CHUAN HUP
HOLDINGS
LIMITED

Built on Passion
Built to Last

ANNUAL REPORT 2020

Contents

Over the years, the Group has brought to bear its expertise, experience and insights on nurturing and scaling its businesses. Its dedication and passion in assessing and seizing investment opportunities is demonstrated in its strong standing. These attributes continue to undergird the Group well on all fronts amid the volatile environment.

Corporate Profile

Founded in 1970, Chuan Hup Holdings Limited ("Chuan Hup") has grown into an investment company with a diversified portfolio of strategic investments, including investment properties and property development in Perth, Western Australia and the Philippines. The Group also engages in equity investments.

Chuan Hup began as a tug and barge service provider to PSA Corporation in Singapore, establishing a reputation as one of the leading owners and operators of marine transportation equipment to the resource industry. Following its listing on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1983, the Group diversified its business footprint to include property development and electronics manufacturing services under PCI Limited ("PCI").

In 1992, PCI was listed on the then Sesdaq of SGX-ST and transferred to the Mainboard of SGX-ST in 1995. In 2019, Chuan Hup disposed of all of its shares in PCI.

On the property front, Chuan Hup has marked several milestones locally and in the Asia Pacific region after two decades in property development. From its first residential project in Singapore, The Clementvale, in 1999, the Group has since ventured overseas to invest in property development projects in Australia and the Philippines. Through strategic partnerships with local businesses, Chuan Hup harnesses their local expertise to drive development projects. Its past developments region-wide have received strong reception and achieved strong sales soon after completion.

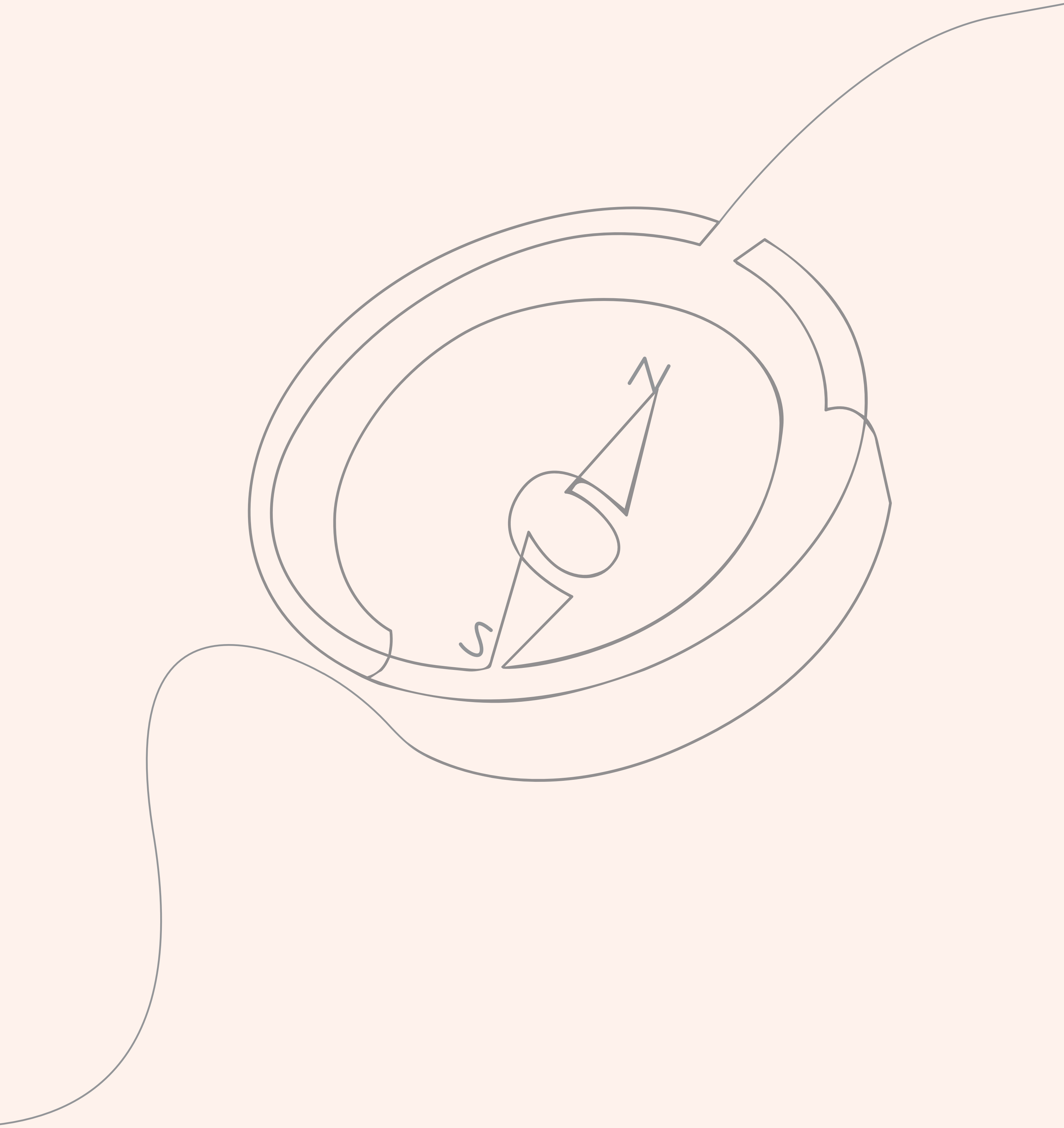
In 2014, Chuan Hup acquired three floors of office space in GB Building in Singapore to be held as investment property with the objective of securing long-term recurring rental income. It further strengthened its investment property portfolio with the acquisition of one floor of office space in The Central in 2019.

With a focus on delivering long-term sustainable growth, Chuan Hup continues to explore investment opportunities with prudence to further augment its portfolio and generate sustainable value for its stakeholders.


Concerto Apartments

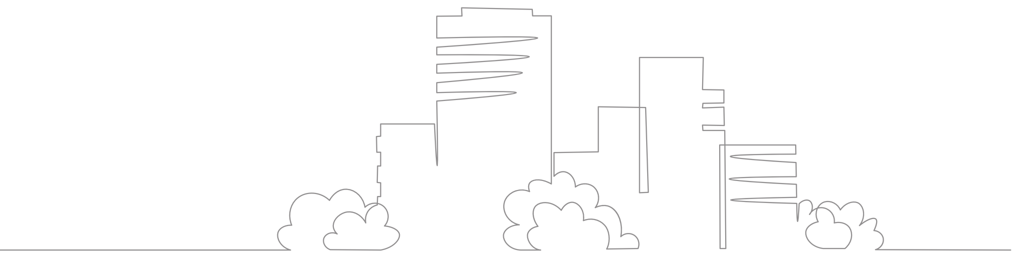
Focused Vision, Defined Strategy

In building our tomorrow, we are driven by our focus on delivering long-term returns to our shareholders through sustainable streams of income. We are underpinned by our prudent financial management, strong network, and track record to deliver on our strategy.



Chairman's Statement

"As we seek to emerge from this downturn, we will continue to pursue opportunities that add value to our businesses. Our healthy balance sheet gives us the flexibility and capability to consider prospects and seek ways on how we can optimise value from them."



DEAR SHAREHOLDERS,

2020 turned out to be an exceptionally difficult year. The COVID-19 pandemic brought economic activities to a near-standstill as countries observed tight restrictions to curb the pandemic spread. With most countries forecast to go into recession in 2020, business prospects are grim and investment confidence is low.

Amidst this difficult business environment, Chuan Hup Holdings Limited ("Chuan Hup" or "the Group") recorded a net loss of USD17.12 million for the financial year ended 30 June 2020 ("FY2020"), a decline from the profit of USD46.02 million in the previous corresponding year. This was mainly attributable to the absence of one-off gain from the divestment of electronics manufacturing services and recognition of impairment loss of USD8.83 million on the loan receivable from Major Star Holdings Ltd.

We recorded a revenue of USD25.23 million for FY2020, which was 38.0% higher than a year ago. The topline improvement was due mainly to the completion and commencement of settlement of One Kennedy project in May 2020, ongoing sale of Concerto apartment units as well as contribution from investment trading activities.

Share of results of associates was a loss of USD1.11 million for FY2020, which improved from last year's net loss of USD20.48 million. This was due mainly to contribution from Finbar Group Limited and Keyland Ayala Properties Inc. ("Keyland"), offset by share of losses from Pacific Star Development Limited. Keyland became an associated company in the second quarter of FY2020.

MAINTAINING FINANCIAL HEALTH

The Group weathered the challenges in the external environment well, reporting only slight declines in attributable net assets. Net assets attributable to equity holders of the Company dipped by 9.3% to USD244.21 million as at 30 June 2020. Cash and cash equivalents of USD109.36 million at 30 June 2020 which were 12.3% lower than the previous year-end resulted from USD7.5 million used in investing activities and USD7.2 million used in financing activities.

EXPANDING OUR FOOTPRINT

During the year, we continued to carve out an even stronger footing in the Australian property sector to tap the evolving demographics and demand for quality homes.

Last October, we formed a joint venture with Finbar Group Limited to acquire and develop a prime development land site in the Perth city precinct. Located at 240 Adelaide Terrace, the site is centrally located within walking distance from the Perth Central Business District (CBD). The land will be developed into 119 studio, one, two and three-bedroom apartments known as AT238, Perth. We have since received approval from the Local Development Assessment Panel for the development of a 32-level tower on the 1,697 square-metre site. We expect to begin construction in January 2021. We are confident that our strategy of identifying and developing developments in such a prime location will enable us to extract value at the appropriate time in the years ahead.

Our existing portfolio of prime residential assets has held up well despite the pandemic crisis. Construction of One Kennedy property project in Maylands Perth was completed in May 2020 with 42% of the apartments sold and settled. The development, which is a joint venture project with Finbar Group Limited, comprises 123 one, two and three-bedroom apartments and commercial units. Settlements on the pre-sold apartment units at the development have commenced in May 2020.

As for our Symphony City development which was developed in three stages at East Perth, sale of the Concerto units has progressed steadily with 95% of the 227 units sold and settled as at 30 June 2020. Concerto is Perth's tallest residential tower standing at 38 stories and is the third and final stage of the development.

SPECIAL DIVIDEND

2020 marks the 50th anniversary of the Company's incorporation. To commemorate the golden jubilee of our incorporation, the Directors are pleased to propose a final special tax-exempt one-tier dividend of 1.0 SG cent per ordinary share amounting to SGD9.25 million (equivalent to USD6.63 million) in respect of FY2020.

Artist impression of AT238, Perth

The Directors would like to express their gratitude to all shareholders for their continuing support over the years.

BUILT ON PASSION, BUILT TO LAST

While the macro-economic outlook remains highly unpredictable, our resilience and adaptability towards change will well-equip us to meet the challenges of the future head-on. Our long-standing track record attests to our resolve and passion in growing, investing and rationalising our businesses so that they generate long-term, enduring returns in the years to come. We will not be derailed even in this present crisis.

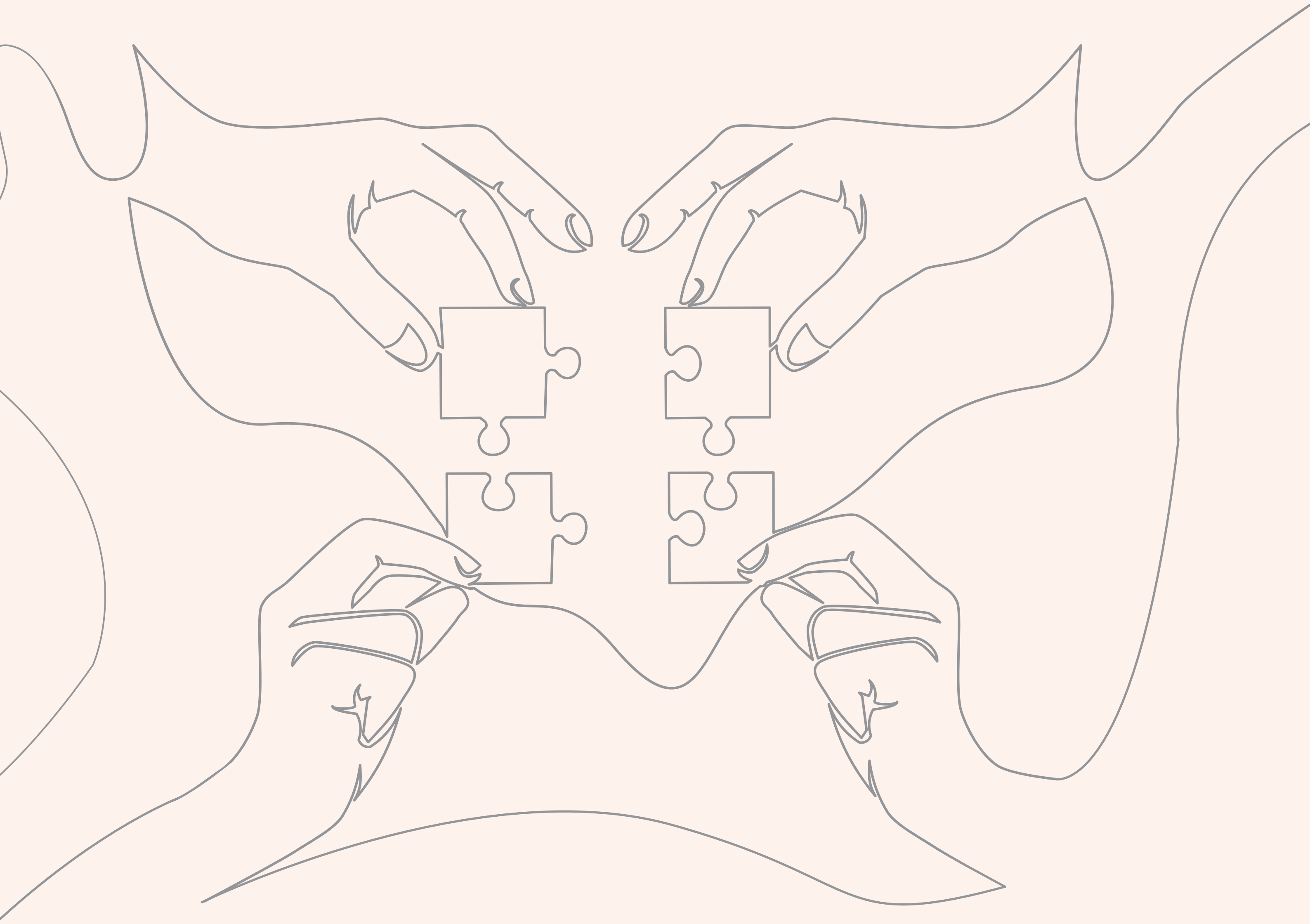
As we seek to emerge from this downturn, we will continue to pursue opportunities that add value to our businesses. Our healthy balance sheet gives us the flexibility and capability to consider prospects and seek ways on how we can optimise value from them. We will carefully balance short-term pressures on our businesses with our long-term strategies of growing in scale and depth.

I thank our Board, management, staff, business partners, customers and all stakeholders for their unwavering commitment and support during this challenging year. Together, we will press on to overcome this deeply uncertain economic environment and emerge stronger to enhance shareholder value.

MR LO PANG FOO STEVEN
Non-Executive Chairman
10 September 2020

Steadfast Potential, Distinct Value

Our niche investments in our focus markets keep us on a steady stead to maximise our potential returns over the long-term. We stand ready and responsive to further leverage our business partnerships and local insights to expand our presence and portfolio to grow earnings.



Our Investments

“We are vigilant in our risk management of our existing investments and progress of our projects across the different markets we are in.”

OUR INVESTMENTS

At Chuan Hup, we are committed to fostering sustainable business growth. We aim to develop robust, resilient, and sustainable earnings streams that will enable us to deliver reasonable returns to our stakeholders over the long term.

To this end, we seek to create value consistently through strategic investments and partnerships to grow our portfolio of businesses.

In pursuing these objectives, we take a long-term view in our decision-making process. We take a disciplined investment approach, ensuring a balance of financial prudence and returns. We are vigilant in our risk management of our existing investments and progress of our projects across the different markets we are in. We evaluate potential opportunities across the diverse regulatory regimes governing investments and business practices on strict criteria for return on investment and potential cashflow generation.

Beyond striving for strong financial performance, we uphold sustainable practices in corporate governance, ethical values, environmental awareness and accountability in every aspect and level of our operations. Equally important, we are committed to maintain a strong and robust balance sheet to withstand external cyclical challenges and provide the resources to grow the Group's businesses.

Our commitment to building a sustainable business through our vigilant stewardship will keep us on track to deliver on our business objectives and targets.

PROPERTIES

FINBAR GROUP LIMITED

The Group is a substantial shareholder of Finbar Group Limited ("Finbar"). Finbar has been recorded as an associated company since 1 January 2016. As at 30 June 2020, the Company has a shareholding interest of 20.5% in Finbar.

Finbar has been listed on the Australian Securities Exchange since 1995. It is involved in the development of medium to high density residential properties.

Over the years, the Group has collaborated with Finbar on several successful residential development projects in Western Australia. These development projects include Reflections, Adagio, Toccata, Concerto, Unison on Tenth, One Kennedy and recently, a new property development located at 240 Adelaide Terrace. These development properties are all situated within close proximity to Perth City.

SYMPHONY CITY, EAST PERTH, WESTERN AUSTRALIA

The Group jointly launched the Symphony City development located at East Perth, Western Australia with Finbar in 2009. The project involved the redevelopment of the former Australian Broadcasting Corporation ("ABC") site which the Group owns.

Symphony City was developed in three stages. The first two stages comprising the Adagio and Toccata, luxury residential apartment towers with panoramic views of the Swan River, were completed and fully sold in 2014 and 2016 respectively.

Located in the heart of East Perth at the door step of the CBD, Concerto is Perth's tallest residential tower, standing at 38 stories high. Combining the simplicity and ease of inner-city living with a luxurious resort lifestyle at home, these brand new luxury apartments were completed in June 2017.

The tower consists of one and two-bedroom apartments, luxury two and three-bedroom tower apartments and New York style studios which are designed to blend contemporary architectural elements with the culturally rich characteristics of the former ABC building. The development is within walking distance of Elizabeth Quay, Langley Park, Swan River and Queens Gardens.

As at 30 June 2020, 95% of the 227 apartments have been sold and settled.

Artist Impression of One Kennedy Apartments

Our Investments

UNISON, MAYLANDS, WESTERN AUSTRALIA

The development, which was launched in 2014, is in a trendy suburb northeast of Perth. Comprising two phases, the Unison project features three-storey walk-up apartments and 10-storey apartment towers, boasting resort-style facilities and luxurious living.

Conveniently located just 4.5 kilometres from the Perth CBD, Unison is a short stroll from the buzzing Eighth Ave and Whatley Crescent café strips, Maylands train station and the beautiful banks of the Swan River.

The first phase, Unison on Tenth, was completed in February 2016. The 169 apartments have been fully sold as at 30 June 2019.

With a striking three-level facade boasting composite cedar cladding and feature artwork screens, the second phase, One Kennedy, is a contemporary low-rise residential development that enhances the modern, urban streetscape of Maylands. First launched in October 2018, the project offers resort style living at best value pricing and is available in one, two and three-bedroom options. A range of amenities are also provided including a 25 metre swimming pool, gym, games room and lounge.

Construction of One Kennedy was completed in February 2020, with 42% of the 123 apartments sold and settled as at 30 June 2020.

AT238, PERTH, WESTERN AUSTRALIA

This new joint venture development project at 240 Adelaide Terrace is centrally located within walking distance from the Perth Central Business District (CBD). The land will be developed into 119 studio, one, two and three-bedroom apartments. The development offers potential residents and investors expansive views of the Swan River and city from the upper levels. It will feature a podium design that embraces the retention of a mature street tree and a full range of resort style facilities including a lap pool, gym, sauna, steam room and multimedia cinematic hub as well as a private dining room and residents' lounge.

Construction is expected to begin in January 2021.

KEYLAND AYALA PROPERTIES INC

Keyland Ayala Properties Inc ("Keyland") is a property and development company in the Philippines in which the Group has a stake of 32.5% as at 30 June 2020. Keyland became an associated company of Chuan Hup in October 2019.

Keyland has a joint venture property development, Signa Designer Residences, along Ayala Avenue in the prime commercial and business district in Makati, Manila. The development comprises two high-end residential towers which were completed in the last quarter of 2016.

As at 30 June 2020, 99.5% of apartments have been sold.

