordinary dividend			
3	Approval of payment of pro-rated Directors' fees to a Non-Executive Director, Dr Ong Eng Hui David, for the financial year ended 31 December 2021			
4	Approval of payment of Directors' fees to Non-Executive Directors for the financial year ending 31 December 2022			
5	Re-appointment of Mr Tham Chee Soon as a Director of the Company			
6	Re-appointment of Mr Ong Eng Yaw as a Director of the Company			
7	Re-appointment of Dr Ong Eng Hui David as a Director of the Company			
8	Re-appointment of Messrs Ernst & Young LLP as Auditors and authorising Directors to fix their remuneration			
SPECIAL BUSINESS				
As Ordinary Resolutions				
9	Approval of the continued appointment of Mr Huang Yuan Chiang as an Independent Director by <u>all</u> shareholders (pursuant to Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST)			
10	Approval of the continued appointment of Mr Huang Yuan Chiang as an Independent Director by shareholders <u>excluding</u> the Directors, the Chief Executive Officer of the Company, and their respective associates (pursuant to Rule 210(5)(iii)(B) of the Listing Manual of the SGX-ST)			
11	Authority to issue shares			
12	Authority to issue shares under Hwa Hong Corporation Limited Scrip Dividend Scheme			
13	Renewal of Share Purchase Mandate			
As Special Resolutions				
14	Approval and adoption of New Constitution of the Company			
15	Approval of the proposed amendment of certain regulations of the New Constitution, as set out in Annex 3 to the Appendix			

⁽¹⁾ If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate your vote with a ✓ within the box provided. Alternatively, please indicate the number of votes as appropriate.

⁽²⁾ 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

Total Number of Shares Held	
CDP Register	
Members' Register	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

* Delete as appropriate

IMPORTANT: PLEASE SEE NOTES PRINTED ON THE REVERSE

Please affix
postage
stamp

HWA HONG CORPORATION LIMITED

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
(as Share Registrar of Hwa Hong Corporation Limited)
1 Harbourfront Avenue
Keppel Bay Tower, #14-07
Singapore 098632

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Notes

1. 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 of Singapore), 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 the Chairman of the Meeting as proxy shall be deemed to relate to all the Shares held by you (in both the Register of Members and the Depository Register).
2. **In light of the current Covid-19 measures in Singapore and the Company's effort to minimise physical interactions and risk of community spread of Covid-19, a member will not be able to attend the AGM in person, physically, but will be able to do so remotely, via electronic means.** A member (whether individual or corporate) may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member does not wish to attend and/or vote at the AGM remotely.
3. This proxy form may be accessed on the Company's corporate website at the URL <https://hwahongcorp.com/investorrelations/> and on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. Please note that where the Chairman of the Meeting has been appointed as proxy, and where such member subsequently decides to attend the AGM remotely, he/she/it will not be able to vote at the AGM if he/she/it does not withdraw his/her/its proxy instructions by **10.00 a.m. on 16 April 2022**.
4. This proxy form is not valid for use by investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (including investors holding through CPF and SRS) and shall be ineffective for all intents and purposes if used or purported to be used by them. Persons who hold Shares of the Company through relevant intermediaries, other than CPF or SRS investors, who wish to appoint the Chairman of the Meeting as proxy should approach the relevant intermediary through which they hold such Shares as soon as possible in order to specify his/her voting instructions. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 5 April 2022**.
5. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
6. This instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as 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 the Chairman of the Meeting as 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.

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7. A body corporate which is a member may authorise by resolution of its directors or other governing body such persons as it thinks fit to act as its representative or representatives at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
8. This instrument appointing the Chairman of the Meeting as proxy, duly executed, together with the power of attorney (if any) under which it is signed or a certified copy thereof, must be submitted to the Company in the following manner:
 - (i) if submitted by post, deposited at the Company's Share Registrar's address at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07 Singapore 098632; or
 - (ii) if submitted electronically, be submitted via email to HwaHong-AGM2022@boardroomlimited.com

in either case, at least forty-eight (48) hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit the completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

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 25 March 2022.

General:

The Company shall be entitled to reject this instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of a member whose shares are 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/her/its 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.

CORPORATE INFORMATION

REGISTERED OFFICE

38 South Bridge Road
Singapore 058672
website: www.hwahongcorp.com

Finance and Administrative

38 South Bridge Road #04-01
Singapore 058672
tel: 6538 5711
fax: 6533 3028
email: finance@hwahongcorp.com

Corporate Secretarial

38 South Bridge Road #03-01
Singapore 058672
tel: 6538 5711
fax: 6533 3028
email: secretariat@hwahongcorp.com

MANAGEMENT

Ong Eng Yaw Acting Group Managing Director
Hwa Hong Corporation Limited
Ong Mui Eng Executive Director
Hwa Hong Corporation Limited
Ong Choo Eng Managing Director
Singapore Warehouse Company (Private) Ltd.
Chen Chee Kiew (Mrs) General Manager
Singapore Warehouse Company (Private) Ltd.
Ong Eng Loke Senior Vice President, Fund Management
Hwa Hong Edible Oil Industries Pte. Ltd
Lee Soo Wei Chief Financial Officer
Hwa Hong Corporation Limited

COMPANY SECRETARY

Gwendolin Lee Soo Fern

REGISTRAR / SHARE REGISTRATION OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower
#14-03/07
Singapore 098632
tel: 6536 5355
fax: 6536 1360

AUDITORS

Ernst & Young LLP

Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner In-Charge: Tan Seng Choon
(with effect from financial year ended 31 December 2020)

BOARD OF DIRECTORS

Mak Lye Mun	Non-Executive Chairman; Independent
Ong Eng Yaw	Acting Group Managing Director; Non- Independent
Ong Mui Eng	Executive Director; Non- Independent
Ong Eng Loke	Alternate Director to Ong Mui Eng
Ong Hian Eng (Dr)	Non-Executive Director; Non-Independent
Ong Eng Keong	Alternate Director to Dr Ong Hian Eng
Guan Meng Kuan	Non-Executive Director; Non- Independent
Tham Chee Soon	Non-Executive Director; Independent
Huang Yuan Chiang	Non-Executive Director; Independent
Ong Eng Hui David (Dr)	Non-Executive Director; Non- Independent

AUDIT AND RISK COMMITTEE

Tham Chee Soon	Chairman
Mak Lye Mun	
Huang Yuan Chiang	

NOMINATING COMMITTEE

Mak Lye Mun	Chairman
Tham Chee Soon	
Guan Meng Kuan	

REMUNERATION COMMITTEE

Huang Yuan Chiang	Chairman
Mak Lye Mun	
Guan Meng Kuan	



HWA HONG CORPORATION LIMITED

Company Registration No. 195200130C
38 South Bridge Road Singapore 058672
www.hwahongcorp.com