LOW KENG HUAT
(SINGAPORE) LIMITED

RISING ABOVE CHALLENGES

ANNUAL REPORT 2020/2021


Citadines
lyf
foodrepublic
BreadTalk
Citadines
BALESTIER
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CORPORATE **PROFILE**

Low Keng Huat (Singapore) Limited ("LKHS") is a builder established since 1969. Today its business has grown to encompass property development, investments and hotels. Major development projects includes Duchess Residences, One North Residences, Kismis Residences, Parkland Residences, The Minton, Uptown @ Farrer and Paya Lebar Square. Its main investment properties include retail malls at Paya Lebar Square and BT Centre and office building at Westgate Tower in Singapore. It focuses on constructing in-house development and investment projects. LKHS owns and operates deluxe hotel in Perth (Australia) under the in-house brand Duxton Hotel. In addition LKHS owns serviced apartments in Singapore, Citadines Balestier and Lyf @ Farrer, and both are operated and managed by The Ascott Group. Its other hospitality related business in Singapore is the food and beverage business under our in-house brand name Carnivore.

CONTENTS

Klimt Cairnhill

"For FY2021, the Group achieved net profit attributable to shareholders of $48.7 million, an increase of $35.9 million compared to $12.8 million previous financial year. The Group's shareholders' funds increased by $38.5 million to $695.5 million as at 31 January 2021 from $657.0 million as at 31 January 2020."

Mr Low Keng Boon @ Lau Boon Sen

2020 Review

The Singapore economy contracted significantly by 5.4% in 2020 as it was battered by an unprecedented global COVID-19 pandemic where governments worldwide imposed border closures and movement restrictions. It experienced the worst recession since independence as the Singapore government implemented circuit breaker from 7 April 2020 to 19 June 2020. The Singapore government implemented a $100 billion stimulus package and rolled out support measures to limit the economic fallout including wage credits, cash handouts, property tax rebates and rent reliefs.

Despite the recession in Singapore caused by the lockdowns and safe distancing measures imposed by the Government to counter the COVID-19 pandemic, prices of new private residential properties increased by 2.2% in 2020 compared to 2.7% in 2019. The increase in 2020 was due mainly to lower interest rate environment and pent up demand. Prices of private residential properties increased by a sharper 3.3% in Q1 2021 compared to 2.1% in Q4 2020. Overall sales volume of new homes increased by 70 units to 9,982 units in 2020 from 9,912 units in 2019. In Q1 2021 developers launched 3,716 uncompleted residential units (excluding ECs) and sold 3,457 units. Office rents decreased by 8.5% in 2020 compared with the decrease of 3.1% in 2019. However rentals of office space increased by 3.3% in Q1 2021 compared with the 3.5% decrease in Q4 2020. Retail rents decreased significantly by 14.7% in 2020 compared with the increase of 2.9% in 2019 as retail scene was severely battered by the COVID-19 pandemic. The slide in retail rental continues albeit by a lower 4.4% in Q1 2021 compared to 5.2% decrease in Q4 2020 as safe distancing measures are moderated to allow more workers to return to the workplace.

CHAIRMAN'S **STATEMENT**

Klimt Cairnhill

Review of Financial Performance

For the financial year ended 31 January 2021, the group net profit attributable to shareholders was $48.7 million, an increase of $35.9 million as compared with $12.8 million in the previous financial year. The increase was mainly due to the higher profits from Investment segment offset by lower profits in Development and Hotel segments.

Group shareholders' funds increased by $38.5 million to $695.5 million as at 31 January 2021 from $657.0 million as at 31 January 2020. The net tangible asset per ordinary share of the Group increased by 5.6% to $0.94 as at 31 January 2021 from $0.89 as at 31 January 2020. Cash and cash equivalents and fixed deposits increased by $15.3 million to $83.9 million as at 31 January 2021 from $68.6 million as at 31 January 2020. Bank borrowings decreased by $5.5 million to $734.9 million as at 31 January 2021 from $740.4 million as at 31 January 2020. Based on net bank borrowings gearing was 0.94 as at 31 January 2021 compared to 1.03 as at 31 January 2020.