Concerto Apartments Lobby

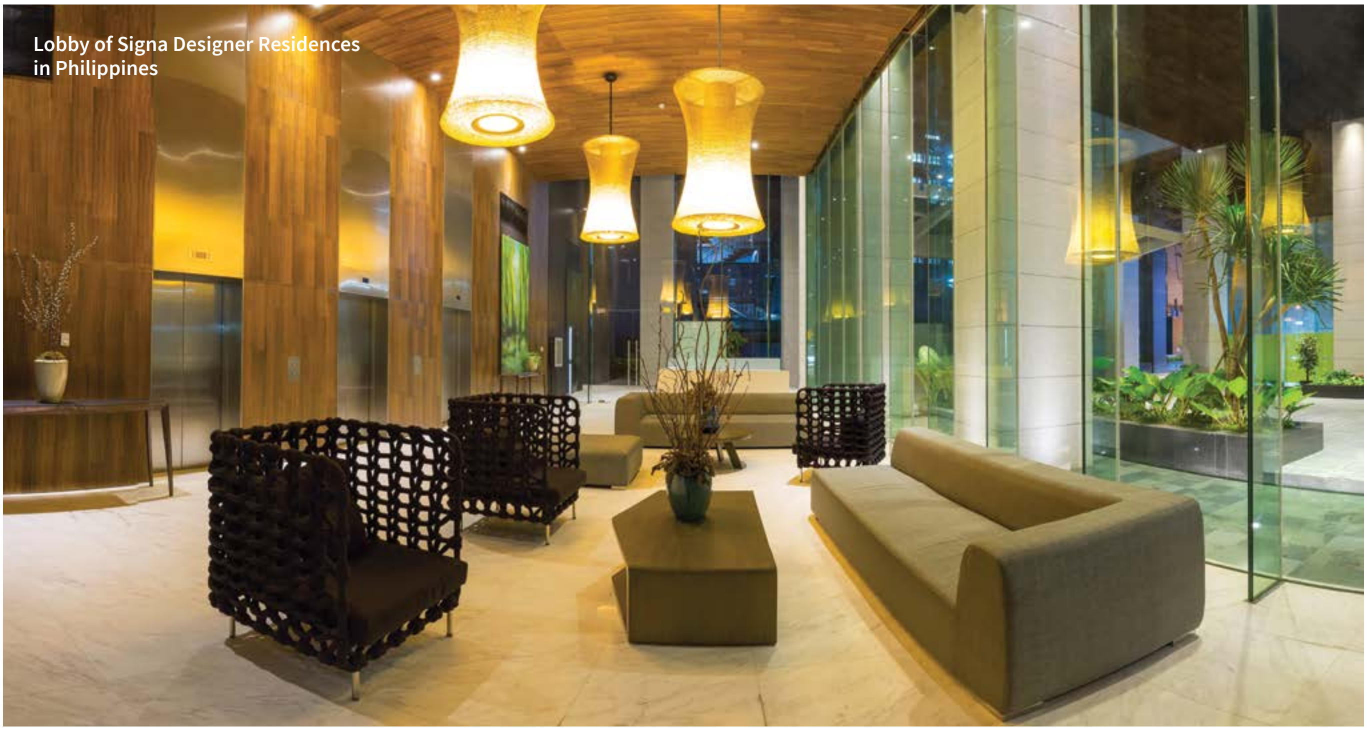
OFFICE UNITS IN GB BUILDING, 143 CECIL STREET, SINGAPORE

The Group acquired three floors, the 20th to 22nd floors of GB Building in November 2014. Located in the heart of the Central Business District, these office units, which are fully leased, are in line with the Group's investment strategy to build a portfolio of quality property assets that can generate recurring revenue and provide sustainable earnings.

OFFICE UNITS IN THE CENTRAL, 8 EU TONG SEN STREET, SINGAPORE

In April 2019, the Group acquired the 24th floor of The Central which houses several office units. The Central is centrally located near major expressways, well connected to public transport, with retail outlets and amenities available within the property. This acquisition provides the Group with an opportunity to own a strategically located commercial property, which will enable the Group to earn a sustainable and recurring source of rental income.


Concerto pool deck


Lobby of Signa Designer Residences in Philippines

Board of Directors

01

02

03

04

05

01 Mr Lo Pang Foo Steven
02 Mr Peh Kwee Chim
03 Mr Peh Siong Woon Terence
04 Ms Heng Su-Ling Mae
05 Mr Lim Kwee Siah

01

MR LO PANG FOO STEVEN
Non-Executive, Independent Director and Chairman

Mr Lo Pang Foo Steven is a Non-Executive, Independent Director and the Chairman of Chuan Hup. He was appointed as a Non-Executive, Independent Director on 24 February 2017 and as Chairman on 1 July 2017. He was last re-elected on 29 October 2019. He is also the Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee.

Mr Lo is a Director of Drew & Napier LLC as well as the Head of the firm's Mergers and Acquisitions Practice. He has more than 20 years of legal experience. His practice focuses on mergers and acquisitions and corporate finance. He has extensive experience in both private and public merger and acquisition transactions in Singapore and the region. Mr Lo has a wide range of expertise and has also represented issuers, underwriters and selling shareholders in a variety of domestic and international capital markets transactions.

Mr Lo was a Non-Executive, Independent Director of PCI Limited from 28 December 2011 to 10 May 2019. He was the Chairman of its Remuneration and Nominating Committees and a member of its Audit Committee.

Mr Lo graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree in 1995 and was admitted to the Singapore Bar in 1996. He subsequently obtained his Master of Laws degree from the University of Cambridge in 1998 and was admitted to the Roll of Solicitors in England and Wales in 2000 as a non-practising member.

02

MR PEH KWEE CHIM
Executive Director

Mr Peh Kwee Chim is an Executive Director of Chuan Hup. He was one of the founders of Chuan Hup in 1970. He was appointed as an Executive Director on 1 August 1970 and as Managing Director in 1984. On 1 November 2005, he resigned as Managing Director and remained on the Board as an Executive Director. He was last re-elected on 29 October 2019. He is a member of the Nominating Committee.

Mr Peh was the Executive Chairman of PCI Limited from 27 November 1989 to 10 May 2019 and was a member of its Nominating Committee.

Mr Peh graduated from the University of Western Australia in 1969 with a Bachelor of Engineering (Mechanical) degree.

03

MR PEH SIONG WOON TERENCE
Chief Executive Officer and Executive Director

Mr Peh Siong Woon Terence is the Chief Executive Officer and Executive Director of Chuan Hup. As Chief Executive Officer, he is responsible for the day-to-day running of the business and for the overall performance of the Group. Mr Peh was appointed on 1 November 2005. He was last re-elected on 18 October 2018 and will be due for re-election at the coming Annual General Meeting ("AGM").

Mr Peh has over 20 years of experience in property development investment and project management in Asia Pacific, and management experience in finance in the marine and electronics manufacturing services industries.

Mr Peh is a Non-Executive Director of Finbar Group Limited, which is listed on the Australian Securities Exchange

Mr Peh was an Executive Director of PCI Limited ("PCI") from 28 December 2011 to 10 May 2019 and the Executive Vice Chairman of PCI from 13 August 2013 to 10 May 2019. Mr Peh was also a Non-Executive Director of Pacific Star Development Limited from 15 February 2017 to 7 June 2019 and a member of its Audit, Nominating and Remuneration Committees.

Mr Peh obtained his Bachelor of Commerce in Marketing degree from Curtin University of Technology, Australia in 1996 and his Master of Commerce in Finance degree from the University of New South Wales, Australia in 1997.

Board of Directors

04

MS HENG SU-LING MAE
Non-Executive, Independent Director

Ms Heng is a Non-Executive, Independent Director of Chuan Hup. She was appointed as a Director on 3 April 2018 and was last re-elected on 18 October 2018. Ms Heng is the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

Ms Heng has over 16 years of experience working at Ernst & Young Singapore.

Ms Heng is an Independent Director of HRnetGroup Limited. She is the Chairman of its Audit Committee and a member of its Nominating and Remuneration Committees. She is an Independent, Non-Executive Director of Ossia International Limited and is the Chairman of its Remuneration Committee and a member of its Audit and Nominating Committees. She is an Independent, Non-Executive Director of Apex Healthcare Berhad, which is listed on Bursa Malaysia. She is the Chairman of its Audit Committee and a member of its Nominating Committee. She is also a Director of Grand Venture Technology Limited. She is the Chairman of its Remuneration Committee and a member of its Audit and Nominating Committees. She also holds directorships in her family-owned investment holding companies.

Ms Heng was an Independent, Non-Executive Director of Pacific Star Development Limited from 7 August 2017 to 7 June 2019. She was the Chairman of its Audit Committee and a member of its Remuneration and Nominating Committees.

Ms Heng graduated with a Bachelor of Accountancy degree from Nanyang Technological University in 1992 and is a Fellow Chartered Accountant of Singapore.

05

MR LIM KWEE SIAH
Non-Executive Director

Mr Lim Kwee Siah is a Non-Executive Director of Chuan Hup. He was appointed to this position on 28 December 2011. He was last re-elected on 18 October 2018 and will be due for re-election at the coming AGM. Mr Lim is a member of the Audit and Remuneration Committees.

Mr Lim has extensive experience in financial management, investment and property development.

Mr Lim was a Non-Executive Director of PCI Limited from August 1989 to December 2011, an Executive Director of Chuan Hup from November 1989 to October 2005 and a Non-Executive, Independent Director of Scomi Marine Bhd from September 2005 to January 2011.

Mr Lim graduated from the then University of Singapore in 1976 with a Bachelor of Accountancy degree and is a Fellow Chartered Accountant of Singapore.

Senior Management

MR ELDON WAN
Chief Operating Officer

Mr Eldon Wan is the Chief Operating Officer of Chuan Hup. He is responsible for developing, establishing and implementing the Group's operating policies, business plans and strategies. Mr Wan joined Chuan Hup in May 2014 as Head, Corporate Development and was redesignated as Chief Operating Officer in August 2017. Mr Wan was concurrently an Executive Director of PCI Limited from April 2018 to May 2019.

Mr Wan has over 25 years of experience in the finance and accounting sectors. He has cumulated industry experience in mergers and acquisitions, financial and management reporting, budgeting, taxation, treasury as well as corporate governance and risk management matters. Prior to joining the Group, he was the Group Chief Financial Officer of The Straits Trading Company Limited and the Group Finance Manager of the Tecity Group.

Mr Wan graduated from the Nanyang Technological University of Singapore in 1995 with a Bachelor of Accountancy degree and is a Fellow Chartered Accountant of Singapore.

MS ANNE LIEW MEI HONG
Chief Financial Officer

Ms Anne Liew Mei Hong is the Chief Financial Officer of Chuan Hup. She is responsible for all accounting, financial, taxation, risk management, human resource and administrative matters of the Group.

Ms Liew was redesignated from Head, Corporate Investments to Chief Financial Officer on 21 October 2019. Ms Liew was appointed Head, Corporate Investments on 1 July 2018, while concurrently holding the position of Chief Financial Officer of PCI Limited ("PCI"). Ms Liew was Chief Financial Officer of PCI from April 2018 to May 2019 and was responsible for all accounting, financial, taxation, risk management and human resource matters of the PCI Group. She joined PCI in 2009 as Section Head, Finance and rose through the ranks. She was appointed as Vice President, Finance in July 2015 and promoted to Chief Financial Officer in 3 April 2018.

Ms Liew has over 10 years of experience in the finance and accounting sectors. She has cumulated industry experience in financial and management reporting, budgeting, taxation, treasury as well as corporate governance and risk management matters. Prior to joining PCI, she worked in the Finance department of a European-based multinational company.

Ms Liew graduated from the University of Hertfordshire, UK in 2005 with a Bachelor of Arts (Hons) degree in Accounting. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants and a member of the Association of Chartered Certified Accountants.

MS VALERIE TAN MAY WEI
Head, Legal and Corporate Secretarial and Group Company Secretary

Ms Valerie Tan May Wei joined Chuan Hup on 15 July 1993 as Group Legal Manager and was appointed Group Company Secretary on 18 January 1994. She is responsible for all legal and secretarial matters of the Chuan Hup Group.

Prior to joining Chuan Hup, Ms Tan was Group Legal Manager and Company Secretary of Jurong Shipyard Ltd and Senior Legal Officer at Neptune Orient Lines Ltd. She has over 25 years of experience in legal and corporate secretarial matters.

Ms Tan was the Company Secretary of PCI Limited from October 2008 to May 2019 and the Company Secretary of CH Offshore Ltd from January 1994 to May 2015.

Ms Tan graduated from the National University of Singapore in 1987 with a Bachelor of Law (Honours) degree and was admitted to the Singapore Bar in 1988.

Financial Highlights

FINANCIAL YEAR ENDED 30 JUNE	2020 US$'000	2019 US$'000	2018 (restated) US$'000	2017 (restated) US$'000	2016 US$'000
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	25,234	194,178	345,298	283,189	238,508
(Loss)/profit before tax	(16,791)	49,704	22,378	25,019	14,668
(Loss)/profit for the year	(17,124)	46,019	17,344	20,317	11,624
(Loss)/profit attributable to equity holders of the Company	(17,124)	43,931	13,090	17,811	10,286
BALANCE SHEET					
Development properties	22,161	15,077	25,882	66,116	33,827
Other current assets	129,121	157,593	237,299	212,090	191,655
Investment properties	50,155	55,455	24,196	23,816	24,301
Other non-current assets	68,119	60,419	117,978	144,191	123,614
	269,556	288,544	405,355	446,213	373,397
Current liabilities	24,881	18,739	94,748	128,282	70,151
Non-current liabilities	468	566	1,846	2,251	2,573
Equity attributable to equity holders of the Company	244,207	269,239	285,285	295,284	280,779
Non-controlling interests	–	–	23,476	20,396	19,894
	269,556	288,544	405,355	446,213	373,397
PER ORDINARY SHARE					
Net tangible assets per share (US cents)	26.39	29.00	30.73	31.81	30.19
(Loss)/earnings per share (US cents)	(1.85)	4.73	1.41	1.92	1.11
Final dividend per share (SG cents)	–	1	1	1	1
Special dividend per share (SG cents)	1	9	–	2	–
FINANCIAL RATIOS					
Dividend payout ratio (%)	N.M	155.3	52.0	113.6	67.0
Return on total assets (%)	(6.4)	15.2	3.2	4.0	2.7
Return on average equity (%)	(6.7)	15.8	4.5	6.2	3.5

N.M = Not Meaningful

FY2020 At A Glance

SHAREHOLDERS' EQUITY

US$244,207

(US$'000)

NET TANGIBLE ASSETS PER SHARE

US$0.26

(US$)

DIVIDEND PER SHARE

S$0.01

(SG$)

RETURN ON AVERAGE EQUITY

(6.7%)

LOSS ATTRIBUTABLE TO SHAREHOLDERS

(US$17,124)

(US$'000)

LOSS PER SHARE

(US$0.02)

(US$)

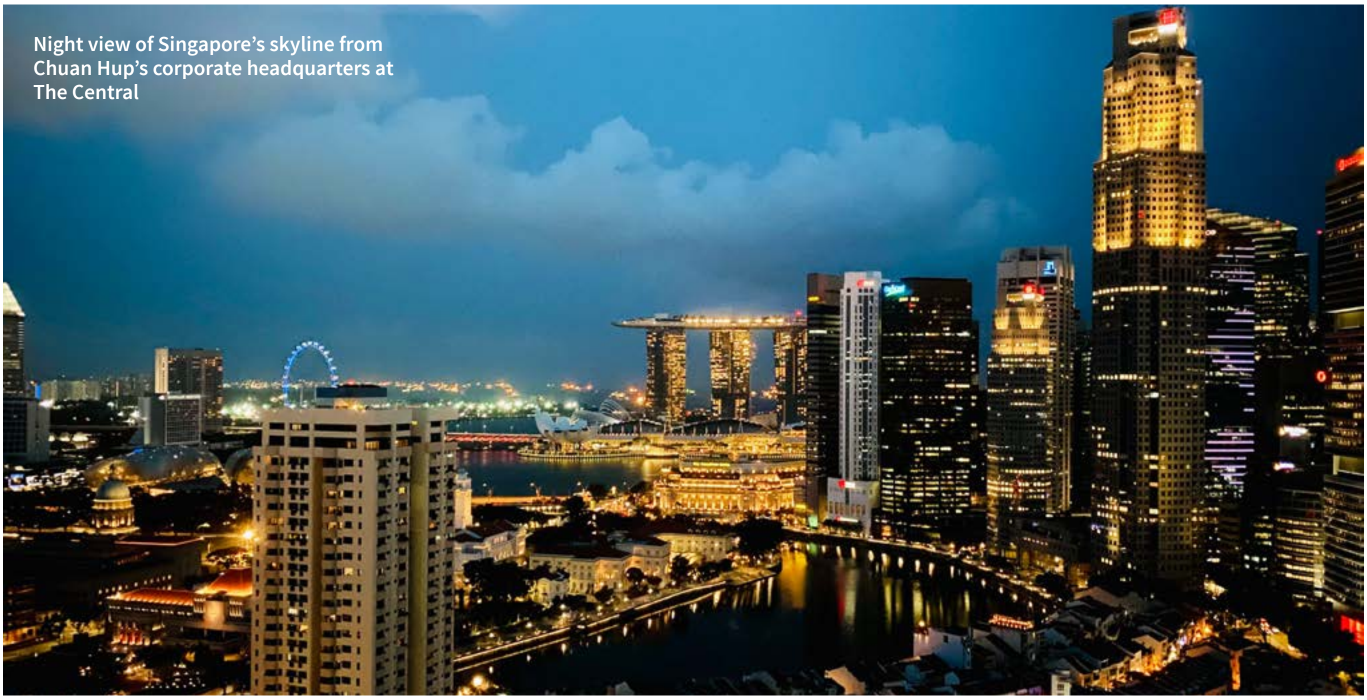
Our Presence

“Chuan Hup consistently sieves out value via strategic **partnerships** to invest in the growing **potential** of the region and we will continue to seek out more of these **opportunities**.”

Legend

Residential Commercial

Corporate Data



Night view of Singapore's skyline from Chuan Hup's corporate headquarters at The Central

BOARD OF DIRECTORS

Mr Lo Pang Foo Steven
(Non-Executive, Independent Director and Chairman)

Mr Peh Kwee Chim
(Executive Director)

Mr Peh Siong Woon Terence
(Chief Executive Officer and Executive Director)

Ms Heng Su-Ling Mae
(Non-Executive, Independent Director)

Mr Lim Kwee Siah
(Non-Executive Director)

AUDIT COMMITTEE

Ms Heng Su-Ling Mae
(Chairman)

Mr Lo Pang Foo Steven

Mr Lim Kwee Siah

REMUNERATION COMMITTEE

Mr Lo Pang Foo Steven
(Chairman)

Ms Heng Su-Ling Mae

Mr Lim Kwee Siah

NOMINATING COMMITTEE

Mr Lo Pang Foo Steven
(Chairman)

Mr Peh Kwee Chim

Ms Heng Su-Ling Mae

COMPANY SECRETARY

Ms Valerie Tan May Wei

REGISTERED OFFICE

8 Eu Tong Sen Street
#24-90 The Central
Singapore 059818
Telephone: (65) 6559 9700
Facsimile: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay,
North Tower, Level 18
Singapore 048583

PARTNER-IN-CHARGE:
Mr Adrian Koh
Appointed with effect from the financial year ended 30 June 2020

Financial Calendar


Artist Impression of One Kennedy first floor apartments

Financial Year End

30 June 2020

Announcement of First Quarter Financial Results

14 November 2019

Announcement of Half Year Financial Results

14 February 2020

Announcement of Full Year Financial Results

28 August 2020

Publication of Annual Report

6 October 2020

Annual General Meeting

29 October 2020

Book Closure to Register Members for Final Special Dividend

5 November 2020

Proposed Payment of Final Special Dividend

13 November 2020

Corporate Governance Report

Chuan Hup is committed to achieving high standards of corporate governance to promote corporate transparency and to enhance shareholder value.

This report sets out an overview of Chuan Hup's corporate governance practices during the financial year ended 30 June 2020 with reference to the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). The Company has complied in all material aspects with the principles and provisions in the Code. Where there are any variations from the Code, an explanation has been provided.

BOARD MATTERS

The Board's Conduct of Affairs
(Principle 1)

The Board is collectively responsible for providing overall strategy and direction to the Management for the long-term success of the Company. Directors act in good faith and in the best interests of the Company. The Board has put in place a code of conduct and ethical standards for Directors and employees to adhere to. Directors facing conflicts of interest recuse themselves from discussions involving the issues of conflict.

The principal functions of the Board are as follows:

(a) To decide on matters in relation to the Group's operations which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;

(b) To oversee the business performance and affairs of the Company and provide guidance to Management;

(c) To oversee processes for evaluating the adequacy and effectiveness of internal controls and risk management systems;

(d) To set the Company's values and standards; and

(e) To consider sustainability issues such as environmental and social factors as part of its strategic formulation.

Matters requiring the Board's decision and approval include:

(a) The Group's strategic plans;

(b) The Group's annual budget;

(c) Full year and half-year financial statements;

(d) Dividend policy and payout;

(e) Issue of shares;

(f) Appointment of Directors and appointments on Board Committees;

(g) Appointment of key management personnel and their remuneration packages;

(h) Corporate and financial restructuring;

(i) Major funding and investment proposals;

(j) Major capital expenditure;

(k) Mergers, major acquisitions and disposals;

(l) Adoption of corporate governance policies;

(m) Reviewing the adequacy and effectiveness of the risk management and internal control systems;

(n) Reviewing matters which involve a conflict of interest for a substantial shareholder or Director; and

(o) Any other matters which require Board approval as prescribed under relevant legislation and regulations and the provisions of the Company's Constitution.

The Group has in place financial authorisation limits for matters such as operating and capital expenditures and acquisition and disposal of assets and investments, which require the approval of the Board.

The Board is supported by the Board Committees established to assist the Board in discharging its responsibilities of overseeing the Group's affairs and enhancing corporate governance. These Committees are the Audit Committee, the Remuneration Committee and the Nominating Committee. The Board Committees have been constituted with clear written terms of reference setting out their compositions, authorities and duties.

Board Meetings

The Board conducts regular scheduled meetings on a quarterly basis. Where necessary, additional Board meetings are held to deliberate on any ad hoc significant matters. Attendance by telephone and video conference at Board meetings is allowed under Chuan Hup's Constitution. An aggregate of 6 Board meetings was held for the financial year ended 30 June 2020 ("FY2020").