Klimt Cairnhill


Klimt Cairnhill

Development

Development revenue increased by $32.6 million to $40.6 million in current year from $8.0 million in previous year. The increase was solely due to increased sales at Uptown @ Farrer where out of total available units of 116, 48 units were sold as at 31 January 2021 and another 39 units were sold as at 27 April 2021. Uptown @ Farrer was 84% completed as at 31 January 2021 and is expected to obtain TOP by Q2 FY 2022.

Net loss before tax and non-controlling interest decreased by $0.2 million to $1.5 million in current year from $1.7 million in previous year due to higher profit at Uptown @ Farrer offset by showflat cost incurred at Klimt Cairnhill. Klimt Cairnhill is a 36 storeys high-end freehold condominium development located in Orchard area near to Newton MRT station with a total of 138 units. Klimt Cairnhill has commenced construction and the sales launch is expected by Q3 FY2022 and obtain TOP by Q3 FY2025. Dalvey Breeze Development Pte Ltd, our 40% owned associated company, is the developer of Dalvey Haus, a 17-units freehold condominium development at Dalvey Road. KOP Limited owns the remaining 60% shareholding in Dalvey Breeze Development Pte Ltd. Dalvey Haus is 5% completed as at 31 January 2021 and is expected to obtain TOP by Q4 FY2023.

Investment

Investment revenue decreased by $0.9 million to $16.8 million in current year from $17.7 million in previous year. The decrease was mainly due to rental relief granted to tenants at Paya Lebar Square retail mall offset by increased construction revenue at Dalvey Haus. The rental relief was granted due to lockdowns and safe distancing measures imposed by the Singapore government to curb the spread of COVID-19 pandemic.

Net profit before tax and non-controlling interests for investment segment increased by $54.1 million to $56.9 million in current year from $2.8 million in previous year. Before 6 May 2020, Perennial Shenton Investors Pte. Ltd. ("PSI"), an associate company of our subsidiary Huatland Development Pte. Ltd. ("Huatland") owns AXA Tower through Perennial Shenton Holding Pte. Ltd. group of companies ("PSH group"). On 6 May 2020, PSI disposed 100% of its equity interest in PSH group ("Disposal") and transferred its shareholders' loan outstanding as of 30 June 2020 to Alibaba Singapore and PRE13 Pte. Ltd., an associate of Huatland, in equal shares of 50% each. The Group made a gain of $50.2 million from the Disposal. If gain on the Disposal was excluded, the net profit before tax and non-controlling interest increased by $3.9 million to $6.7 million in current year from $2.8 million in previous year. In addition, the increase in net profit before tax

Klimt Cairnhill

CHAIRMAN'S **STATEMENT**

and non-controlling interest was due to higher profits at Westgate Tower offset by lower profits at Paya Lebar Square retail mall and BT Centre and decreased dividend and junior bond interest income during the year. As at 31 January 2021 the occupancies at Paya Lebar Square was approximately 99%, BT Centre was 64% and Westgate Tower was 97%.

Hotel and F&B

Revenue from hotel segment decreased by $5.0 million to $16.0 million in current year from $21.0 million in previous year. Revenue decrease was mainly due to the significant decrease in occupancy at Duxton Hotel Perth to average 31% in current year from average 63% in previous year due to the lockdown and quarantines imposed by the Australian government to control the spread of COVID-19 pandemic. Citadines Balestier commenced business in Q3 previous year and its average occupancy was 80% for current year. Despite the circuit breaker measures imposed in Singapore, occupancy at Citadines Balestier was higher than expected due to accommodation demand from foreign workers affected by Malaysia border closures and returnees from overseas serving out Stay Home Notices in hotels. Revenue decreased at Carnivore restaurant due to lockdown imposed by government in Singapore to prevent spread of COVID-19 pandemic and temporary closure of operation for renovations.