The Directors' attendance at Board meetings, meetings of the various Board Committees and the Annual General Meeting ("AGM") during FY2020 are as follows:

Meetings held in FY2020	Board	Audit Committee	Nominating Committee	Remuneration Committee	AGM
Mr Lo Pang Foo Steven	6 of 6	4 of 4	1 of 1	3 of 3	1 of 1
Mr Peh Kwee Chim	6 of 6	-	1 of 1	-	1 of 1
Mr Peh Siong Woon Terence	6 of 6	-	-	-	1 of 1
Ms Heng Su-Ling Mae	6 of 6	4 of 4	1 of 1	3 of 3	1 of 1
Mr Lim Kwee Siah	6 of 6	4 of 4	-	3 of 3	1 of 1

Access to Information

The Directors are provided with Board papers and related materials, background or explanatory information in advance of each Board Meeting to enable them to be properly informed of matters to be discussed and/or approved, as well as ongoing reports relating to operational and financial performance of the Group.

The Board has separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary also assists the Chairman by ensuring good information flows within the Board and its Committees, and between Senior Management and the Non-Executive Directors. The Company Secretary attends and prepares minutes for all Board and Board Committee Meetings, advises the Board on governance matters and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The Constitution provides that the appointment or removal of the Company Secretary is a decision of the Board as a whole.

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

Board Orientation and Training

Upon appointment, each Director receives a formal letter setting out the Directors' duties and responsibilities. All newly-appointed Directors undergo an orientation programme, which includes Management presentations on the Group's businesses, strategic plans and objectives. Training is provided for first-time Directors in areas such as accounting, finance, the roles and responsibilities of a director of a listed company and industry-specific matters as appropriate.

As part of training for the Board, Directors are briefed from time to time on changes to laws, regulations, guidelines and accounting standards, as well as relevant trends or changing commercial risks during Board meetings or at specially convened sessions. Directors are also encouraged to attend, at the Company's expense, relevant and useful seminars for their continuing education and skills improvement courses that are conducted by external organisations. The Company Secretary will bring to Directors' attention information on seminars that may be of relevance or use to them. Articles and reports relevant to the Group's businesses are also circulated to the Directors for information. During FY2020, the development or training programmes for the Directors included briefings on developments in accounting and governance standards presented by the Company's external auditor at Audit Committee Meetings.

Board Composition and Guidance
(Principle 2)

The Board currently comprises 5 Directors, 2 of whom are Non-Executive, Independent Directors, 1 of whom is a Non-Executive Director and 2 of whom are Executive Directors. The Non-Executive, Independent Directors are Mr Lo Pang Foo Steven and Ms Heng Su-Ling Mae. The Non-Executive Director is Mr Lim Kwee Siah. The Executive Directors are Mr Peh Kwee Chim and Mr Peh Siong Woon Terence.

Board Independence

The Board, taking into account the views of the Nominating Committee, assesses the independence of each Director annually in accordance with the principles and provisions of the Code. There is a strong independent element in the Board. The Board and the Nominating Committee has ascertained that for the period under review, independent Directors make up at least one-third of the Board. No independent Director has served on the Board beyond nine years from the date of his or her appointment. Non-Executive Directors make up a majority of the Board.

The Nominating Committee (save for Mr Lo Pang Foo Steven who abstained from deliberation in this matter) noted that Mr Lo is a Director of Drew & Napier LLC, which is one of the law firms providing legal services to the Group in FY2020. Mr Lo had declared to the Nominating Committee that he did not have a 5% or more stake in Drew & Napier LLC, and that the total fees that Drew & Napier LLC received from the Group in FY2020 for the provision of legal services were not significant under the guidance provided in the Practice Guidance. The Nominating Committee also took into account Mr Lo's actual performance and valuable contributions on the Board and Board Committees. It agreed that Mr Lo has at all times discharged his duties with professionalism and objectivity, and exercised strong independent judgment in the best interests of the Company, and should therefore continue to be deemed an independent Director.

The Nominating Committee (Ms Heng Su-Ling Mae abstained from giving her views on the determination of her independence) noted that Ms Heng does not have any of the relationships and is not faced with the circumstances identified in the Code and the Practice Guidance that would interfere, or be reasonably perceived to interfere, with the exercise of her independent judgment in the best interests of the Company, The Nominating Committee is of view that Ms Heng has demonstrated independence in the discharge of her duties and responsibilities as a Director and that she is therefore an Independent Director.

Board Diversity

The Company recognises the benefits of having a Board with diverse backgrounds and experience to enhance decision making and ensure effective governance. While striving for diversity, all Board appointment are made on merit, taking into account skills, knowledge, experience and perspectives for effective stewardship of the Company's business. In accordance with this policy, the Nominating Committee will review the relevant objectives for promoting and achieving diversity on the Board, the progress made and make recommendations for approval by the Board. The Nominating Committee will review this policy from time to time as appropriate and the progress made.

The Board and the Nominating Committee are of the view that the current composition of the Board encompasses an appropriate balance and diversity of skills, experience, gender, age, knowledge and competencies such as accounting, finance, business and management experience, law, industry knowledge and strategic planning experience.

Non-Executive and Independent Directors meet periodically without the presence of Management. Feedback is provided to the Board as appropriate.

Chairman and Chief Executive Officer
(Principle 3)

The Chairman and the Chief Executive Officer are separate persons. The Chairman is a non-executive and independent Director and also chairs the Remuneration Committee and the Nominating Committee. He leads the Board and is responsible for ensuring the effectiveness of the Board. He approves the agenda for the Board meetings and ensures sufficient time is allocated for discussion of all agenda items. He promotes an open environment for debate and ensures that the Non-Executive Directors are able to speak freely and contribute effectively. He ensures effective communication with shareholders, encourages constructive relations between the Board and Management and between the Directors and promotes high standard of corporate governance.

Chairman and Chief Executive Officer (cont'd)
(Principle 3)

The Chairman and the Chief Executive Officer are not related. The Chief Executive Officer leads the Management team and implements the Board's decisions. He is responsible for the day-to-day operations and business and the overall performance of the Group. The roles of the Chairman and the Chief Executive Officer are kept separate to ensure an appropriate balance of powers, increased accountability and greater capacity of the Board for independent decision making.

Given that the roles of the Chairman and the Chief Executive Officer are separate and the Chairman is independent, no Lead Independent Director is required to be appointed.

Board Membership
(Principle 4)

The Board reviews the composition of the Board and Board Committees periodically, taking into account the need for progressive renewal of the Board and each Director's competencies, commitment, contribution and performance.

The Nominating Committee comprises Mr Lo Pang Foo Steven (Committee Chairman), Mr Peh Kwee Chim and Ms Heng Su-Ling Mae. The majority of the Nominating Committee members including the Chairman, are Non-Executive, Independent Directors. The role and functions of the Nominating Committee are set out in its written Terms of Reference, which set out its authority and duties.

The Nominating Committee's functions include reviewing succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the Chief Executive Officer and key management personnel, reviewing the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors, reviewing training and professional development programmes for the Board, considering the appointment and re-appointment of Directors, reviewing the balance and diversity of skills, experience, gender, knowledge and competencies of the Board and its size and composition, and determining the independence of a Director.

Process for Selection of New Directors

The Nominating Committee oversees the process for the appointment of new Directors. The Nominating Committee assesses the appropriate mix of expertise and experiences needed for an effective Board and recommends the most suitable candidates, after reviewing their qualities and profiles, taking into consideration factors such as skills, experience, background, age, gender and other relevant factors and how they will complement and augment the competencies of the current Board. The Nominating Committee may recourse to both internal as well as external sources to draw up a list of potential candidates. Suitable candidates are then evaluated, shortlisted and recommended to the Board for consideration.

Directors' Time Commitment

The Nominating Committee has reviewed each Director's listed company directorships and principal commitments. The Nominating Committee is satisfied that all Directors have carried out their duties adequately, contributing to the effectiveness of the Board and Board Committees. The Directors had demonstrated their commitment to the Company and availability to attend to the affairs of the Company, both at formal meetings and informally. The Nominating Committee therefore does not recommend setting a limit on the number of listed company board representations that a Director may hold.

Re-Election of Directors

Each year, the Nominating Committee reviews the nomination of Directors for re-election. In recommending the Directors for re-election, the Nominating Committee takes into account the competencies, commitments, contribution and performance of the Directors with reference to their attendance, preparedness, participation and candour at meetings of the Board and Board Committees.

At each AGM of the Company, not less than one third of the Directors for the time being (being those who have been longest in office since their last re-election) are required to retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM. Also, all newly appointed Directors during the year will hold office only until the next AGM and will be eligible for re-election.

Key information on the Directors is set out on pages 13 and 14 of this Annual Report.

Board Performance
(Principle 5)

The Board has implemented a process in consultation with the Nominating Committee, for assessing the effectiveness of the Board, each Board Committee and the Directors' contribution to the effectiveness of the Board on an annual basis. To provide feedback to aid in this assessment, each Director is required to complete an evaluation questionnaire. The evaluation questionnaire considers factors such as the size and composition of the Board and Board Committees, Board processes and accountability, Board and Board Committees' development and effectiveness, information management, decision-making processes, risk and crisis management and communication with Senior Management and shareholders. The evaluation and feedback are then consolidated and presented to the Board for discussion on areas of strengths and weaknesses to improve the effectiveness of the Board and its Committees. The Chairman would act on the results of the performance evaluation, and in consultation with the Nominating Committee, propose where appropriate, new members to be appointed to the Board or seek the resignation of Directors in order to enhance the effectiveness of the Board and its Committees. No external facilitator has been used for the purpose of Board assessment in FY2020. The Nominating Committee periodically reviews and improves the evaluation questionnaire as necessary. The Nominating Committee has decided for the time being that in view of the strengths and contributions of each Director and the demonstrated commitment to his/her role on the Board, it would not be necessary to assess the individual performance of each Director.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
(Principle 6)

The Remuneration Committee comprises Mr Lo Pang Foo Steven (Committee Chairman), Ms Heng Su-Ling Mae and Mr Lim Kwee Siah, all of whom are Non-Executive and the majority of whom, including the Chairman, are Independent Directors.

The functions of the Remuneration Committee include the following:

(a) To review and recommend to the Board a framework of remuneration for the Board and key management personnel;

(b) To review and recommend to the Board the specific remuneration packages for each Director, as well as for the key management personnel;

(c) To review all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, share-based incentives and awards, if any, benefits in kind and termination payments;

(d) To review and administer any share incentive scheme adopted by the Group and to decide on the allocations to eligible participants under the said scheme; and

(e) To review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service to ensure such contracts of services contain fair and reasonable termination clauses.

The role and functions of the Remuneration Committee are set out in its written Terms of Reference, which set out its authority and duties.

If required, the Remuneration Committee will seek expert advice inside and/or outside the Company on the remuneration of all Directors and key management personnel, and any such engagement of remuneration consultants would be disclosed, including a statement on whether they have any relationship with the Company. No remuneration consultants were engaged for FY2020.

Level and Mix of Remuneration
(Principle 7)
Disclosure on Remuneration
(Principle 8)

The objective of the Group's remuneration policy is to ensure that the level and structure of the remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account its strategic objectives, its long-term interests and risk policies. The Remuneration Committee has structured remuneration packages for key management personnel on measured performance indicators taking into account financial and non-financial factors. Remuneration is structured to link a significant and appropriate proportion of rewards to corporate and individual performance.

The remuneration framework for Directors, the Chief Executive Officer and key management personnel is aligned with the interests of shareholders and other stakeholders and 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.

Non-Executive Directors including the Chairman, are paid fees, subject to the approval of shareholders at the AGM. The Directors' fees are appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities of each Non-Executive Director. Non-Executive Directors are not overly compensated to the extent that their independence may be compromised. The Company does not have a retirement remuneration plan for Non-Executive Directors. Executive Directors do not receive any Directors' fees. No individual Director fixes his own remuneration.

The Company adopts a remuneration policy for Executive Directors and key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary, allowance and benefits in kind. The variable component is in the form of a variable bonus, comprising short-term and medium-term incentives, which are dependent on the financial performance of the Group and individual performance.

In 2020, the Executive Directors voluntarily waived their base salaries for the months of April to September 2020 in view of the COVID-19 economic downturn. The Non-Executive Directors also took a 10% voluntary reduction of their fees for FY2020.

A percentage breakdown showing the level and mix of remuneration for each Director, the Chief Executive Officer and key management personnel is disclosed on the next page. In FY2020, the top three key management personnel (who are not Directors or the Chief Executive Officer) are Mr Eldon Wan, Ms Valerie Tan May Wei and Ms Anne Liew Mei Hong. In disclosing the remuneration of the top three key management personnel in bands of US$180,000, the Company provides a macro perspective without compromising the Group's business interests and minimises the highly competitive pressures which would arise from more detailed disclosures. The Board is also of the view that it is in the best interests of the Company not to fully disclose the remuneration of each Director, the Chief Executive Officer and the aggregate total remuneration paid to the top three key management personnel (who are not Directors or the Chief Executive Officer), given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place.

There were no termination, retirement or post-employment benefits granted to the Chief Executive Officer or the key management personnel in FY2020.

Excluding Mr Peh Kwee Chim and Mr Peh Siong Woon Terence who are immediate family members, there was no employee of the Company and its subsidiaries who was an immediate family member of a Director, the Chief Executive Officer or a substantial shareholder of the Company and whose remuneration exceeded US$72,000 during FY2020.

Presently the Company does not have any employee share option scheme. It is proposing the adoption of an employee share option scheme at an Extraordinary General Meeting ("EGM") to be convened on the same day as the forthcoming AGM.

Remuneration paid or accrued to Directors and the Chief Executive Officer by the Group for the financial year ended 30 June 2020

Directors/ Chief Executive Officer of Company	Fixed Component(1) (%)	Variable Component(2) (%)	Directors' Fees (%)	Total Compensation (%)
US$360,000 to US$539,999				
Mr Peh Kwee Chim	100	-	-	100
US$180,000 to US$359,999				
Mr Peh Siong Woon Terence (Chief Executive Officer and Executive Director)	100	-	-	100
Below US$180,000				
Mr Lo Pang Foo Steven	-	-	100	100
Ms Heng Su-Ling Mae	-	-	100	100
Mr Lim Kwee Siah	-	-	100	100

Notes:

(1) Fixed component refers to base salary, allowances, benefits in kind and employer CPF.
(2) Variable component refers to variable bonus and employer CPF.

Remuneration paid or accrued to the top three Key Management Personnel (who are not Directors or the Chief Executive Officer) by the Group for the financial year ended 30 June 2020

Remuneration Bands/ Key Management Personnel	Fixed Component(1) (%)	Variable Component(2) (%)	Total Compensation (%)
Between US$360,000 to US$539,999			
2	100	-	100
Between US$180,000 to US$359,999			
1	100	-	100

Notes:

(1) Fixed component refers to base salary, allowances, benefits in kind and employer CPF.
(2) Variable component refers to variable bonus and employer CPF.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

(Principle 9)

The Board is responsible for the governance of risk, including determining the nature and extent of the significant risks which the Company is willing to take. The Board oversees the Company's risk management framework and policies, and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders. If there are any material weakness identified by the Board or Audit Committee, Management takes the necessary steps to address them.

The Group has in place an Enterprise Risk Management Framework ("ERM Framework"). This ERM Framework sets out the formal, systematic and comprehensive guidelines and rules to identify and manage significant risks that might affect the Group's achievement of its business objectives. Key risks, control measures and management actions are continually identified and monitored by Management. Management then applies appropriate controls and mitigating steps to manage the risk to an acceptable level.

On an annual basis, the Group's internal auditor prepares an audit plan taking into consideration risks identified and assessed from the risk management systems. This risk-based audit plan is approved by the Audit Committee and audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, compliance and information technology risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditor in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditors are reported to the Audit Committee and significant findings are discussed at the Audit Committee meetings. Management follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the Audit Committee.

For FY2020, the Board has received assurance from:

(a) The Chief Executive Officer and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(a) The Chief Executive Officer and the relevant key management personnel that the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) were adequate and effective.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and the Board Committees, the assurance from the Chief Executive Officer, the Chief Financial Officer and the relevant key management personnel, the Board is satisfied and the Audit Committee concurs with the Board that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, were adequate and effective as at 30 June 2020.

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

Accountability

The Board's responsibility is to present a balanced and fair assessment of the Group's performance, position and prospects to the public via the release of the Group's financial results. The Audit Committee and the Board review and approve the financial results before its dissemination.

The financial statements and other announcements are released via the SGXNet and are also available on the Company's website. The Company's Annual Reports may be viewed or downloaded from the corporate website as well.

The Board takes appropriate steps to keep abreast of changes and ensure compliance with legislative and regulatory requirements, where appropriate.

Audit Committee
(Principle 10)

The Audit Committee comprises Ms Heng Su-Ling Mae (Committee Chairman), Mr Lo Pang Foo Steven and Mr Lim Kwee Siah, all of whom are Non-Executive, and the majority of whom, including the Chairman, are Independent Directors. Ms Heng Su-Ling Mae and Mr Lim Kwee Siah have recent and relevant accounting or related financial management expertise and experience. Mr Lo Pang Foo Steven has in-depth knowledge of the responsibilities of the Audit Committee and practical experience and knowledge of the issues and considerations affecting the Committee. The Audit Committee is guided by clear written Terms of Reference and met four times in FY2020.

The Audit Committee has full access to and co-operation by Management. The Audit Committee also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions. The Audit Committee meets with the external auditor and with the internal auditor, in each case, without the presence of Management at least annually.

The Audit Committee performs the functions as set out in the Code including the following:

(a) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the Chief Executive Officer and Chief Financial Officer on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditor; and (ii) the remuneration and terms of engagement of the external auditor;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

(f) reviewing and approving processes to regulate interested person transactions and to ensure compliance with the applicable regulations; and

(g) 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 on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedure for raising such concerns.

The Audit Committee discussed the key audit matters for FY2020 with Management and the external auditor. The Audit Committee concurs with the basis and conclusions included in the auditor's report with respect to key audit matters.

For more information on the key audit matters, please refer to pages 37 to 39 of this Annual Report.

The Audit Committee considered the volume of non-audit services provided by the external auditor to the Group, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, confirmed their re-nomination. The aggregate amount of fees paid to the external auditor in FY2020 and a breakdown of the fees paid in respect of audit and non-audit services are stated in the notes to the financial statements.

Two of the Company's subsidiaries and its associated companies, Finbar Group Limited (which is listed on the Australian Securities Exchange) and Keyland Ayala Properties Inc, are audited by different audit firms. The names of these audit firms are listed on pages 86 and 88 of the Annual Report. The Board and the Audit Committee are satisfied that the appointment of these auditors would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Board confirms that Rule 712 and Rule 715 read with Rule 716 of the SGX-ST Listing Manual have been complied with.

The Audit Committee has nominated Ernst and Young LLP for re-appointment as external auditor of the Company at the forthcoming AGM.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements are reported to the Audit Committee, and highlighted by the external auditor in their meetings with the Audit Committee.

None of the Audit Committee members is a former partner or director of the Company's existing auditing firm, Ernst and Young LLP.

Internal Audit

The internal audit function of the Company is outsourced to RSM Risk Advisory Pte Ltd (the "Internal Auditor"), which is independent of Management. The Audit Committee decides on the appointment, termination and remuneration of the Internal Auditor.

The Internal Auditor's primary line of reporting is to the Audit Committee. The Internal Auditor has unfettered access to the Audit Committee, the Board and Management as well as all the Group's documents, records, properties and personnel.

The Internal Auditor carries out its function according to the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During the financial year, the Internal Auditor conducted its audit review based on the internal audit plan approved by the Audit Committee. The Internal Auditor submitted its internal audit report to the Audit Committee on audit findings and actions taken by Management on the findings.

For FY2020, the Audit Committee was satisfied that the internal audit function was independent, adequately resourced and has appropriate standing within the Group and co-operation of the Management to carry out its duties effectively.

Whistle-blowing Policy

The Company has implemented a whistle-blowing policy, which serves to encourage and provide a channel to staff of the Company and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objectives for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Reports can be made by mail to Chuan Hup Holdings Limited at 8 Eu Tong Sen Street, #24-90 The Central, Singapore 059818 and addressed to the Chairman of the Audit Committee.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings
(Principle 11)
Engagement with Shareholders (Principle 12)
Engagement with Shareholders (Principle 13)

The Company is committed to treating 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 encourages shareholder participation and ensures that shareholders have the opportunity to participate effectively at general meetings. Shareholders are informed of general meetings through published notices in the annual reports or circulars. The notice of general meeting, which sets out all items of business to be transacted at the general meeting, is also released via SGXNet and published in The Business Times. Shareholders are informed of the rules, including voting procedures, that govern general meetings of shareholders.

A shareholder who is entitled to attend and vote may either vote in person or through the appointment of one or more proxies (who can either be named individuals nominated by the shareholder to attend the meeting or the Chairman of the meeting as the shareholder may select). The Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold Chuan Hup shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at the general meetings.

The Company's main forum for dialogue and interaction with shareholders takes place at its AGM. All Directors attended the last AGM of the Company in 2019. All Directors including the Chairman of each Board Committee and Senior Management are in attendance at shareholders' meetings to allow shareholders the opportunity to air their views and ask questions regarding the Company. The external auditor is also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report.

The Board ensures that there are separate resolutions at general meetings on each substantially separate issue unless the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Minutes of general meetings, that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management are recorded and are available to shareholders upon their request. The Company will publish the minutes of the forthcoming AGM, EGM and future general meetings on its corporate website.

To ensure transparency in the voting process, and better reflect shareholders' interests, the Company puts all resolutions at general meetings to vote by electronic poll voting. An independent scrutineer is also appointed to count and validate the votes cast at the meetings. Detailed results showing the number of votes cast for and against each resolution and the respective percentage will be displayed live-on-screen to shareholders/proxies immediately after each poll conducted. The polling results are also announced on the SGX-ST and the Company's website.

Chuan Hup currently does not implement voting in absentia by email or electronic means. This is due to concerns with the authentication of the shareholder's identity and other related security and integrity issues.

The Company's policy on the payment of dividends (excluding special dividends) is to endeavour – barring unforeseen circumstances – to pay up to fifty percent (50%) of net profit after tax. In considering the level of dividend payments, the Board takes into account various factors including the level of available cash, the return on equity and retained earnings and projected level of capital expenditure and other investment plans.

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

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communications with shareholders. The investor relations policy sets out the mechanisms through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

The Company is committed to providing shareholders with timely, adequate and relevant information pertaining to changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares to enable shareholders to make informed decisions in respect of their investments in the Company. It does not practise selective disclosure of price-sensitive information.

The Company's policy is that shareholders be informed promptly of all major developments that impact the Company and its subsidiaries. The Company communicates information to shareholders and the investing community through timely release of announcements to the SGX-ST via SGXNet. Such announcements include the half year and full year results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST. Annual Reports and Sustainability Reports are issued within the mandatory period. The Company maintains a corporate website at www.chuanhup.com.sg to communicate and engage with external stakeholders such as investors and customers, and the public can access information on the Group including the announcements made to SGX-ST.

The Management team handles queries by analysts, investors and shareholders in the form of letters, electronic mail and telephone calls.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. These arrangements as well as strategies and key areas of focus in relation to the management of stakeholder relationships are set out in the Company's Sustainability Report.

OTHER CODES AND PRACTICES

Dealing in Securities

The Group has an internal code on dealings in securities of the Company by Directors and employees. Chuan Hup's Directors and employees are prohibited from dealing in Chuan Hup's shares during the period commencing one month before the announcement of the Company's half year and full year financial statements. In addition, Directors and employees are prohibited from dealing in Chuan Hup's shares on short-term considerations and/or while in possession of unpublished material price-sensitive information relating to Chuan Hup shares.

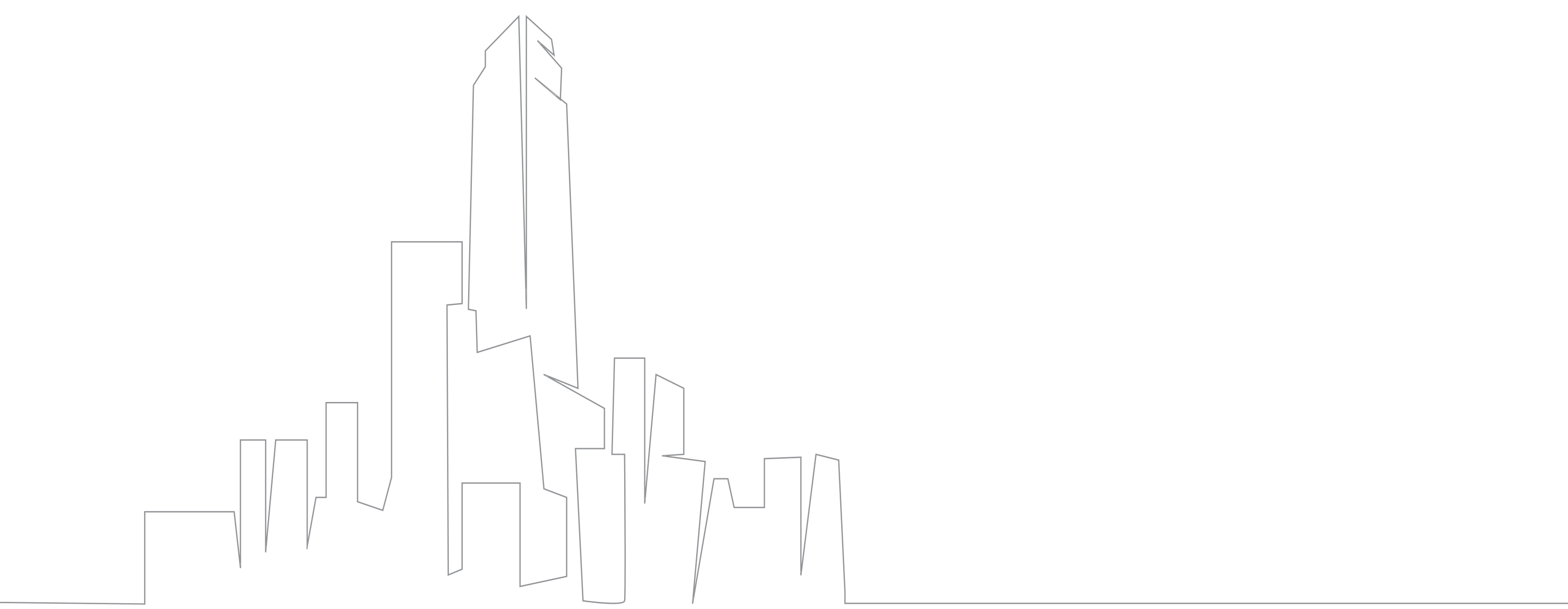
Interested Person Transactions Policy

The Company has procedures in place to comply with the SGX-ST Listing Manual requirements relating to interested person transactions of the Company.

The aggregate value of interested person transactions ("IPTs") entered into during the financial year under review is as follows:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000/US$72,000) and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000/ US$72,000)
	S$'000/US$' 000	S$'000/US$' 000
Mr Lim Kwee Siah - provision of consultancy services	162/117	NIL

Financial Statements



Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2020 and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2020.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the accompanying 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 30 June 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year 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:

Mr Lo Pang Foo Steven
Mr Peh Kwee Chim
Mr Peh Siong Woon Terence
Ms Heng Su-Ling Mae
Mr Lim Kwee Siah

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares 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 the Companies Act, Chapter 50 of Singapore, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At beginning of the financial year**	**At end of the financial year**	**At beginning of the financial year**	**At end of the financial year**
Chuan Hup Holdings Limited (ordinary shares)				
Mr Peh Kwee Chim	19,379,000	37,709,100	478,264,490[1]	478,264,490[1]
Mr Peh Siong Woon Terence	–	–	478,264,490[1]	478,264,490[1]
Ms Heng Su-Ling Mae	–	–	50,000[1]	50,000[1]
Mr Lim Kwee Siah	230,000	230,000	–	–

(1) Deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore and Section 7 of the Companies Act, Chapter 50 of Singapore.

By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore and Section 7 of the Companies Act, Chapter 50 of Singapore, Mr Peh Kwee Chim and Mr Peh Siong Woon Terence are deemed to have an interest in all the related corporations of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2020.

Except as disclosed in this statement, 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, or at the end of the financial year.

SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under options

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

Directors' Statement

AUDIT COMMITTEE

The Audit Committee comprises the following Non-Executive Directors at the date of this statement:

Ms Heng Su-Ling Mae (Chairman)
Mr Lo Pang Foo Steven
Mr Lim Kwee Siah

All the Audit Committee members, except Mr Lim Kwee Siah, are independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50 of Singapore and the Singapore Exchange Securities Trading Limited Listing Manual. The functions carried out are detailed in the Corporate Governance Report, which is included in the Company's Annual Report for the financial year ended 30 June 2020, and include a review of the financial statements of the Company and of the Group for the financial year and the external auditor's report thereon.

Accordingly, the Audit Committee has also undertaken a review of the nature and extent of non-audit services provided by the external auditor to the Group. In the opinion of the Audit Committee, these services would not affect the independence of the external auditor.

The Audit Committee has recommended to the Board that the auditor, Ernst & Young LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

AUDITOR

Ernst & Young LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Peh Siong Woon Terence
Director

Peh Kwee Chim
Director

Singapore
10 September 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2020, the statements of changes in equity of the Group and the Company, the 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, 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, Chapter 50 (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 30 June 2020 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 judgment, 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.

Investment in an associate, Keyland Ayala Properties Inc.

As disclosed in Note 14, on 31 October 2019 the Group reclassified its investment in Keyland Ayala Properties Inc. ("KAPI") from investment security with fair value through other comprehensive income to investment in associated company and determined the deemed cost of investment in KAPI as an associated company based on its fair value as at 31 October 2019. The Group engaged an external valuer to measure the fair value of the investment in KAPI as at 31 October 2019. The Group recorded the change in fair value in other comprehensive income. The Group engaged the same external valuer to perform a purchase price allocation ("PPA") exercise to measure the fair value of KAPI's identifiable assets acquired and liabilities assumed as at 31 October 2019.

We determined this to be a key audit matter based on the quantitative materiality of the investment and significant management estimates involved in the valuation of the investment in KAPI and the PPA exercise.

Key audit matters (continued)

Investment in an associate, Keyland Ayala Properties Inc. (continued)

How our audit addressed the key audit matter

As part of our audit procedures, we obtained an understanding for the rationale in the reclassification of the investment and obtained evidence on the appointment of the Group's representatives on KAPI's board of directors. We considered the objectivity, independence and competency of the external valuer. We discussed with the external valuer and obtained explanations to support their selection of the valuation method as well as the key assumptions used to establish the fair value of the investment in KAPI as at 31 October 2019. We assessed the reasonableness of the underlying key valuation assumptions used by the valuer and considered the adjustments to reflect the Group's minority stake in the investment by comparing against market data.

In assessing the PPA exercise, we reviewed management's identification of the assets and liabilities of KAPI, including whether any intangible asset should be recognised, based on our discussion with management and our understanding of the business of KAPI. We involved our internal specialist to assist us in reviewing the valuation methodologies, key assumptions used by management and the external valuer in measuring the fair value of KAPI's identifiable assets and liabilities as at 31 October 2019.

The key areas of judgment and estimation involved in PPA are disclosed in Note 3.1(a) to the financial statements.

Valuation of investment properties

As disclosed in Note 19, the Group own three office floors at GB Building located at 143 Cecil Street and one office floor at The Central located at 8 Eu Tong Sen Street. As at 30 June 2020, the Group's investment properties amounted to US$50.2 million. The Group records the investment properties at fair value as at the balance sheet date. Management engaged an independent professional valuer to determine the fair value of these properties. The independent valuer determined the fair value of these investment properties using Direct Comparison Method. The valuation of investment properties is a key audit matter as it involved the use of a range of estimates made by management and the independent valuer particularly in the light of volatility and uncertainties brought upon by the COVID-19 pandemic.

How our audit addressed the key audit matter

As part of our audit procedures, we considered the objectivity, independence and competency of the independent valuer engaged by management. We discussed with management and the independent valuer and obtained explanations to understand the selection of the valuation methodology as well as the key assumptions used to establish the valuation such as market transacted price per square metre. We assessed the appropriateness of the valuation method used by considering the valuation method adopted for similar property types. We assessed the reasonableness of the market transacted price per square metre used in the valuations by comparing them against recent transacted prices of comparable properties. We inquired and obtained explanations from management and the independent valuer on the valuation adjustments made to the key assumption in response to the heightened level of estimation uncertainty. We assessed the reasonableness of the movements in fair value of the investment properties based on available industry data and current property market outlook.

The key areas of judgment and estimation involved in the valuation of investment properties are disclosed in Note 3.2(a) to the financial statements and information related to investment properties is provided in Note 19 to the financial statements.

Valuation of development properties

The Group's development properties comprised completed development properties in Perth, Australia. As at 30 June 2020, the Group's development properties amounted to US$22.2 million. Management exercised judgment in their assessment as to the need to write down the development properties so that they are carried at the lower of cost and net realisable value. These judgments included the estimation of the expected selling prices of development properties, taking into account current and expected market demand for such properties. As such, we identified this to be a key audit matter.

Key audit matters (continued)

Valuation of development properties (continued)

How our audit addressed the key audit matter

As part of our audit procedures, we discussed with management to understand their sales plans, current sales progress and their expected financial performance. We assessed whether the carrying value of development properties was stated at the lower of cost and net realisable value. In assessing the net realisable value, we checked prices of units sold during the year and subsequent to the year end to assess the margins achieved. Additionally, we assessed the reasonableness of the forecasted selling prices of these development properties by comparing to recent transacted prices for the same project or comparable properties in the vicinity of the properties, taking into consideration the prevailing market trends and the selling plans for these properties.

The key areas of judgment and estimation involved in valuation of development properties are disclosed in Note 3.2(b) to the financial statements and information related to development properties is provided in Note 11 to the financial statements.

Impairment of loan receivable from Major Star Holdings Limited

During the year, the Group recognised full impairment loss of US$8.8 million on the loan receivable from Major Star Holdings Limited ("MSH"). The loan was secured by the personal guarantee of the sole, individual shareholder of MSH who had substantial shareholding in a listed company. The total outstanding loan receivable from MSH before impairment was US$8.8 million.

MSH defaulted on the interest payment and principal repayment on the due date. Upon MSH's default of the loan, the Group served a statutory demand on the guarantor to repay the loan and, having not received payment, subsequently filed a bankruptcy petition against the guarantor of the loan. On 19 March 2020, as the debt remained unpaid, the High Court made a bankruptcy order against the guarantor and also appointed a trustee of the guarantor's estate. The trustee confirmed to the Group's lawyers that he was unable to contact the guarantor.

Based on these developments, management is of the view that there is no reasonable expectation of any recovery of this loan receivable and recognised full impairment loss during the financial year ended 30 June 2020. This required management to apply its judgment in the estimation process. As such, we identified this to be a key audit matter.

How our audit addressed the key audit matter

As part of our audit procedures, we discussed with management on their assessment of the collectability of the loan receivable. We reviewed their assessment in determining that there is no reasonable expectation of recovering the loan receivable. We discussed with the Group's legal counsel to understand the steps taken, the status of the legal proceedings taken against the loan guarantor and the possibility of recovering the loan receivable from the guarantor. We obtained the legal documents confirming the events relating to the debt recovery and received legal confirmation from the Group's lawyer.

The key areas of judgment and estimation involved in the recoverable amount of the loan is disclosed in Note 3.1(b) to the financial statements and information related to loan receivable is provided in Note 12 to the financial statements.

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.

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 judgment 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.

Auditor’s responsibilities for the audit of the financial statements (continued)

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 Adrian Koh.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
10 September 2020

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2020

	Note	Group 2020 US$'000	Group 2019 US$'000
<u>Continuing operations</u>			
Revenue	4	25,234	18,286
Property development expense		(17,690)	(12,539)
Other operating expenses		(494)	(226)
Changes in fair value of investment properties	19	(3,588)	(1,009)
Changes in fair value of investment securities		(3,594)	3,266
Changes in fair value of derivative financial instruments		(1,235)	496
Impairment loss on financial assets	12	(8,832)	–
Employee benefits expense		(1,444)	(11,086)
Depreciation expense		(196)	(128)
Other expenses		(1,473)	(1,357)
Other losses, net	5	(2,371)	(1,228)
Finance costs		(1)	(239)
Share of results of associates		(1,107)	(20,476)
Loss before tax from continuing operations	6	(16,791)	(26,240)
Income tax expense	7	(333)	(745)
Loss from continuing operations, net of tax		(17,124)	(26,985)
<u>Discontinued operations</u>			
Profit from discontinued operations, net of tax	8	–	73,004
(Loss)/profit for the year		(17,124)	46,019
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Financial assets, at fair value through other comprehensive income:			
Changes in fair value		2,029	(1,519)
Fair value changes reclassified to accumulated profits		(115)	51
Items that may be reclassified subsequently to profit or loss:			
Currency translation		(2,768)	(2,073)
Share of currency translation reserves of associates		76	239
Other comprehensive income for the year, net of tax		(778)	(3,302)
Total comprehensive income for the year		(17,902)	42,717

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 30 June 2020

	Note	Group 2020 US$'000	Group 2019 US$'000
(Loss)/profit attributable to:			
Equity holders of the Company			
Continuing operations, net of tax		(17,124)	(26,985)
Discontinued operations, net of tax		–	70,916
		(17,124)	43,931
Non-controlling interests			
Discontinued operations, net of tax		–	2,088
		(17,124)	46,019
Total comprehensive income attributable to:			
Equity holders of the Company			
Continuing operations, net of tax		(17,902)	(30,493)
Discontinued operations, net of tax		–	71,074
		(17,902)	40,581
Non-controlling interests			
Discontinued operations, net of tax		–	2,136
		(17,902)	42,717
(Loss)/earnings per share (US cents):			
From continuing operations	9		
Basic		(1.85)	(2.91)
Diluted		(1.85)	(2.91)
From continuing and discontinued operations	9		
Basic		(1.85)	4.73
Diluted		(1.85)	4.73

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

Balance Sheets

As at 30 June 2020

		Group		Company	
	Note	2020	2019	2020	2019
		US$'000	US$'000	US$'000	US$'000
Assets					
Current assets					
Development properties	11	22,161	15,077	–	–
Trade and other receivables	12	2,765	15,670	105	331
Tax recoverable		153	7	–	–
Amounts due from subsidiaries	13	–	–	65,828	164,083
Investment securities	14	16,846	16,375	15,924	16,375
Derivative financial instruments	15	–	900	–	–
Cash and cash equivalents	16	109,357	124,641	43,623	27,791
		151,282	172,670	125,480	208,580
Non-current assets					
Plant and equipment	17	937	609	937	609
Right-of-use assets	18	–	–	1,907	–
Investment properties	19	50,155	55,455	–	–
Subsidiaries	20	–	–	81,386	26,657
Associates and joint venture	21	55,174	38,350	34,682	38,513
Investment securities	14	2,505	21,460	619	586
Other receivables	12	9,503	–	–	–
		118,274	115,874	119,531	66,365
Total assets		269,556	288,544	245,011	274,945
Equity and liabilities					
Current liabilities					
Lease liabilities	23	–	49	194	49
Trade and other payables	24	23,307	18,337	4,620	9,914
Amounts due to subsidiaries	25	–	–	41,453	44,175
Income tax payable		512	353	–	–
Derivative financial instruments	15	1,062	–	1,062	–
		24,881	18,739	47,329	54,138
Net current assets		126,401	153,931	78,151	154,442
Non-current liabilities					
Lease liabilities	23	–	–	1,655	–
Other payables	24	322	157	–	–
Deferred tax liabilities	26	146	409	–	–
		468	566	1,655	–
Total liabilities		25,349	19,305	48,984	54,138
Net assets		244,207	269,239	196,027	220,807

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

Balance Sheets
As at 30 June 2020

		Group		Company	
	Note	2020	2019	2020	2019
		US$'000	US$'000	US$'000	US$'000
Equity					
Share capital	27	150,863	150,863	150,863	150,863
Treasury shares	28	(413)	–	(413)	–
Reserves	29	(9,594)	4,075	(2,747)	(1,996)
Accumulated profits		103,351	114,301	48,324	71,940
Total equity		244,207	269,239	196,027	220,807
Total equity and liabilities		269,556	288,544	245,011	274,945

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2020

Group	Share capital US$'000	Treasury shares US$'000	Currency translation reserve US$'000	FVOCI reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance at 1 July 2019	150,863	–	(3,871)	7,946	114,301	269,239
Loss for the year	–	–	–	–	(17,124)	(17,124)
Other comprehensive income						
Financial assets, at FVOCI						
Changes in fair value	–	–	–	2,029	–	2,029
Fair value changes reclassified to accumulated profits	–	–	–	–	(115)	(115)
Currency translation	–	–	(2,768)	–	–	(2,768)
Share of currency translation reserves of associate	–	–	76	–	–	76
Other comprehensive income, net of tax	–	–	(2,692)	2,029	(115)	(778)
Total comprehensive income for the year	–	–	(2,692)	2,029	(17,239)	(17,902)
Contributions by and distributions to owners						
Dividends paid to equity holders of the Company (Note 10)	–	–	–	–	(6,717)	(6,717)
Purchase of treasury shares (Note 28)	–	(413)	–	–	–	(413)
Total contributions by and distributions to owners	–	(413)	–	–	(6,717)	(7,130)
Others						
Transfer of fair value reserves of financial asset at FVOCI on reclassification	–	–	–	(13,006)	13,006	–
Total others	–	–	–	(13,006)	13,006	–
Balance at 30 June 2020	150,863	(413)	(6,563)	(3,031)	103,351	244,207

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2020

	Attributable to equity holders of the Company								
Group	Share capital US$'000	Currency translation reserve US$'000	Investment revaluation reserve US$'000	FVOCI reserve US$'000	Capital reserve US$'000	Accumulated profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 July 2018 (As previously stated)	150,863	(1,485)	(280)	–	343	136,145	285,586	23,476	309,062
Adoption of SFRS(I) 1	–	(273)	–	–	–	273	–	–	–
Adoption of SFRS(I) 9	–	–	280	7,073	–	4,730	12,083	–	12,083
Adoption of SFRS(I) 1-23	–	–	–	–	–	(301)	(301)	–	(301)
Balance at 1 July 2018 (As restated)	150,863	(1,758)	–	7,073	343	140,847	297,368	23,476	320,844
Profit for the year	–	–	–	–	–	43,931	43,931	2,088	46,019
Other comprehensive income									
Financial assets, at FVOCI									
Changes in fair value	–	–	–	(1,519)	–	–	(1,519)	–	(1,519)
Fair value changes reclassified to accumulated profits	–	–	–	–	–	51	51	–	51
Currency translation	–	(2,121)	–	–	–	–	(2,121)	48	(2,073)
Share of currency translation reserves of associate	–	239	–	–	–	–	239	–	239
Other comprehensive income, net of tax	–	(1,882)	–	(1,519)	–	51	(3,350)	48	(3,302)
Total comprehensive income for the year	–	(1,882)	–	(1,519)	–	43,982	40,581	2,136	42,717
Contributions by and distributions to owners									
Dividends paid to equity holders of the Company (Note 10)	–	–	–	–	–	(68,136)	(68,136)	–	(68,136)
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	(1,675)	(1,675)
Total contributions by and distributions to owners	–	–	–	–	–	(68,136)	(68,136)	(1,675)	(69,811)
Changes in ownership interests in subsidiaries									
Disposal of subsidiaries	–	(231)	–	(4)	(343)	4	(574)	(23,937)	(24,511)
Total changes in ownership interests in subsidiaries	–	(231)	–	(4)	(343)	4	(574)	(23,937)	(24,511)
Total transactions with owners in their capacity as owners	–	(231)	–	(4)	(343)	(68,132)	(68,710)	(25,612)	(94,322)
Others									
Transfer of fair value reserves of financial assets at FVOCI upon disposal	–	–	–	2,396	–	(2,396)	–	–	–
Total others	–	–	–	2,396	–	(2,396)	–	–	–
Balance at 30 June 2019	150,863	(3,871)	–	7,946	–	114,301	269,239	–	269,239