Net profit before tax and non-controlling interest for Hospitality segment was negative $6.7 million in current year compared to $12.6 million in previous year. The decrease in profitability was mainly due to absence of write back of provision for impairment at Citadines Balestier and decrease in revenue at Duxton Hotel Perth due to lockdowns and increase in provisions for impairment of Right-of-use assets and Property, plant and equipment at Carnivore.

Dividend

The Board is pleased to recommend a first and final dividend of 2.5 cents per share. The dividend is tax exempt (one-tier) and total dividend payment will amount to $18.5 million. The proposed dividend represents 38% of our earnings per share of 6.6 cents. This dividend recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on 31 May 2021. The proposed dividend, if approved by shareholders will be paid on 21 June 2021.

Dalvey Haus

Outlook

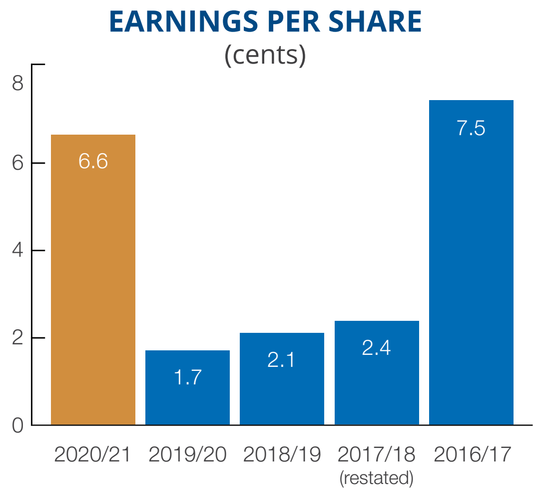
The health consequences of COVID-19 pandemic presents unprecedented challenges to the business community even with the roll out of vaccination across the world. Its impact on the global economy has been devastating and economic recovery is expected to be uncertain and gradual. The property and hotel businesses are expected to continue to slow down due to labour shortage and disruption in supply chain caused by quarantines and lockdowns in many countries. The Group will focus on the successful completion and sales of our development projects and optimisation of operational requirements in investment and hotel segments. We will continue to be selective and strategic in our business acquisitions and remain disciplined in capital management so as to maintain stable and sustainable distributions to shareholders while achieving long-term growth.

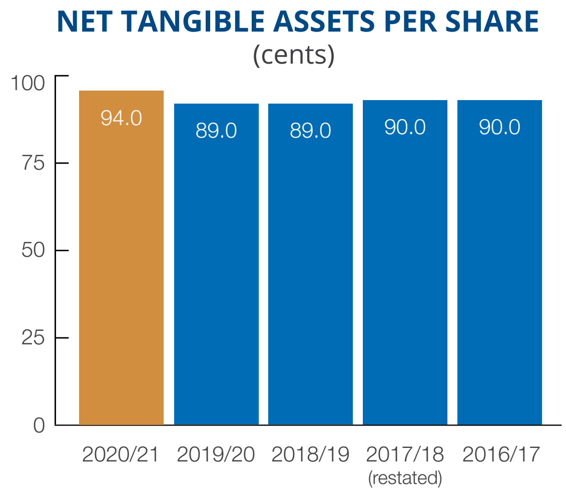
Appreciation

On behalf of the Board, I would like to welcome Mr. Alvin Teo Poh Kheng who joined our Board on 5 April 2021 as Executive Director of Property Sales. I would also like to express my sincere appreciation to our stakeholders, including our shareholders, customers and business associates, for their continued support of the Group and to the management and staff of the Group for their hard work, dedication and commitment in the past year.