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

Statement of Changes in Equity

For the financial year ended 30 June 2020

Company	Share capital US$'000	Treasury shares US$'000	FVOCI reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance at 1 July 2019	150,863	–	(1,996)	71,940	220,807
Loss for the year	–	–	–	(16,899)	(16,899)
Other comprehensive income					
Financial assets, at FVOCI					
Changes in fair value	–	–	(751)	–	(751)
Other comprehensive income, net of tax	–	–	(751)	–	(751)
Total comprehensive income for the year	–	–	(751)	(16,899)	(17,650)
Contributions by and distributions to owners					
Dividends paid to equity holders of the Company (Note 10)	–	–	–	(6,717)	(6,717)
Purchase of treasury shares (Note 28)	–	(413)	–	–	(413)
Total contributions by and distributions to owners	–	(413)	–	(6,717)	(7,130)
Balance at 30 June 2020	150,863	(413)	(2,747)	48,324	196,027

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

Statement of Changes in Equity

For the financial year ended 30 June 2020

Company	Share capital US$'000	Investment revaluation reserve US$'000	FVOCI reserve US$'000	Accumulated profits US$'000	Total equity US$'000
Balance at 1 July 2018 (As previously stated)	150,863	(2)	–	51,898	202,759
Adoption of SFRS(I) 9	–	2	(2,906)	2,904	–
Balance at 1 July 2018 (As restated)	150,863	–	(2,906)	54,802	202,759
Profit for the year	–	–	–	86,961	86,961
Other comprehensive income					
Financial assets, at FVOCI					
Changes in fair value	–	–	(776)	–	(776)
Fair value changes reclassified to accumulated profits	–	–	–	(1)	(1)
Other comprehensive income, net of tax	–	–	(776)	(1)	(777)
Total comprehensive income for the year	–	–	(776)	86,960	86,184
Contributions by and distributions to owners					
Dividends paid to equity holders of the Company (Note 10)	–	–	–	(68,136)	(68,136)
Total contributions by and distributions to owners	–	–	–	(68,136)	(68,136)
Others					
Transfer of fair value reserves of financial assets at FVOCI upon disposal	–	–	1,686	(1,686)	–
Total others	–	–	1,686	(1,686)	–
Balance at 30 June 2019	150,863	–	(1,996)	71,940	220,807

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

Consolidated Cash Flow Statement

For the financial year ended 30 June 2020

		Group	
	Note	2020	2019
		US$'000	US$'000
Operating activities			
Loss before tax from continuing operations		(16,791)	(26,240)
Profit before tax from discontinued operations	8	–	75,944
(Loss)/profit before tax, total		(16,791)	49,704
Adjustments for:			
Share of results of associates		1,107	20,476
Depreciation/amortisation expense	17	196	3,175
Dividend income	4	(421)	(2,155)
Interest income	4	(2,120)	(2,090)
Finance costs		1	239
Unrealised translation loss		2,823	314
Gain on disposal of plant and equipment		–	(49)
Plant and equipment written off	5	5	99
Gain on disposal of subsidiaries		–	(63,545)
Changes in fair value of investment properties	19	3,588	1,009
Changes in fair value of investment securities		3,594	(3,266)
Changes in fair value of derivative financial instruments		1,235	(496)
Allowance for expected credit losses		55	–
Impairment loss on financial assets		8,832	–
Operating cash flows before changes in working capital		2,104	3,415
Changes in working capital:			
(Increase)/decrease in development properties		(7,051)	10,805
Increase in inventories		–	(2,278)
(Increase)/decrease in investment securities		(3,338)	5,827
Decrease in receivables		3,709	4,161
Increase/(decrease) in payables		4,739	(10,627)
Cash flows from operations		163	11,303
Interest paid		(1)	(271)
Interest received		2,182	2,134
Dividends received from investment securities		433	610
Income tax paid		(544)	(5,309)
Net cash flows from operating activities		2,233	8,467

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

Consolidated Cash Flow Statement

For the financial year ended 30 June 2020

	Note	Group 2020 US$'000	Group 2019 US$'000
Investing activities			
Purchase of plant and equipment	17	(533)	(2,893)
Proceeds from disposal of plant and equipment		4	207
Proceeds from disposal of financial assets, at FVOCI		655	15,943
Dividends received from financial assets, at FVOCI		3	1,564
Purchase of investment properties	19	–	(32,020)
Net cash inflow from disposal of subsidiaries	8	–	92,864
Dividends received from an associate	21	1,856	2,418
Additional investment in an associate		–	(597)
Increase in property development loan to an associate		(7,491)	–
Increase in property development loan to joint venture		(5,098)	–
Repayment of property development loan by an associate		2,661	–
Repayment of property development loan by joint venture		401	–
Net cash flows (used in)/from investing activities		(7,542)	77,486
Financing activities			
Purchase of treasury shares	28	(413)	–
Dividends paid to equity holders of the Company	10	(6,717)	(68,136)
Dividends paid to non-controlling interests of a subsidiary	8	–	(1,675)
Proceeds from borrowings		–	18,524
Repayment of borrowings		(49)	(25,812)
Net cash flows used in financing activities		(7,179)	(77,099)
Net (decrease)/increase in cash and cash equivalents		(12,488)	8,854
Effect of exchange rate changes on cash and cash equivalents		(2,796)	(1,171)
Cash and cash equivalents at beginning of the year		124,641	116,958
Cash and cash equivalents at end of the year	16	109,357	124,641

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

1. CORPORATE INFORMATION

Chuan Hup Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 8 Eu Tong Sen Street, #24-90 The Central, Singapore 059818. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are that of investment holding, investment trading and provision of management services. The principal activities of its subsidiaries, associates and joint venture are set out in Notes 20 to 21 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The financial statements are presented in United States dollars ("USD" or "US$") and all values in the tables are rounded to the nearest thousand (US$'000), except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2019. Except for the adoption of SFRS(I) 16 *Leases* at the Company level as described below, the adoption of these standards did not have any material effect on the consolidated financial performance or position of the Group.

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases-Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has lease contracts for office premises and equipment. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 July 2019 is disclosed in Note 2.20.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 July 2019 is disclosed in Note 2.20. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

As at 1 July 2019, there was no impact on adoption of SFRS(I) 16 as the Group applied the short-term leases and low-value assets leases exemption for the lease contracts for office premises and equipment. At the Company level, the lease of an office premises resulted in a recognition of right-of-use asset and a corresponding lease liability amounting to US$2,019,000 upon initial recognition.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: References to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018 – 2020	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its 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:

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

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation and business combinations (continued)

(b) Business combinations and goodwill (continued)

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.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to equity holders 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 interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

2.6 Foreign currency

The financial statements are presented in USD, 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 on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under currency translation reserve in equity. The 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 USD 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Leasehold improvements	–	Over the shorter of the estimated useful life of the asset and the lease term
Furniture, fittings, plant and equipment	–	3 to 10 years
Motor vehicles	–	5 years

The carrying values of 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, estimated useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of 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.

2.8 Investment properties

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

Investment properties are initially measured at cost, including transaction costs.

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

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 gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.9 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 group 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Impairment of non-financial assets (continued)

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

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

2.10 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 balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

2.11 Associates and Joint Ventures

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'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 associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the 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.

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 venture. 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 or joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 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.

(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.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(a) Financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (FVOCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

– Financial assets at amortised cost (debt instruments)

– Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

– Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost (debt instruments)</u>

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, and loan to a related party and loan to a joint venture included under other non-current financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments designated at FVOCI when they meet the definition of equity under SFRS(I) 1-32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument by instrument basis.

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

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balane sheet at fair value with net changes in fair value recognised in the statement of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised in the statement of comprehensive income when the right of payment has been established.

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 if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sum of the consideration received would be recognised in other comprehensive income and transferred to accumulated profits along with the amounts previously recognised in other comprehensive income relating to that asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(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 instruments. 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.

2.14 Impairment of financial assets

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. The Group also recognised investments in money market funds under cash equivalents, due to their first-class credit rating and investment in extremely short-term money market securities, undergo only minor value fluctuations and can be readily converted into known amounts of cash.

2.16 Development properties

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

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

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.17 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.

2.18 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 uses or sales. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 are accrued to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

2.20 Leases

(a) These accounting policies are applied on and after the initial application date of SFRS(I) 16, 1 July 2019:

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

(i) As lessee

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

<u>Right-of-use assets</u>

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

The Group's right-of-use assets are presented separately on the balance sheet (Note 18).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Leases (continued)

(i) As lessee (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

(ii) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets 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 basis as rental income. The accounting policy for rental income is set out in Note 2.21.

(b) The following accounting policies are applied before the initial application date of SFRS(I) 16, 1 July 2019.

(i) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

The accounting policy applicable to the Group as a lessor in the comparative period was the same as under SFRS(I) 16.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 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.

Sale of goods

The following accounting policies are applied to the discontinued operations representing the electronics manufacturing services business.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of estimated volume discounts and adjusted for expected returns.

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group updates its measurement of the asset for the right to recover returned goods and for changes in its expectations about returned goods.

Sale of development properties

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property is transferred and the amount of revenue is measured based on the contracted amount, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

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.

Rendering of services

The following accounting policies are applied to the discontinued operations representing the electronics manufacturing services business.

Revenue is recognised when control over the property has been transferred to the customer over time.

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

Progress billings are typically triggered upon achievement of specific project milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue (continued)

Dividend income

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

Interest income

Interest income is recognised using the effective interest method.

Gain from disposal of investment securities and derivative financial instruments

Gain from disposal of investment securities and derivative financial instruments are recognised upon conclusion of the contract for sale.

2.22 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 and associates, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Taxes (continued)

(b) Deferred tax (continued)

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

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply 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 the 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.

(c) Goods and Services Tax ("GST")

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

– Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 GST included.

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

2.23 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Treasury shares

The Group's own equity instruments that are reacquired (treasury shares) are recognised at cost (historical rate) 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 and the consideration, if reissued, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.25 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 sheets of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.26 Discontinued operations

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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, 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 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the financial statements:

(a) Investment in associate

On 31 October 2019, the Group reclassified its investment in Keyland Ayala Properties Inc. ("KAPI") from investment security with fair value through other comprehensive income to investment in associated company and determined the deemed cost of investment in KAPI as an associated company based on its fair value as at 31 October 2019. The Group engaged an external valuer to measure the fair value of the investment in KAPI as at 31 October 2019. The Group recorded the change in fair value in other comprehensive income. The Group engaged the same external valuer to perform a purchase price allocation exercise to measure the fair value of KAPI's identifiable assets acquired and liabilities assumed as at 31 October 2019.

The Group accounts for its interest in KAPI using the equity method. The carrying amount of the Group's interest in KAPI was US$21,175,000.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

3.1 Judgments made in applying accounting policies (continued)

(b) Impairment on financial assets

During the year, the Group recognised full impairment loss of US$8,832,000 on the loan receivable from Major Star Holdings Limited ("MSH"). The loan was secured by the personal guarantee of the sole, individual shareholder of MSH who had substantial shareholding in a listed company. The total outstanding loan receivable from MSH before impairment was US$8,832,000.

MSH defaulted on the interest payment and principal repayment on the due date. Upon MSH's default of the loan, the Group served a statutory demand on the guarantor to repay the loan and, having not received payment, subsequently filed a bankruptcy petition against the guarantor of the loan. On 19 March 2020, as the debt remained unpaid, the High Court made a bankruptcy order against the guarantor and also appointed a trustee of the guarantor's estate. The trustee confirmed to the Group's lawyers that he was unable to contact the guarantor.

Management is of the view that there is no reasonable expectation of any recovery from this loan receivable and recognised full impairment loss during the financial year ended 30 June 2020.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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.

(a) Fair value measurement of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged an independent valuation specialist to determine the fair value as at 30 June 2020. The valuation technique adopted was the Direct Comparison Method. This involves analysing recent sales evidence of similar properties and comparable developments with adjustments made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, availability of facilities, dates of transactions and the prevailing market conditions.

The carrying amount of the Group's investment properties at 30 June 2020 was US$50,155,000 (2019: US$55,455,000).

(b) Valuation of development properties

The Group carries its development properties at the lower of cost and net realisable value. Management exercised judgment in their assessment as to the need to write down the development properties so that they are carried at the lower of cost and net realisable value.

These judgments include the estimation of the expected selling prices of development properties taking into account current and expected market demand for such properties.

The carrying amount of the Group's development properties at 30 June 2020 was US$22,161,000 (2019: US$15,077,000).

4. Revenue

	Group	
	2020	**2019**
	US$'000	US$'000
Sale of development properties	18,302	15,117
Rental income from investment properties	1,243	997
Dividend income from:		
– Financial assets at FVOCI	3	1,563
– Investment securities at FVPL	418	592
Interest income from:		
– Cash deposits at amortised cost	1,639	1,646
– Loan receivable at amortised cost	99	384
– Financial assets at FVOCI	9	60
– Loan receivables from an associate and joint venture at amortised cost	373	–
Gain/(loss) on disposal of investment securities and derivative financial instruments at FVPL	3,115	(2,148)
Others	33	75
	25,234	18,286

Revenue from sale of development properties is analysed as follows:

Primary geographical market		
Australia	18,302	15,117
Timing of transfer of goods		
At a point in time	18,302	15,117

5. Other losses, net

The following items were credited/(charged) to profit or loss:

	Group	
	2020	**2019**
	US$'000	US$'000
Allowance for expected credit losses	(55)	–
Loss on disposal of plant and equipment	–	(26)
Plant and equipment written off	(5)	(99)
Foreign exchange loss, net	(2,320)	(1,105)
Other income	9	2
	(2,371)	(1,228)

6. Loss before tax from continuing operations

Loss before tax from continuing operations included the following items:

	Group	
	2020	**2019**
	US$'000	US$'000
Audit fees:		
– Auditor of the Company	108	111
– Other auditors	18	17
Non-audit fees:		
– Auditor of the Company	11	46
– Other auditors	12	8
Employee benefits expense (including directors' remuneration):		
– Salaries, allowances and short-term benefits	1,214	10,811
– Defined contribution plan	104	131
Lease expenses on low-value assets and short-term leases (Note 18)	88	34

7. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 30 June 2020 and 2019 are:

	Group	
	2020	**2019**
	US$'000	US$'000
Current income tax:		
Current income taxation	614	697
Over provision in prior years	(119)	(144)
	495	553
Deferred income tax (Note 26):		
Origination and reversal of temporary differences	(262)	(155)
Under provision in prior years	–	114
	(262)	(41)
Withholding tax	100	233
Income tax expense attributable to continuing operations	333	745
Income tax expense attributable to discontinued operations (Note 8)	–	2,940
Income tax expense recognised in profit or loss	333	3,685

7. Income tax expense (continued)

Reconciliation between tax expense and accounting (loss)/profit

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 30 June 2020 and 2019 is as follows:

	Group	
	2020	**2019**
	US$'000	US$'000
Loss before tax from continuing operations	(16,791)	(26,240)
Profit before tax from discontinued operations (Note 8)	–	75,944
Less: Share of results of associates *	1,107	20,476
	(15,684)	70,180
Tax at domestic rates applicable to individual group entities	(5,105)	13,932
Adjustments:		
Non-deductible expenses	5,358	10,038
Income not subject to tax	(656)	(20,932)
Benefits from previously unrecognised tax losses	(112)	(290)
Effect of partial tax exemption and tax relief	(99)	(130)
Deferred tax assets not recognised	963	573
(Over)/under provision in prior years	(119)	252
Withholding tax on foreign income	100	233
Others	3	9
Income tax expense recognised in profit or loss	333	3,685

* These are presented net of tax in profit or loss.

Subject to agreement by the relevant tax authorities, the Group has unutilised tax losses and donations estimated as follows:

	Group	
	2020	**2019**
	US$'000	US$'000
Unutilised tax losses	13,058	5,811
Unutilised donations	77	77
	13,135	5,888
Deferred tax asset not recognised	2,233	1,001

These future income tax benefits are available for offset against future taxable income of the companies in which the tax benefits arose, subject to the conditions for deductibility imposed by the tax legislation of their respective countries of incorporation, including the retention of majority shareholders as defined are complied with. Deferred tax asset is not recognised due to uncertainty of its realisation. The tax losses have no expiry date.

8. Discontinued operations

Discontinued operations represent the electronics manufacturing services business.

On 29 April 2019 (the "disposal date"), the Group completed the sale of its electronics manufacturing services business, 76.70% interest in a subsidiary company, PCI Limited, for a cash consideration of approximately US$149,131,000.

The value of assets and liabilities of PCI Limited recorded in consolidated financial statements as at disposal date and the cash flow effect of the disposal were as follows:

	As at 29 April 2019 US$'000
Plant and equipment (Note 17)	10,254
Prepaid lease payments	17,212
Other assets	80
Deferred tax assets	105
Trade and other receivables	41,633
Inventories	41,070
Cash and cash equivalents	52,546
	162,900
Trade and other payables	(55,948)
Income tax payable	(3,036)
Other creditors	(205)
Deferred tax liabilities	(980)
Carrying value of net assets	102,731
Non-controlling interest	(23,937)
Reserves realised to profit or loss	
Currency translation reserve	(231)
Capital reserve	(343)
Net carrying value of assets disposed	78,220
Gain on disposal recognised in profit or loss	63,981
Cash consideration, net of expenses	142,201
Add: Transaction costs	3,930
Add: Provision for indemnity	3,000
Cash consideration	149,131
Less: Cash transaction costs	(3,721)
Less: Cash and cash equivalents of the subsidiary disposed	(52,546)
Net cash inflow on disposal	92,864
Transfer of fair value reserve of the subsidiary to accumulated profits on disposal	4

8. Discontinued operations (continued)

The results of the discontinued operations are as follows:

	Group
	1 July 2018 to 29 April 2019
	US$'000
Revenue	175,892
Expenses	(163,929)
Profit from operations	11,963
Gain on disposal of discontinued operations	63,981
Profit before tax from discontinued operations	75,944
Income tax expense	(2,940)
Profit from discontinued operations, net of tax	73,004

The cash flows attributable to the discontinued operations are as follows:

	Group
	1 July 2018 to 29 April 2019
	US$'000
Operating cash flows	3,567
Investing cash flows	(1,708)
Financing cash flows	(1,675)
Net cash inflows	184

	Group
	2019
Earnings per share from discontinued operations attributable to owners of the Company (US cents):	
Basic	7.64
Diluted	7.64

The basic and diluted earnings per share from discontinued operations are calculated by dividing the profit from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profits and share data are presented in Note 9.

9. (Loss)/earnings per share

The basic and diluted loss per share from continuing operations are calculated by dividing loss from continuing operations, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 June:

	Group	
	2020	**2019**
(Loss)/profit attributable to equity holders of the Company (US$'000)		
Continuing operations	(17,124)	(26,985)
Discontinued operations	–	70,916
	(17,124)	43,931
Number of shares ('000):		
Weighted average number of ordinary shares	927,742	928,273
Loss per share from continuing operations (US cents)	(1.85)	(2.91)
(Loss)/earnings per share from continuing and discontinued operations (US cents)	(1.85)	4.73

Basic (loss)/earnings per share is the same as diluted (loss)/earnings per share as the Group does not have any potential dilutive ordinary shares outstanding.

10. Dividends

	Group and Company	
	2020	**2019**
	US$'000	US$'000
Cash dividends on ordinary shares declared and paid:		
Final tax exempt (one-tier) for 2019: 1 SG cent per share (2018: 1 SG cent per share)	6,717	6,789
Special tax exempt (one-tier) for 2019: 9 SG cents per share	–	61,347
	6,717	68,136
Proposed but not recognised as a liability as at 30 June:		
Cash dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final special tax exempt (one-tier) for 2020: 1 SG cent per share	6,630	–
Final tax exempt (one-tier) for 2019: 1 SG cent per share	–	6,864
	6,630	6,864

11. Development properties

	Group	
	2020	**2019**
	US$'000	US$'000
Completed properties	22,161	8,894
Properties under development	–	6,183
	22,161	15,077

Details of the Group's development properties as at 30 June 2020 are as follows:

Description of properties	Tenure of land	Stage of completion (expected year of completion)	Site area/ gross floor area (square metres)	Effective interest in properties %
Concerto				
A 38-storey residential development comprising 226 apartments and 1 commercial unit on Adelaide Terrace, East Perth, Western Australia	Freehold	Completed in FY2017	6,303/35,960	100
One Kennedy				
A 3-storey residential development comprising 120 apartments and 3 commercial units on Kennedy Street, Maylands, Western Australia	Freehold	Completed in FY2020	8,966/8,567	100

Commitments

As at 30 June 2020, there was no capital commitments (2019: US$9,257,000) in relation to development properties contracted for but not recognised in the financial statements.

12. Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Trade and other receivables (current)				
Trade receivables	25	15	–	15
Trade receivables - associate	1,857	4,114	–	–
Loan receivable	8,832	8,734	–	–
GST recoverable	667	2,365	–	195
Deposits	7	13	6	11
Prepayments	20	49	20	9
Others	189	380	79	101
	11,597	15,670	105	331
Less: Allowance for impairment loss on loan receivable	(8,832)	–	–	–
	2,765	15,670	105	331
Other receivables (non-current)				
Loan receivable from an associate	4,801	–	–	–
Loan receivable from joint venture	4,757	–	–	–
	9,558	–	–	–
Less: Allowance for expected credit losses on loan receivable from an associate	(55)	–	–	–
	9,503	–	–	–
Total trade and other receivables	12,268	15,670	105	331
Add: Cash and cash equivalents (Note 16)	109,357	124,641	43,623	27,791
Add: Amounts due from subsidiaries (Note 13)	–	–	65,828	164,083
Less: GST recoverable	(667)	(2,365)	–	(195)
Less: Prepayments	(20)	(49)	(20)	(9)
Total financial assets at amortised cost	120,938	137,897	109,536	192,001

Trade receivables

Trade receivables are non-interest bearing and credit terms generally range from 30 to 60 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loan receivable

Loan receivable was non-trade related, interest bearing at 5% per annum and was to be settled in cash. The loan was extended by one year and was repayable by 2 October 2019.

12. Trade and other receivables (continued)

Loan receivable from an associate (non-current)

The non-current loan receivable from associate is unsecured and for the purpose of the Group's property development project with the associate. The amount is interest bearing at 6.00% per annum and repayable by 2 June 2029.

Loan receivable from joint venture (non-current)

The non-current loan receivable from joint venture is unsecured and for the purpose of the Group's property development project with the joint venture. The amount is interest bearing at prevailing market bank bill rate plus a 1.5% margin and is not expected to be repaid within the next 12 months.

Receivables that are past due but not impaired

There were no trade receivables that are past due at the end of the reporting period.

Expected credit losses

The movement in the allowance for expected credit losses are as follows:

	Group	
	2020	**2019**
	US$'000	US$'000
Loan receivable from an associate (non-current)		
At 1 July 2019	–	–
Allowance for expected credit losses	55	–
At 30 June 2020	55	–
Loan receivable (current)		
At 1 July 2019	–	–
Change for the year	8,832	–
At 30 June 2020	8,832	–

13. Amounts due from subsidiaries

	Company	
	2020	**2019**
	US$'000	US$'000
Amounts due from subsidiaries	102,164	190,180
Allowance for impairment	(36,336)	(26,097)
	65,828	164,083

During the financial year, the Company recognised an impairment loss of US$10,239,000 (2019: US$23,097,000) in relation to an expected uncollectible amount due from a subsidiary.

13. Amounts due from subsidiaries (continued)

In the previous financial year, the Company recorded a write-back of impairment of US$2,500,000 as the Company assessed that there is reasonable expectation of recovering the contractual cash flows.

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

14. Investment securities

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$'000	US$'000	US$'000	US$'000
Current				
At fair value through profit or loss:				
Quoted equity securities	16,846	16,375	15,924	16,375
Non-current				
At fair value through other comprehensive income:				
Quoted equity securities	340	738	340	–
Quoted bond investments	232	225	232	225
Unquoted equity securities (i)(ii)	1,933	20,497	47	361
	2,505	21,460	619	586

(i) The unquoted equity securities include investments in certain companies where the Group has more than 20% effective equity interests. However, it has been determined that the Group does not have significant influence in these companies as defined by SFRS(I) 1-28 "Investments in Associates and Joint Ventures" due to no representation on the board of the investees, non-participation in the policy-making processes including dividends or other distributions, non-existence of material transactions between the Group and the investees, no interchange of managerial personnel and no provision of essential technical information to the investees during the financial year.

The unquoted equity securities consist principally of shares in companies engaged in property development and property investment activities.

(ii) The investment in Keyland Ayala Properties Inc. has been reclassified as investment in associate from financial asset at fair value through other comprehensive income (unquoted equity) with effect from 31 October 2019 (Note 21). Accordingly, the accumulated fair value gains on the investment of US$13,006,000 was reclassified from FVOCI reserve to accumulated profits.

In the previous financial year, the Group disposed of its investments in unquoted fund investments, unquoted securities and quoted bond investments. The carrying value at the date of derecognition was US$15,893,000. The cumulative fair value loss on disposals of US$2,396,000 were transferred from FVOCI reserve to accumulated profits. The Group recognised a dividend of US$348,000 from the unquoted fund investments prior to the disposal.

The Group's investment securities of US$922,000 (2019: US$Nil) as at 30 June 2020 were charged to a bank as security for investment trading facilities, which were undrawn at the end of the reporting period.

15. Derivative financial instruments

	Group			Company		
	Contract/ notional amount	Assets	Liabilities	Contract/ notional amount	Assets	Liabilities
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
30 June 2020						
Equity related derivative contracts	4,494	–	(1,062)	4,494	–	(1,062)
30 June 2019						
Commodity forward contract	726	900	–	–	–	–

These derivative contracts may be terminated earlier than the maturity dates upon the occurrence of the knock-out event as stipulated in the contracts. The maturity date of the derivative contracts ranged from 10 September 2020 to 19 February 2021.

16. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Cash at banks	12,679	10,664	8,900	8,040
Short-term deposits	96,678	113,977	34,723	19,751
	109,357	124,641	43,623	27,791

Investments in money market funds of US$6,412,000 (2019: US$7,181,000) and US$6,384,000 (2019: US$7,162,000) are recognised under cash at banks of the Group and the Company respectively as cash equivalents, due to their first-class rating and investment in extremely short-term money market securities, undergo only minor value fluctuations and can be readily converted into known amounts of cash.

Short-term deposits are placed for varying periods of three months or less, depending on the immediate cash requirements of the Group and the Company. The weighted average effective interest rates as at 30 June 2020 for the Group and the Company were 0.70% (2019: 2.68%) and 0.70% (2019: 1.66%) per annum, respectively.

The Group's cash and cash equivalents of US$64,133,000 (2019: US$Nil) were charged to banks as security for investment trading and short-term borrowing facilities, which were undrawn as at the end of the reporting period.

17. Plant and equipment

Group	Leasehold improvements US$'000	Furniture, fittings, plant and equipment US$'000	Motor vehicles US$'000	Total US$'000
Cost				
At 1 July 2018	5,524	31,401	1,436	38,361
Additions	–	2,257	636	2,893
Disposals	–	(1,140)	(341)	(1,481)
Write off	(305)	(14)	–	(319)
Exchange differences	(32)	(68)	(4)	(104)
Disposal of subsidiaries	(5,187)	(32,306)	(1,121)	(38,614)
At 30 June 2019 and 1 July 2019	–	130	606	736
Additions	288	245	–	533
Disposals	–	(9)	–	(9)
Write off	–	(57)	–	(57)
At 30 June 2020	288	309	606	1,203
Accumulated depreciation				
At 1 July 2018	1,520	25,163	755	27,438
Depreciation for the year	526	1,906	215	2,647
Disposals	–	(1,039)	(284)	(1,323)
Write off	(207)	(13)	–	(220)
Exchange differences	(11)	(39)	(5)	(55)
Disposal of subsidiaries	(1,828)	(25,877)	(655)	(28,360)
At 30 June 2019 and 1 July 2019	–	101	26	127
Depreciation for the year	43	32	121	196
Disposals	–	(5)	–	(5)
Write off	–	(52)	–	(52)
At 30 June 2020	43	76	147	266
Net carrying amount				
At 30 June 2019	–	29	580	609
At 30 June 2020	245	233	459	937

17. Plant and equipment (continued)

Company	Leasehold improvements US$'000	Furniture, fittings, plant and equipment US$'000	Motor vehicles US$'000	Total US$'000
Cost				
At 1 July 2018	305	348	–	653
Additions	–	10	606	616
Disposals	–	(214)	–	(214)
Write off	(305)	(14)	–	(319)
At 30 June 2019 and 1 July 2019	–	130	606	736
Additions	288	245	–	533
Disposals	–	(9)	–	(9)
Write off	–	(57)	–	(57)
At 30 June 2020	288	309	606	1,203
Accumulated depreciation				
At 1 July 2018	161	172	–	333
Depreciation for the year	46	56	26	128
Disposals	–	(114)	–	(114)
Write off	(207)	(13)	–	(220)
At 30 June 2019 and 1 July 2019	–	101	26	127
Depreciation for the year	43	32	121	196
Disposals	–	(5)	–	(5)
Write off	–	(52)	–	(52)
At 30 June 2020	43	76	147	266
Net carrying amount				
At 30 June 2019	–	29	580	609
At 30 June 2020	245	233	459	937

Assets held under finance leases

In the previous financial year, the Group and the Company acquired motor vehicles with cost of US$74,000 by means of finance leases. The Group's cash outflow on acquisition of plant and equipment in 2019 was US$2,893,000. The finance lease liabilities was fully repaid in the current financial year. The security over the related finance leased assets was discharged during the current financial year.

As at 30 June 2019, the carrying amount of motor vehicles under finance lease was US$70,000.

18. Leases

The Company leases its office premises from a wholly-owned subsidiary, ProVest Holdings Pte. Ltd.. The lease includes an extension option, for which has been included in the carrying amount of right-of-use assets and lease liabilities as the Company is reasonably certain to exercise the extension option.

The Company also leases office premises with lease term that ends within 12 months and an office equipment that is considered to be low value. The Company applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Company	Office Premises 2020 US$'000
At 1 July 2019	–
Additions	2,019
Depreciation	(112)
At 30 June 2020	1,907

Lease liabilities

Set out below are the carrying amounts of lease liabilities (Note 23) and the movements during the year:

Company	2020 US$'000
At 1 July 2019	–
Additions	2,019
Accretion of interest	25
Payments[1]	(121)
Exchange differences	(74)
At 30 June 2020	1,849
Current	194
Non-current	1,655
At 30 June 2020	1,849

[1] Monthly lease rent charged by the subsidiary were offset against the amount due from the subsidiary. There were no cash outflows incurred for the lease.

18. Leases (continued)

Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	Group
	2020
	US$'000
Lease expense:	
– Short-term leases (included in other expenses)	85
– Low-value assets (included in other expenses)	3
	88

Total cash outflows

The Group's total cash outflows for all leases was US$88,000, comprising lease payments for low-value assets and short-term leases.

19. Investment properties

	Group	
	2020	**2019**
	US$'000	US$'000
Balance sheet		
At 1 July	55,455	24,196
Additions	–	32,020
Fair value loss recognised in profit or loss	(3,539)	(1,009)
Exchange differences	(1,761)	248
At 30 June	50,155	55,455
Statement of comprehensive income		
Net effect of amortisation and straight lining	(49)	–
Rental income from investment properties:		
Minimum lease payments	1,243	997
Direct operating expenses (including repairs and maintenance) arising from:		
Rental generating properties	494	226

19. Investment properties (continued)

Valuation of investment properties

Investment properties are measured at fair value which has been determined based on valuation performed as at 30 June 2020 and 30 June 2019. The valuations were performed by accredited independent valuers with recent experience in the location and category of the properties being valued. The valuation technique adopted was the Direct Comparison Method. This involved the analysis of recent sales evidence of similar properties and comparable developments with adjustments made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, availability of facilities, dates of transactions and the prevailing market conditions.

The Group has no restriction on the realisability of its investment properties.

The investment properties held by the Group as at 30 June 2020 are as follows:

Description of properties	Existing use	Tenure	Unexpired lease term	Area (square metres)
Office floors 20th to 22nd located in GB Building, 143 Cecil Street, Singapore 069542	Offices	Leasehold	61 years	1,492
Office floor 24th located in The Central, 8 Eu Tong Sen Street, Singapore 059818	Offices	Leasehold	79 years	1,239

20. Subsidiaries

	Company	
	2020	2019
	US$'000	US$'000
Shares, at cost	33,647	33,647
Issuance of shares by subsidiaries	54,729	–
Impairment losses	(6,990)	(6,990)
	81,386	26,657

During the financial year, the Company increased its investments in two wholly-owned subsidiaries through a subscription of new shares issued by the subsidiaries. The consideration was satisfied by the Company through capitalisation of amounts due by the subsidiaries to the Company of US$54,729,000.

20. Subsidiaries (continued)

(a) Composition of the Group

The Group has the following investments in subsidiaries:

Name	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 2020 %	2019 %
Held by the Company:				
Beauford Investments Pte Ltd[1]	Singapore	Investment trading	100	100
ProVest Global Pte. Ltd.[1]	Singapore	Investment holding	100	100
ProVest Holdings Pte. Ltd.[1]	Singapore	Property investment	100	100
ProVest Realty Pte. Ltd.[1]	Singapore	Property investment	100	100
CH Biovest Pte. Limited[1]	Singapore	Investment holding and trading	100	100
Ventrade (Asia) Pte. Ltd.[1]	Singapore	Investment holding and trading	100	100
Held through subsidiaries:				
Held by Ventrade (Asia) Pte. Ltd.				
Ventrade Australia Pty Ltd[2]	Australia	Property development	100	100
Held by Ventrade Australia Pty Ltd				
Ventrade Maylands Pty Ltd[3]	Australia	Property development	100	100

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by KPMG, Perth, Australia.
(3) Audited by KPMG, Perth, Australia for the purpose of group consolidation.

20. Subsidiaries (continued)

(b) Summarised financial information about subsidiary with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

	1 July 2018 to 29 April 2019*
	US$'000
Summarised statement of comprehensive income	
Revenue	175,922
Profit before tax	12,132
Income tax expense	(2,940)
Profit after tax	9,192
Other comprehensive income	583
Total comprehensive income	9,775
Other summarised information	
Net cash flows from operations	3,567

* *Represents contribution from PCI Limited disposed on 29 April 2019.*

21. Associates and joint venture

21.1 Associates

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Quoted shares, at cost	67,881	67,881	40,740	40,740
Unquoted shares, at cost	20,215	–	–	–
Share of post-acquisition reserves	(22,254)	(21,223)	–	–
Provision for impairment	–	–	(6,058)	(2,227)
Dividends received	(9,834)	(7,978)	–	–
Exchange adjustment	(834)	(330)	–	–
	55,174	38,350	34,682	38,513

The Group has the following investment in associates:

Name	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 2020 %	2019 %
Held by the Company:				
Finbar Group Limited[(1)]	Australia	Property development and investment	20.5	20.5
Held through subsidiaries:				
Held by ProVest Global Pte. Ltd.				
Keyland Ayala Properties Inc.[(2)(3)]	Philippines	Property development and investment	32.5	–
Held by CH Biovest Pte. Limited				
Pacific Star Development Limited[(4)]	Singapore	Property development	35.5	35.5

(1) Audited by KPMG, Perth, Australia.
(2) Audited by Reyes Tacandong & Co., Philippines.
(3) Keyland Ayala Properties Inc. was reclassified from a financial asset at fair value through other comprehensive income to an associate with effect from 31 October 2019 (Note 14).
(4) Audited by Ernst & Young LLP, Singapore.

The Group has recognised its share of the current year losses of Pacific Star Development Limited up to the Group's interest in the associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was US$8,314,000 (2019: US$Nil). The Group has no obligation in respect of these losses.

21. Associates and joint venture (continued)

21.1 Associates (continued)

The summarised financial information of the associates based on their financial statements and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

Summarised balance sheet

	Finbar Group Limited		Keyland Ayala Properties Inc.		Pacific Star Development Limited	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Current assets	68,988	138,117	22,707	–	108,897	129,411
Non-current assets	162,812	127,406	34,883	–	353	38
Total assets	231,800	265,523	57,590	–	109,250	129,449
Current liabilities	55,853	55,454	5,660	–	108,728	37,350
Non-current liabilities	9,927	35,762	2,354	–	24,271	85,198
Total liabilities	65,780	91,216	8,014	–	132,999	122,548
Net assets/(liabilities)	166,020	174,307	49,576	–	(23,749)	6,901
Proportion of the Group's ownership	20.5%	20.5%	32.5%	–	35.5%	35.5%
Group's share of net assets	34,084	35,785	16,122	–	–	2,451
Other adjustments	(85)	114	5,053(1)	–	–	–
Carrying amount of the investments	33,999	35,899	21,175	–	–	2,451
Fair value of investments based on published price quotation	26,837	32,923	Not applicable(3)	Not applicable(3)	5,468(4)	18,369

21. Associates and joint venture (continued)

21.1 *Associates (continued)*

Summarised statement of comprehensive income

	Finbar Group Limited		Keyland Ayala Properties Inc.		Pacific Star Development Limited	
	2020	**2019**	**2020**(2)	**2019**	**2020**	**2019**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	103,752	111,098	2,942	–	4,137	3,312
Profit/(loss) after tax	4,454	8,178	1,729	–	(30,632)	(18,486)
Other comprehensive income	299	(11)	–	–	(136)	525
Total comprehensive income	4,753	8,167	1,729	–	(30,768)	(17,961)
Dividends received from the associate during the financial year	1,856	2,418	–	–	–	–

(1) Other adjustments mainly relate to the fair value uplift of an investment property determined as part of the purchase price allocation performed on 31 October 2019, by an independent professional valuer.

(2) The results disclosed relate to the 8-month period, from 1 November 2019 to 30 June 2020.

(3) Keyland Ayala Properties Inc. is a non-listed company.

(4) Fair value of Pacific Star Development Limited was derived based on the last traded price on 18 March 2020 before trading of its shares was suspended on 19 March 2020.

21.2 *Joint venture*

	Group	
	2020	**2019**
	US$'000	US$'000
Unquoted share, at cost	*	–

* Ordinary share at a consideration of A$1.

21. Associates and joint venture (continued)

21.2 Joint venture (continued)

Name	Country of incorporation	Principal activities	Proportion of ownership interest held by the Group 2020 %	2019 %
Held through subsidiary:				
Held by Ventrade Australia Pty Ltd				
240 Adelaide Terrace Pty Ltd [1]	Australia	Property development	50	–

[1] During the financial year, the Group's wholly-owned subsidiary, Ventrade Australia Pty Ltd, formed a 50:50 joint venture company with the Group's associated company, Finbar Group Limited.

The summarised financial information of the joint venture based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	240 Adelaide Terrace Pty Ltd 2020 US$'000
Current assets	2
Non-current assets	4,968
Total assets	4,970
Current liabilities	12
Non-current liabilities	4,958
Total liabilities	4,970
Net assets	–
Proportion of the Group's ownership	50%
Group's share of net assets	–
Carrying amount of the investment	–

Information of the statement of comprehensive income of the joint venture is not material.

22. Joint operations

Name	Country of operation	Principal activities	Effective interest held by the Group 2020 %	2019 %
Projects held through subsidiaries:				
Project held by Ventrade Australia Pty Ltd				
187 Adelaide Terrace	Australia	Property development	50	50
Project held by Ventrade Maylands Pty Ltd				
241 Railway Parade	Australia	Property development	50	50

23. Lease liabilities

	Group		Company	
	2020	**2019**	**2020**	**2019**
	US$'000	US$'000	US$'000	US$'000
Current				
Lease liabilities (Note 18)	–	–	194	–
Obligation under finance leases	–	49	–	49
	–	49	194	49
Non-current				
Lease liabilities (Note 18)	–	–	1,655	–
Total lease liabilities	–	49	1,849	49

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

Group	1 July 2019 US$'000	Cash flows US$'000	Non-cash changes - exchange movement US$'000	30 June 2020 US$'000
Obligation under finance leases	49	(49)	–	–

23. Lease liabilities (continued)

Group	1 July 2018 US$'000	Cash flows US$'000	Non-cash changes - exchange movement US$'000	30 June 2019 US$'000
Obligation under finance leases	–	50	(1)	49

24. Trade and other payables

	Group		Company	
	2020 US$'000	2019 US$'000	2020 US$'000	2019 US$'000
Trade and other payables (current)				
Trade payables	408	8	–	–
Accrued property development expenditure and operating expenses	19,005	14,460	1,014	6,400
Provisions	3,000	3,000	3,000	3,000
Other payables	894	869	606	514
	23,307	18,337	4,620	9,914
Other payables (non-current)				
Other payables	322	157	–	–
Total trade and other payables	23,629	18,494	4,620	9,914
Add: Lease liabilities (Note 23)	–	49	1,849	49
Add: Amounts due to subsidiaries (Note 25)	–	–	41,453	44,175
Less: Provisions and accrued operating expenses	(3,929)	(3,901)	(3,319)	(3,380)
Total financial liabilities at amortised cost	19,700	14,642	44,603	50,758

These amounts are non-interest bearing. Trade payables are normally on credit terms of 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

24. Trade and other payables (continued)

The following table shows the movements of provisions for the financial years ended 30 June 2020 and 2019:

Group	Excess purchase order US$'000	Staff retrenchment US$'000	Staff benefits US$'000	Provision for indemnity US$'000	Total US$'000
At 1 July 2018	4,067	794	141	–	5,002
Additions	–	111	100	3,000	3,211
Utilisation	–	(103)	(13)	–	(116)
Exchange differences	(2)	(13)	25	–	10
Disposal of subsidiaries	(4,065)	(789)	(253)	–	(5,107)
At 30 June 2019 and 30 June 2020	–	–	–	3,000	3,000

Company	Excess purchase order US$'000	Staff retrenchment US$'000	Staff benefits US$'000	Provision for indemnity US$'000	Total US$'000
At 1 July 2018	–	–	–	–	–
Additions	–	–	–	3,000	3,000
At 30 June 2019 and 30 June 2020	–	–	–	3,000	3,000

Provision for indemnity

As part of the disposal of the Company's entire interest in PCI Limited (Note 8), the Company agreed to indemnify the purchaser and one of the subsidiaries of the PCI Limited Group for up to US$3,000,000 for losses that may be incurred in respect of certain claims that may be commenced against the PCI Limited Group's subsidiary. The foregoing indemnity will cover losses that may be notified to the Company within three years from 29 April 2019.

25. Amounts due to subsidiaries

The amounts due to subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

26. Deferred tax

Deferred tax as at 30 June relates to the following:

	Group			
	Balance sheet		Statement of comprehensive income	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:				
Fair value changes on investment securities	–	–	–	139
	–	–		
Deferred tax liabilities:				
Differences in development properties	(92)	(165)	(72)	(134)
Differences in recognition of rental income	(19)	(11)	8	(5)
Unremitted foreign interest income	(25)	(7)	18	(267)
Difference in recognition of interest income	(10)	(226)	(216)	226
	(146)	(409)		
Deferred tax benefit (Note 7)			(262)	(41)

Unrecognised temporary differences relating to investment in an associate

At the end of the reporting period, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of an associate as the Group does not exercise control over the associate and it is uncertain to assess if the retained profits of the associate will be distributed in the foreseeable future at this juncture.

27. Share capital

	Group and Company			
	2020		2019	
	No. of shares		No. of shares	
	'000	US$'000	'000	US$'000
Issued and fully paid ordinary shares:				
At 1 July and 30 June	928,273	150,863	928,273	150,863

The holders of ordinary 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.

28. Treasury Shares

	Group and Company			
	2020		2019	
	No. of shares		No. of shares	
	'000	US$'000	'000	US$'000
At 1 July	–	–	–	–
Purchased during the year	2,992	413	–	–
At 30 June	2,992	413	–	–

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

The Company purchased 2,991,700 (2019: Nil) shares in the Company by way of on-market purchases during the financial year. The total amount paid to acquire the shares was approximately US$413,000 (2019: US$Nil).

29. Reserves

(a) *Currency translation reserve*

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

(b) *FVOCI reserve*

FVOCI reserve represents the cumulative fair value changes, net of tax, of FVOCI financial assets until they are disposed of or derecognised. On derecognition of an investment in equity investment which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in FVOCI reserve was not reclassified to profit or loss but was transferred to accumulated profits.

30. Related party transactions

(a) In addition to related party information disclosed elsewhere in the financial statements, significant transactions (continuing and discontinued operations) with related parties on terms agreed between the parties are as follows:

	Group	
	2020	**2019**
	US$'000	US$'000
Transactions with key management personnel and related company:		
Consultancy services rendered by a director	117	179
Rental paid to a related company	26	–
Engineering support services rendered by a related company	–	59
Transactions with an associate and joint venture:		
Interest income on loans to associate and joint venture	373	–
Property development expenses	14,662	14,910
Sale of development properties	–	3,263

(b) The remuneration of key management personnel of continuing and discontinued operations are as follows:

	Group	
	2020	**2019**
	US$'000	US$'000
Salaries, allowances and short-term benefits	1,293	12,171
Defined contribution plan	34	133
	1,327	12,304

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

31. Fair value of assets and liabilities

(a) Fair value hierarchy

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

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability.

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

(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	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant observable inputs other than quoted prices (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2020				
Financial assets				
Financial assets at FVPL (Note 14)				
Quoted equity securities	16,846	–	–	16,846
Financial assets at FVOCI (Note 14)				
Quoted equity securities	340	–	–	340
Quoted bond investments	232	–	–	232
Unquoted equity securities	–	–	1,933	1,933
	17,418	–	1,933	19,351
Non-financial assets				
Investment properties (Note 19)				
Commercial properties	–	50,155	–	50,155
Financial liabilities				
Derivative financial instruments (Note 15)				
Equity related derivative contracts	–	1,062	–	1,062

31. Fair value of assets and liabilities (continued)

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

Group	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant observable inputs other than quoted prices (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2019				
Financial assets				
Financial assets at FVPL (Note 14)				
Quoted equity securities	16,375	–	–	16,375
Financial assets at FVOCI (Note 14)				
Quoted equity securities	738	–	–	738
Quoted bond investments	225	–	–	225
Unquoted equity securities	–	–	20,497	20,497
Derivative financial instruments (Note 15)				
Commodity forward contract	–	900	–	900
	17,338	900	20,497	38,735
Non-financial assets				
Investment properties (Note 19)				
Commercial properties	–	55,455	–	55,455

31. Fair value of assets and liabilities (continued)

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

Company	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant observable inputs other than quoted prices (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2020				
Financial assets				
Financial assets at FVPL (Note 14)				
Quoted equity securities	15,924	–	–	15,924
Financial assets at FVOCI (Note 14)				
Quoted equity securities	340	–	–	340
Quoted bond investments	232	–	–	232
Unquoted equity securities	–	–	47	47
	16,496	–	47	16,543
Financial liabilities				
Derivative financial instrument (Note 15)				
Equity related derivative contracts	–	1,062	–	1,062
30 June 2019				
Financial assets				
Financial assets at FVPL (Note 14)				
Quoted equity securities	16,375	–	–	16,375
Financial assets at FVOCI (Note 14)				
Quoted bond investments	225	–	–	225
Unquoted equity securities	–	–	361	361
	16,600	–	361	16,961

There is no transfer between Level 1, Level 2 and Level 3 of the fair value hierarchy for the financial years ended 30 June 2020 and 30 June 2019.

31. Fair value of assets and liabilities (continued)

(c) Level 2 fair value measurements

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:

Commercial investment properties (Note 19)

The valuation of commercial investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market with adjustments made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, availability of facilities, dates of transactions and the prevailing market conditions.

Commodity and equity related derivative contracts (Note 15)

Commodity forward contract is valued using spot rates, a market observable input. Equity related derivative contracts are over-the-counter ("OTC") contracts which are valued by financial institutions, of which fair value is determined based on valuation techniques using observable market parameters as inputs.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The fair value of unquoted equity investments at FVOCI was estimated based on adjusted net asset value approach which takes into consideration the fair value of the underlying assets and liabilities of the entities as well as incorporating a discount for lack of control.

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

Description	**Fair value as at 30 June 2020** US$'000	**Valuation technique**	**Unobservable inputs**	**Range of unobservable inputs**
Recurring fair value measurements				
Group				
At FVOCI				
Unquoted equity securities	1,933	Adjusted net asset value	Fair value is determined by reference to the comparable market data on the key underlying assets of the investee company	Not applicable

31. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (continued)

Description	**Fair value as at 30 June 2020** US$'000	**Valuation technique**	**Unobservable inputs**	**Range of unobservable inputs**
Recurring fair value measurements				
Company				
At FVOCI				
Unquoted equity securities	47	Adjusted net assets value	Fair value is determined by reference to the underlying assets value of the investee company	Not applicable

Description	**Fair value as at 30 June 2019** US$'000	**Valuation technique**	**Unobservable inputs**	**Range of unobservable inputs**
Recurring fair value measurements				
Group				
At FVOCI				
Unquoted equity securities	20,497	Adjusted net asset value	Discount for lack of control	5-30%
Company				
At FVOCI				
Unquoted equity securities	361	Adjusted net asset value	Fair value is determined by reference to the underlying assets value of the investee company	Not applicable

For unquoted equity securities, a significant increase/(decrease) in discount for lack of control would result in a significantly lower/(higher) fair value measurement.

31. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Group	Company
	US$'000	US$'000
2020		
Financial assets at FVOCI		
At 1 July 2019	20,497	361
Sales	(770)	–
Net fair value gain/(losses) for the year included in other comprehensive income	2,421	(314)
Transfer to associate[i]	(20,215)	–
At 30 June 2020	1,933	47

	Group	Company
	US$'000	US$'000
2019		
Financial assets at FVOCI		
At 1 July 2018 (as previously stated)	9,590	777
Adoption of SFRS(I) 9	12,083	–
At 1 July 2018 (as restated)	21,673	777
Sales	(336)	(81)
Net fair value losses for the year included in other comprehensive income	(840)	(335)
At 30 June 2019	20,497	361

(i) Investment in Keyland Ayala Properties Inc. was reclassified to an associate with effect from 31 October 2019 (Note 21.1).

(iii) Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 *Fair Value Measurement* guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with 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.

31. Fair value of assets and liabilities (continued)

(e) Financial assets and liabilities not carried at fair value, for which carrying amounts approximate fair value

Trade and other receivables (Note 12), amounts due from/(to) subsidiaries (Notes 13 and 25), cash and cash equivalents (Note 16), lease liabilities (Note 23) and trade and other payables (Note 24)

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

32. Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The Group is exposed to market risk (which includes price, currency and interest rate risks), liquidity risk and credit risk.

(a) Market risk

(i) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than currency risk or interest rate risk).

The Group is exposed to market price risk arising from quoted equity securities (Note 14) classified as financial assets at FVPL and financial assets at FVOCI (Note 14), as well as derivative financial instruments (Note 15). Financial assets at FVOCI are held for strategic rather than trading purposes. To manage its exposure to market price risk, the Group diversifies its investment portfolio within acceptable parameters as endorsed by the board of directors, through prudent assessment of investments prior to investing and ongoing monitoring of their performance.

At the end of the reporting period, if the price of the quoted investments held as financial assets at FVOCI had been 5% (2019: 5%) higher/lower with all other variables held constant, the FVOCI reserve of the Group and the Company would have been US$29,000 (2019: US$48,000) and US$29,000 (2019: US$11,000) higher/lower, respectively.

At the end of the reporting period, if the price of the investment securities at FVPL and derivative financial instruments held had been 5% (2019: 5%) higher/lower with all other variables held constant, the loss before tax of the Group would have been US$789,000 (2019: profit before tax would have been US$861,000 higher/lower) lower/higher.

For unquoted equity securities held as financial assets at FVOCI, if the value of underlying key assets had been increased/decreased, the carrying amount of the financial assets at FVOCI would have been higher/lower.

32. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(ii) Foreign currency risk

The Group and the Company have transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily United States dollar (USD), Singapore dollar (SGD) and Australian dollar (AUD).

At the end of the reporting period, the material carrying amount of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	SGD	AUD	HKD	Others	Total
Group	US$'000	US$'000	US$'000	US$'000	US$'000
30 June 2020					
Financial assets					
Cash and cash equivalents	52,800	36,226	584	14	89,624
Trade and other receivables	99	4,782	–	–	4,881
Investment securities	4,179	–	2,120	3,263	9,562
	57,078	41,008	2,704	3,277	104,067
Financial liabilities					
Derivative financial instruments	(354)	–	–	–	(354)
Trade and other payables	(1,337)	–	–	–	(1,337)
	(1,691)	–	–	–	(1,691)
Net financial assets	55,387	41,008	2,704	3,277	102,376
30 June 2019					
Financial assets					
Cash and cash equivalents	65,366	38,813	393	30	104,602
Trade and other receivables	9,052	66	–	–	9,118
Investment securities	3,898	–	3,205	2,287	9,390
Derivative financial instruments	900	–	–	–	900
	79,216	38,879	3,598	2,317	124,010
Financial liabilities					
Lease liabilities	(49)	–	–	–	(49)
Trade and other payables	(6,608)	–	–	–	(6,608)
	(6,657)	–	–	–	(6,657)
Net financial assets	72,559	38,879	3,598	2,317	117,353

32. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

Company	SGD US$'000	AUD US$'000	HKD US$'000	Others US$'000	Total US$'000
30 June 2020					
Financial assets					
Cash and cash equivalents	10,692	23,096	584	14	34,386
Trade and other receivables	57	25	–	–	82
Investment securities	3,824	–	2,120	3,263	9,207
	14,573	23,121	2,704	3,277	43,675
Financial liabilities					
Lease liabilities	(1,849)	–	–	–	(1,849)
Trade and other payables	(1,300)	–	–	–	(1,300)
Derivative financial instruments	(354)	–	–	–	(354)
Amounts due to subsidiaries	(1,145)	–	–	–	(1,145)
	(4,648)	–	–	–	(4,648)
Net financial assets	9,925	23,121	2,704	3,277	39,027
30 June 2019					
Financial assets					
Cash and cash equivalents	863	13,924	377	16	15,180
Trade and other receivables	91	16	–	–	107
Amounts due from subsidiaries	55,361	–	–	–	55,361
Investment securities	3,898	–	3,205	2,288	9,391
	60,213	13,940	3,582	2,304	80,039
Financial liabilities					
Lease liabilities	(49)	–	–	–	(49)
Trade and other payables	(6,535)	–	–	–	(6,535)
	(6,584)	–	–	–	(6,584)
Net financial assets	53,629	13,940	3,582	2,304	73,455

32. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the exchange rates of the Australian dollar, Singapore dollar and Hong Kong dollar against the functional currency of the respective Group entities, with all other variables held constant. The sensitivity analysis includes all outstanding foreign currency denominated monetary items.

If the relevant foreign currency weakens by 5% (2019: 5%) against the functional currency of the respective Group entities, the effects will be as follows:

	Increase in loss before tax	**Decrease in profit before tax**
	2020	**2019**
Group	US$'000	US$'000
Singapore dollar	2,769	3,628
Australian dollar	2,050	1,944
Hong Kong dollar	135	180

A 5% strengthening of the relevant foreign currency against the functional currency of the respective Group entities would have resulted in an equal but opposite effect on the profit or loss of the respective Group entities, with all other variables held constant.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their cash and cash equivalents and loan receivable.

At the end of the reporting period, if interest rates had been 1% (2019: 1%) higher/lower, with all other variables held constant, the Group's loss before tax would have decreased/increased by approximately US$1,014,000 (2019: profit after tax would have increased/decreased by approximately US$1,140,000).

32. Financial risk management objectives and policies (continued)

(b) 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 arise primarily from mismatches of the maturities of financial assets and liabilities.

The Group closely monitors its working capital requirements and funds available. Sufficient liquidity is ensured through efficient cash management and adequate lines of credit. Cash and cash equivalents are maintained at a healthy level appropriate to the operating environment and expected cash flows of the Group.

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the financial reporting period based on contractual and undiscounted repayment obligations.

	One year or less	**One to five years**	**Over five years**	**Total**
Group	US$'000	US$'000	US$'000	US$'000
30 June 2020				
Financial assets				
Cash and cash equivalents	109,357	–	–	109,357
Trade and other receivables	2,078	–	9,503	11,581
Investment securities[1]	16,846	–	–	16,846
Total undiscounted financial assets	128,281	–	9,503	137,784
Financial liabilities				
Derivative financial instruments	(1,062)	–	–	(1,062)
Trade and other payables	(19,700)	–	–	(19,700)
Total undiscounted financial liabilities	(20,762)	–	–	(20,762)
Total net undiscounted financial assets	107,519	–	9,503	117,022

32. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Group	One year or less US$'000	One to five years US$'000	Over five years US$'000	Total US$'000
30 June 2019				
Financial assets				
Cash and cash equivalents	124,641	–	–	124,641
Trade and other receivables	13,256	–	–	13,256
Investment securities[1]	16,375	–	–	16,375
Derivative financial instruments	900	–	–	900
Total undiscounted financial assets	155,172	–	–	155,172
Financial liabilities				
Lease liabilities	(50)	–	–	(50)
Trade and other payables	(14,593)	–	–	(14,593)
Total undiscounted financial liabilities	(14,643)	–	–	(14,643)
Total net undiscounted financial assets	140,529	–	–	140,529

Company	One year or less US$'000	One to five years US$'000	Over five years US$'000	Total US$'000
30 June 2020				
Financial assets				
Cash and cash equivalents	43,623	–	–	43,623
Trade and other receivables	85	–	–	85
Investment securities[1]	15,924	–	–	15,924
Amounts due from subsidiaries	65,828	–	–	65,828
Total undiscounted financial assets	125,460	–	–	125,460
Financial liabilities				
Lease liabilities	(243)	(973)	(852)	(2,068)
Trade and other payables	(1,301)	–	–	(1,301)
Derivative financial instruments	(1,062)	–	–	(1,062)
Amounts due to subsidiaries	(41,453)	–	–	(41,453)
Total undiscounted financial liabilities	(44,059)	(973)	(852)	(45,884)
Total net undiscounted financial assets/ (liabilities)	81,401	(973)	(852)	79,576

32. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Company	One year or less US$'000	One to five years US$'000	Over five years US$'000	Total US$'000
30 June 2019				
Financial assets				
Cash and cash equivalents	27,791	–	–	27,791
Trade and other receivables	127	–	–	127
Investment securities[1]	16,375	–	–	16,375
Amounts due from subsidiaries	164,083	–	–	164,083
Total undiscounted financial assets	208,376	–	–	208,376
Financial liabilities				
Lease liabilities	(50)	–	–	(50)
Trade and other payables	(6,534)	–	–	(6,534)
Amounts due to subsidiaries	(44,175)	–	–	(44,175)
Total undiscounted financial liabilities	(50,759)	–	–	(50,759)
Total net undiscounted financial assets	157,617	–	–	157,617

[1] The amount excludes investment securities designated as fair value through other comprehensive income that are held long term for strategic purposes.

The following table shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the corporate guarantee is allocated to the earliest period in which corporate guarantee could be called.

	Company 2020 US$'000
One year or less	
Corporate guarantee (Note 35)	20,000

(c) Credit risk

Credit risk is the risk of a default by a counterparty on its contractual obligations resulting in financial loss to the Group and the Company. The Group's and the Company's exposure to credit risk arise primarily from trade and loan receivables. The Group and the Company minimise credit risk in relation to investment securities, derivative financial instruments and cash and short-term deposits by dealing exclusively with high credit rating, reputable financial institutions.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been an increase in credit risk on an ongoing basis throughout each reporting period.

32. Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payment, when they fall due.

To assess whether there is significant increase in credit risk, the Group and the Company compare 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 and the Company consider available reasonable and supportive forward-looking information which include the following indicators:

- 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 debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- 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 debtor, including changes in the payment status

Regardless of the analysis above, an increase in credit risk is presumed if a debtor is past due in making contractual payment.

The Group and the Company determine that its financial assets are credit-impaired when:

- There is significant financial difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Trade and other receivables

The Group provides for lifetime expected credit losses for all trade and other receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. In analysing the expected credit losses, the Group also incorporate forward looking information based on the forecasted gross domestic product and economic conditions.

Based on the Group's assessment, an allowance of expected credit loss on loan receivable from an associate of US$55,000 (2019: US$Nil) was recognised during the financial year (Note 12).

A full impairment of US$8,832,000 was made on a loan receivable due to a default in payment during the financial year (Note 12).

32. Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The Group and the Company adopt a policy of dealing only with recognised and creditworthy counterparties and obtaining sufficient security, where appropriate, to mitigate credit risk.

For investment properties, the Group manages credit risk by collecting deposits. The Group also monitors all late payments for follow-up action.

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

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2020		2019	
	US$'000	% of total	US$'000	% of total
By country:				
Australia	1,857	99	4,114	99
Singapore	25	1	–	–
Others	–	–	15	1
	1,882	100	4,129	100

At the end of the reporting period, 99% (2019: 99%) of the Group's trade receivables was due from an associate in Australia. However, the Group has assessed that the risk is mitigated based on past settlement records and financial capacity of the associate.

33. Capital management

The primary objective of the Group's capital management is to maintain an optimal capital structure to maximise shareholders' value and to support business growth, taking into consideration underlying business risks.

The Group manages its capital through regular reviews to ensure business returns commensurate with the level of risks and adjustments to capital allocations are made in the light of changes in economic conditions. No changes were made in the Group's objectives and policies during the financial years ended 30 June 2020 and 2019.

34. Segment information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) The investment segment relates to investment holding and trading, group level corporate, treasury activities and loans to property related entities;

(b) The property segment comprises investment in entities engage in property development and/or property investment; and

(c) The electronics manufacturing services segment delivers end-to-end manufacturing supply chain solutions that comprise design, manufacturing engineering, material sourcing and procurement, assembly, testing and logistics. This business segment was disposed of in the previous financial year (Note 8).

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Investment	**Property**	**Eliminations**	**Total**
	US$'000	US$'000	US$'000	US$'000
30 June 2020				
Revenue				
External sales	5,688	19,546	–	25,234
Inter-segment sales	2,815	121	(2,936)	–
Total revenue	8,503	19,667	(2,936)	25,234
Results				
Finance costs	(1)	–	–	(1)
Fair value loss on investment properties	–	(3,588)	–	(3,588)
Impairment loss on financial asset	(8,832)	–	–	(8,832)
Allowance for expected credit losses	(55)	–	–	(55)
Depreciation expense	(196)	–	–	(196)
Share of results of associates	–	(1,107)	–	(1,107)
Segment loss	(13,145)	(3,979)	–	(17,124)
Assets and liabilities				
Associates	–	55,174	–	55,174
Additions to plant and equipment	533	–	–	533
Segment assets	137,741	131,815	–	269,556
Segment liabilities	6,178	19,171	–	25,349

34. Segment information (continued)

	Electronics manufacturing services (Discontinued operations)	Investment[1]	Property[1]	Adjustments and eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
30 June 2019					
Revenue					
External sales	175,892	1,261	17,025	(175,892)	18,286
Inter-segment sales	29	10,904	–	(10,933)	–
Total revenue	175,921	12,165	17,025	(186,825)	18,286
Results					
Finance costs	–	(163)	(76)	–	(239)
Gain on disposal of subsidiaries	63,545	–	–	(63,545)	–
Fair value loss on investment properties	–	–	(1,009)	–	(1,009)
Depreciation/amortisation expense	(3,047)	(128)	–	3,047	(128)
Share of results of associates	–	–	(20,476)	–	(20,476)
Segment (loss)/profit	73,004	(8,759)	(18,226)	(73,004)	(26,985)
Assets and liabilities					
Associates	–	–	38,350	–	38,350
Additions to plant and equipment	2,277	616	–	–	2,893
Addition to investment property	–	–	32,020	–	32,020
Segment assets	–	155,551	132,993	–	288,544
Segment liabilities	–	10,321	8,984	–	19,305

[1] Restated as loan receivable was reclassified to the investment segment.