Low Keng Boon @ Lau Boon Sen
Executive Chairman
May 2021

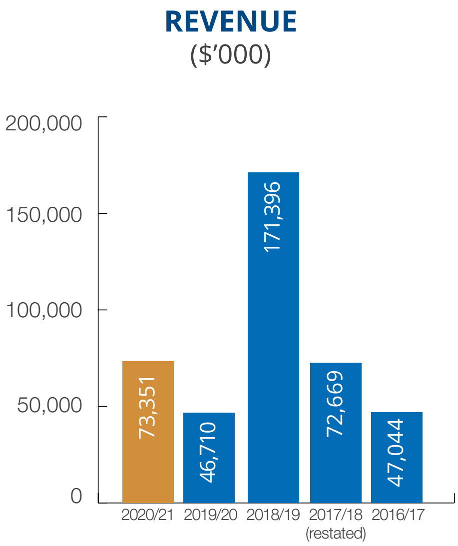
5 YEARS
FINANCIAL HIGHLIGHTS

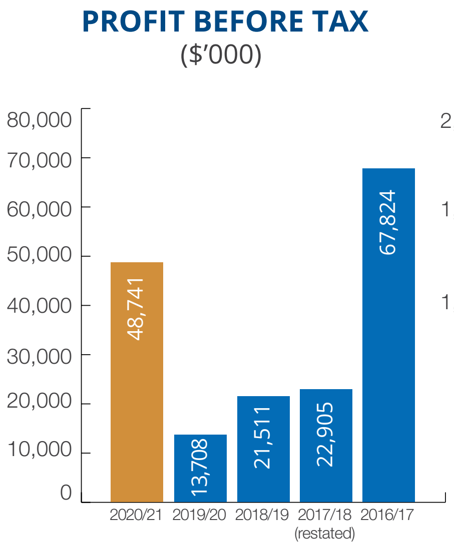


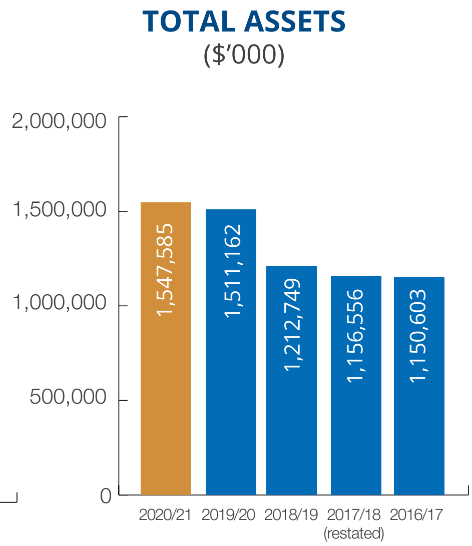


FINANCIAL YEAR	2020/21	2019/20	2018/19	2017/18 (restated)	2016/17
OPERATING RESULTS					
Revenue ($'000)	73,351	46,710	171,396	72,669	47,044
EBITDA ($'000)	69,155	30,463	33,976	35,016	79,597
Pretax profit ($'000)	48,741	13,708	21,511	22,905	67,824
Net Profit ($'000)	47,872	12,198	18,746	18,958	63,719
EBITDA margin (%)	94.3	65.2	19.8	48.2	169.2
Pretax margin (%)	66.4	29.3	12.6	31.5	144.2
Net margin (%)	65.3	26.1	10.9	26.1	135.5
FINANCIAL POSITION					
Total assets ($'000)	1,548,649	1,511,942	1,213,119	1,156,958	1,151,106
Total borrowings ($'000)	734,886	740,408	447,197	373,084	360,284
Shareholders' equity ($'000)	695,539	657,013	655,216	664,082	666,895
Net debt : equity (times)	0.94	1.03	0.49	0.35	0.14
PER SHARE DATA					
Earnings (cents)	6.6	1.7	2.1	2.4	7.5
Dividends (cents)	2.5	1.5	1.5	2.0	4.0
Net tangible assets (cents)	94.0	89.0	89.0	90.0	90.0
Year end share price (cents)	40.0	43.0	57.5	69.5	58.