34. Segment information (continued)

Geographical information

Revenue by geographical segment is based on the country in which the counterparty is located.

Segment assets (non-current assets excluding financial assets) are based on the geographical location of these assets.

	Revenue		Non-current assets	
	2020	**2019**	**2020**	**2019**
	US$'000	US$'000	US$'000	US$'000
Group				
Singapore	4,728	6,004	51,092	58,515
Australia	18,680	15,123	33,999	35,899
ASEAN (excluding Singapore)	–	2,392	21,175	–
People's Republic of China	–	17,006	–	–
United States of America	1,495	121,311	–	–
Europe	152	30,212	–	–
Others	179	2,130	–	–
Discontinued operations	–	(175,892)	–	–
	25,234	18,286	106,266	94,414

Information about major customers

For the financial year ended 30 June 2020, no single external customer accounted for 10% or more of the Group's revenue. In the previous financial year, revenue of US$64,733,000 was derived from three major customers attributable to the discontinued operations.

35. Contingent liabilities

	Company	
	2020	**2019**
	US$'000	US$'000
Guarantee in respect of investment trading and short-term borrowing facilities of a subsidiary, which were undrawn at the end of the reporting period	20,000	–

36. Operating lease commitments

As lessee

The Group has entered into non-cancellable operating lease agreements for the rental of office premises and office equipment.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 30 June 2019 amounted to US$422,000.

As at 30 June 2019, the future minimum lease payable in respect of these non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	Group and Company
	2019
	US$'000
Not later than one year	81

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 *Leases* on 1 July 2019. There was no impact on initial adoption of SFRS(I) 16 as the Group applied the short-term leases and low-value assets leases exemption for the lease contracts for office premises and equipment.

As lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties.

	Group	
	2020	**2019**
	US$'000	US$'000
Rental income for the year included in profit or loss	1,243	1,028

The future minimum lease receivable in respect of the non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2020	**2019**
	US$'000	US$'000
Not later than one year	1,315	1,020
Later than one year but not later than five years	1,080	585
	2,395	1,605

37. Events occurring after the reporting period

Impact of COVID-19

The effects of COVID-19 continue to be felt in the geographic locations and financial markets in which the Group operates. The situation and the impact on the fair value on development properties, investment properties and investment securities continue to be volatile. Whilst the Group is unable to provide guidance on the future value of these assets, the Group will continue to exercise prudence in ensuring sufficient working capital to continue as a going concern.

Loan receivable

On 6 August 2020, Ventrade Australia Pty Ltd, a wholly-owned subsidiary of the Group, granted a loan facility of A$25,000,000 to 36 Chester Avenue Pty Ltd (wholly-owned subsidiary of Finbar Group Limited, an associate of the Group) to undertake the residential development of the land site at 36 Chester Avenue, Dianella, Perth, Western Australia. A line fee of 1.5% per annum and interest of 3% per annum will be charged. The loan is guaranteed by Finbar Group Limited, and is secured by a mortgage over the land and all improvements on the land.

38. Approval of the financial statements

The financial statements of the Group for the financial year ended 30 June 2020 were approved and authorised for issue by the board of directors on 10 September 2020.

Additional Information on Directors Seeking Re-Election

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Peh Siong Woon Terence and Mr Lim Kwee Siah as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST is set out below:

Name of Director	**Peh Siong Woon Terence**	**Lim Kwee Siah**
Date of Appointment	1 November 2005	28 December 2011
Date of last re-appointment (if applicable)	18 October 2018	18 October 2018
Age	46	67
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After due consideration, the Board concurs with the Nominating Committee's views that Mr Peh, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience and commitment in the discharge of his duties as a Director.	After due consideration, the Board concurs with the Nominating Committee's views that Mr Lim, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience and commitment in the discharge of his duties as a Director.
Whether the appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer and Executive Director	Non-Executive Director Audit Committee Member Remuneration Committee Member
Professional qualifications	Bachelor of Commerce in Marketing, Curtin University of Technology, Australia and Master of Commerce in Finance, University of New South Wales, Australia	Bachelor of Accountancy, University of Singapore and Fellow Chartered Accountant of Singapore.
Working experience and occupation(s) during the past 10 years	2005 to present – Chief Executive Officer and Executive Director, Chuan Hup Holdings Limited 2013 to 2019 – Executive Vice Chairman, PCI Limited 2011 to 2019 – Executive Director, PCI Limited	2011 to present – Non-Executive Director, Chuan Hup Holdings Limited 1989 to 2011 – Non-Executive Director, PCI Limited 1989 to 2005 – Executive Director, Chuan Hup Holdings Limited
Shareholding interest in the listed issuer and its subsidiaries	478,264,490 ordinary shares in Chuan Hup Holdings Limited (deemed interest)	230,000 ordinary shares in Chuan Hup Holdings Limited (direct interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Peh Siong Woon Terence is the son of Mr Peh Kwee Chim (Executive Director and Substantial Shareholder of Chuan Hup Holdings Limited)	No
Conflict of interest (including any competing business)	Please see above in relation to *Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries*	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Additional Information on Directors Seeking Re-Election

Name of Director	Peh Siong Woon Terence	Lim Kwee Siah
Other Principal Commitments including Directorships - Past (for the last 5 years)	PCI Limited Quijul Pte Ltd Quijul Logistics Pte. Ltd. ProVest Transworld Limited Valcom Holdings Inc Cresta Investment Pte. Ltd. Whiterock Healthcare Pte. Ltd. Pacific Star Development Limited	Allston Services Pte Ltd
Other Principal Commitments including Directorships - Present	ProVest Holdings Pte. Ltd. Beauford Investments Pte. Ltd. CH Biovest Pte. Limited ProVest Global Pte. Ltd. ProVest Realty Pte. Ltd. Ventrade (Asia) Pte. Ltd. Kai Xin Guo Pte Ltd (formerly known as 3P Pte. Ltd.) Walnut Holdings Pte. Ltd. Finbar Group Limited Walnut 1 Pte. Ltd. Keyland Ayala Properties Inc.	Ventrade (Asia) Pte. Ltd. Keyland Ayala Properties Inc.
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

Additional Information on Directors Seeking Re-Election

Name of Director	Peh Siong Woon Terence	Lim Kwee Siah
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
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	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

Additional Information on Directors Seeking Re-Election

Name of Director	Peh Siong Woon Terence	Lim Kwee Siah
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
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
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Please see above in relation to *Other Principal Commitments including Directorships (both Past and Present)*	
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

Statistics of Shareholdings
As at 21 September 2020

Share Capital

Total Number of Issued Shares including Treasury Shares	:	928,272,850
Total Number of Issued Shares excluding Treasury Shares	:	925,281,150
Number/Percentage of Treasury Shares	:	2,991,700 (0.3223%)
Number/Percentage of Subsidiary Holdings	:	0 (0%)
Class of Shares	:	Ordinary shares
Voting Rights excluding Treasury Shares	:	One vote per share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	7	0.08	177	0.00
100 - 1,000	186	2.17	150,365	0.02
1,001 - 10,000	4,223	49.33	29,017,478	3.14
10,001 - 1,000,000	4,115	48.06	244,580,081	26.43
1,000,001 and above	31	0.36	651,533,049	70.41
Total	**8,562**	**100.00**	**925,281,150**	**100.00**

Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	% [(a)]
1	CITIBANK NOMINEES SINGAPORE PTE LTD	501,462,450	54.20
2	PEH KWEE CHIM	37,709,100	4.08
3	DBS NOMINEES PTE LTD	28,666,350	3.10
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	14,932,700	1.61
5	OCBC NOMINEES SINGAPORE PTE LTD	6,830,000	0.74
6	MORPH INVESTMENTS LTD	5,350,000	0.58
7	OCBC SECURITIES PRIVATE LTD	5,057,600	0.55
8	LIM MENG KONG	4,220,000	0.46
9	TEO CHENG TUAN DONALD	4,000,000	0.43
10	PHILLIP SECURITIES PTE LTD	3,580,600	0.39
11	RAFFLES NOMINEES (PTE) LIMITED	3,472,300	0.38
12	LEONG HEIN HAK	3,250,000	0.35
13	BOH YUN MEI	3,000,000	0.32
14	NG THIN ONN TONY	3,000,000	0.32
15	SEE BENG LIAN JANICE	2,867,100	0.31
16	LEW WING KIT	2,528,700	0.27
17	SEAH KIOK LENG	2,210,000	0.24
18	LOA SZE PIN	2,150,000	0.23
19	MRS LOH SIN YUN NEE TAN HUI LAN CORRIE	1,700,000	0.18
20	WEE HIAN KOK	1,620,300	0.18
	Total:	**637,607,200**	**68.92**

Statistics of Shareholdings

As at 21 September 2020

Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of Shares**	**% [(a)]**	**No. of Shares**	**% [(a)]**
Kai Xin Guo Pte Ltd (formerly known as 3P Pte Ltd)	478,264,490	51.69 [(b)&(c)]	-	-
Peh Kwee Chim	37,709,100	4.08	478,264,490	51.69 [(d)]
Qing Shan Pte Ltd	-	-	478,264,490	51.69 [(c)]
TMF Trustees Singapore Limited	-	-	478,264,490	51.69 [(c)]
Peh Siong Woon Terence	-	-	478,264,490	51.69 [(e)]
Beamsbury Limited	-	-	478,264,490	51.69 [(f)]

Notes:

(a) Percentage is calculated based on 925,281,150 issued shares, excluding 2,991,700 treasury shares.

(b) Held in the name of its nominee, Citibank Nominees Singapore Pte Ltd.

(c) Kai Xin Guo Pte Ltd is a wholly-owned subsidiary of Qing Shan Pte Ltd, which is in turn entirely held by TMF Trustees Singapore Limited as trustee of a trust constituted by Mr Peh Kwee Chim ("Trust").

(d) Mr Peh Kwee Chim is a director of Kai Xin Guo Pte Ltd and is also the settlor of the Trust, and is therefore deemed, pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and Section 7 of the Companies Act, Chapter 50 of Singapore (the "CA"), to have an interest in the 478,264,490 shares of the Company held by Kai Xin Guo Pte Ltd.

(e) Mr Peh Siong Woon Terence is a director of Kai Xin Guo Pte Ltd and is also the beneficiary of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the CA, to have an interest in the 478,264,490 shares of the Company held by Kai Xin Guo Pte Ltd.

(f) Beamsbury Limited, the nominee corporate director of TMF Trustees Singapore Limited and sole director of Qing Shan Pte Ltd, manages, controls the operations of and determines the policy with respect to Qing Shan Pte Ltd.

Shareholdings held by Public

Based on information available to the Company as at 21 September 2020, approximately 44.21% of the Company's issued shares, excluding treasury shares, are held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited has been complied with.

Notice of Annual General Meeting and Closure of Books

CHUAN HUP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting ("**AGM**") of Chuan Hup Holdings Limited ("the **Company**") will be convened and held by way of electronic means (see Notes 1 to 8) on Thursday, 29 October 2020 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2020 and the Auditor's Report thereon. — Ordinary Resolution 1

2. To declare a final special tax exempt one-tier dividend of 1 SG cent per ordinary share for the financial year ended 30 June 2020. — Ordinary Resolution 2

3. To re-elect Mr Peh Siong Woon Terence who is retiring by rotation under Regulation 85 of the Company's Constitution and who, being eligible, offers himself for re-election. — Ordinary Resolution 3

4. To re-elect Mr Lim Kwee Siah who is retiring by rotation under Regulation 85 of the Company's Constitution and who, being eligible, offers himself for re-election. — Ordinary Resolution 4

5. To approve the sum of SGD162,000 to be paid to Non-Executive Directors as Directors' fees for the financial year ended 30 June 2020 (FY2019: SGD195,100). — Ordinary Resolution 5

6. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 6

(B) SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

7. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), authority be and is hereby given to the Directors of the Company to: — Ordinary Resolution 7

   (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, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. 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 (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent. 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 as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares 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 this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of shares;

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Companies Act;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST ("**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

8. That approval be and is hereby given: Ordinary Resolution 8

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter 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 hereafter defined), whether by way of:

(i) an on-market share acquisition ("**On-Market Purchase**") transacted on the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or

(ii) off-market share acquisition ("**Off-Market Purchase**") pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise be in accordance with all other laws, the Listing Manual and other regulations and rules of the SGX-ST,

(the "**Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Mandate may be exercised by the Directors of the Company at any time and from time to time, on and from the date of passing of this Resolution up to:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Company in general meeting, whichever is the earlier; or

(iii) the date on which the Share buy back is fulfilled up to the full extent of the Share Buy Back Mandate; and

(c) the Directors of the Company and/or any of them be and is hereby authorised to do such acts and things (including, without limitation, entering into all transactions, arrangements and agreements and executing such documents) as they and/or he may consider necessary or expedient to give effect to this resolution.

In this resolution:

"**Maximum Limit**" means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period (as defined below), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered. Any of the Shares held by the Company as treasury shares and subsidiary holdings shall be disregarded for purposes of computing the 10% limit of the issued ordinary share capital of the Company;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 105% of the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action that occurs during the relevant five (5) day period; and the day on which the purchases are made;

"**Relevant Period**" means the period commencing from the date of passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting; and

"**subsidiary holdings**" has the meaning ascribed to it in the Companies Act.

The Maximum Price shall apply to both On-Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties payable, applicable goods and services tax, clearance fees and other related expenses.

Notice of Annual General Meeting and Closure of Books

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of shareholders for the final special dividend being obtained at the Fiftieth AGM to be held on 29 October 2020, the Transfer Books and the Register of Members of the Company will be closed on 5 November 2020 for the preparation of dividend warrants.

Duly completed registrable transfers in respect of ordinary shares of the Company received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 4 November 2020, will be registered to determine shareholders' entitlements to the proposed final special dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 4 November 2020, will be entitled to the proposed final special dividend.

The final special dividend, if approved by shareholders at the AGM, will be paid on 13 November 2020.

By Order of the Board

Valerie Tan May Wei
Company Secretary
6 October 2020

Explanatory Notes

1. This AGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at http://www.chuanhup.com.sg/agmegm.html and the SGXNet.

2. The proceedings of this AGM will be broadcasted "live" through an audio-visual webcast or live audio-only stream. Members and investors holding Shares through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to follow the proceedings must pre-register at http://www.chuanhup.com.sg/agmegm.html no later than 10.30 a.m. on 26 October 2020. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by 28 October 2020.

   Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will **not** be able to pre-register at http://www.chuanhup.com.sg/agmegm.html for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wish to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Tricor Barbinder Share Registration Services, via email to sg.is.proxy@sg.tricorglobal.com no later than 10.30 a.m. on 26 October 2020.

3. **Due to the current COVID situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company**. The instrument for the appointment of proxy ("proxy form") may be accessed at the Company's website at http://www.chuanhup.com.sg/agmegm.html or the SGXNet. Where a member (whether individual or corporate) appoints the Chairman 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 proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

4. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 10.30 a.m. on 20 October 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.

5. **The proxy form must be submitted to the Company in the following manner**:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898; or
   (b) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com,

   in either case, **by 10.30 a.m.** on **26 October 2020, being 72 hours before the time appointed for holding this AGM.**

   A member who wishes to submit the proxy form 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 completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. 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 IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

7. **Members and Investors will not be able to ask questions "live" during the broadcast of this AGM. All members and Investors may submit questions relating to the business of this AGM by 10.30 a.m. on 26 October 2020:**

   (a) via the pre-registration website at http://www.chuanhup.com.sg/agmegm.html;
   (b) by email to sg.is.proxy@sg.tricorglobal.com; and/ or
   (c) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email.

   The Company will endeavour to address all subsantial and relevant questions either prior to the AGM (via an announcement on SGXNet and the Company's website) or during the AGM.

8. All documents (including the Annual Report 2020, proxy form, this Notice of AGM and Appendix to this Notice of AGM) or information relating to the business of this AGM have been, or will be, published on SGXNet and the Company's website at http://www.chuanhup.com.sg/agmegm.html. **Printed copies of the documents will not be despatched to members**. Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.

9. In relation to Ordinary Resolution 3, Mr Peh Siong Woon Terence, will upon re-election, continue to serve as the Chief Executive Officer. Mr Peh is considered a non-independent director. Please refer to the section on "Board of Directors" and "Additional Information on Directors Seeking Re-Election" in the Annual Report 2020 for detailed information on Mr Peh.

10. In relation to Ordinary Resolution 4, Mr Lim Kwee Siah, will upon re-election, continue to serve as a member of the Audit and Remuneration Committees. Mr Lim is considered a non-independent director. Please refer to the section on "Board of Directors" and "Additional Information on Directors Seeking Re-Election" in the Annual Report 2020 for detailed information on Mr Lim.

11. Ordinary Resolution 8 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, whichever is the earlier, to repurchase ordinary shares of the Company by way of On-Market Purchase or Off-Market Purchase of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price. Information relating to the Share Buy Back Mandate, such as the rationale, the authority and limits, the source of funds to be used for the purchase or acquisition and the financial effects of the Share Buy Back Mandate based on the audited consolidated financial statements of the Group for the financial period ended 30 June 2020 are set out in greater detail in the Appendix to this Notice of AGM.

12. **Personal Data Privacy:**
    By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes").

    In the case of a member who is a relevant intermediary, by submitting the consolidated list of participants set out in Note 2 of this Notice of AGM, such member represents and warrants that it has obtained the prior consent of the individuals for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the participation of such individuals in the broadcast and proceedings of the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and record of questions asked, and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with the Purposes.

CHUAN HUP HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

Annual General Meeting Proxy Form

IMPORTANT

1. This AGM (as defined below) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this proxy form will not be sent to members. Instead, the Notice of AGM and this proxy form will be sent to members by electronic means via publication on the Company's website at http://www.chuanhup.com.sg/agmegm.html and the SGXNet.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman (as defined below) in advance of the AGM, addressing of substantial and relevant questions at AGM and voting by appointing the Chairman as proxy at the AGM, are set out in Notice of AGM and the accompanying Company's announcement dated 6 October 2020. This announcement may be accessed at the Company's website at http://www.chuanhup.com.sg/agmegm.html and the SGXNet.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company.**
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/ her CPF Agent Bank or SRS Operator by 10.30 a.m. on 20 October 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.
5. **Personal Data Privacy**: By submitting this proxy form, a member of the Company accepts and agrees to the personal data terms set out in the Notice of AGM dated 6 October 2020.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We ....(Name) .... (NRIC/Passport No./Co.Reg.No.)

of...(Address)

being a member/members of Chuan Hup Holdings Limited (the "**Company**") hereby appoint the **Chairman of the Annual General Meeting** ("**Chairman**") as my/our proxy to attend, speak and vote on my/our behalf at the Fiftieth Annual General Meeting of the Company ("**AGM**") to be held by way of electronic means on **Thursday, 29 October 2020** at **10.30 a.m.** and at any adjournment thereof in the following manner:

No.	Ordinary Resolution	No. of Votes For*	No. of Votes Against*
	ORDINARY BUSINESS		
1.	Adoption of Directors' Statement and Audited Financial Statements and Auditor's Report		
2.	Declaration of Final Special Dividend		
3.	Re-election of Mr Peh Siong Woon Terence as Director		
4.	Re-election of Mr Lim Kwee Siah as Director		
5.	Approval of Directors' Fees		
6.	Re-appointment of Ernst & Young LLP as Auditor		
	SPECIAL BUSINESS		
7.	Issue of additional shares and convertible instruments		
8.	Approval of the Proposed Renewal of the Share Buy Back Mandate		

You may tick ["✔"] within the relevant box to vote "For" or "Against", in respect of all your Shares for each resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, for each resolution in the relevant box. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid**.

Dated this .... day of 2020

Total Number of Shares held:	No. of Shares
(a) CDP Register	
(b) Register of Members	

....
Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read notes on the reverse side

Notes:

1. A member should insert the total number of Shares held in the proxy form. If a member only has Shares entered against his/her/its name in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), he/she/it should insert that number of Shares. If he/she/it only has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. However, if he/she/it has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/ its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by the member (in both the Register of Members and the Depository Register).

2. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company.** Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

3. This proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 10.30 a.m. on 20 October 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.

1ST FOLD HERE

4. The proxy form must be submitted with the Company in the following manner: (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #02-00 Singapore 068898; or (b) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com, in either case, by 10.30 a.m. on 26 October 2020, being 72 hours before the time appointed for holding this AGM. A member who wishes to submit the proxy form 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 completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form 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 a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

6. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

7. Any reference to a time of day is made by reference to Singapore time.

2ND FOLD HERE

3RD FOLD HERE AND GLUE ALL SIDES FIRMLY OVERLEAF. DO NOT STAPLE.

Please Affix

Postage Stamp

The Company Secretary
CHUAN HUP HOLDINGS LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00 Singapore 068898

3RD FOLD HERE AND GLUE ALL SIDES FIRMLY OVERLEAF. DO NOT STAPLE.

CHUAN HUP HOLDINGS LIMITED
(Co. Reg. No. 197000572R)

8 Eu Tong Sen Street
#24-90 The Central
Singapore 059818
Tel: (65) 6559 9700 Fax: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg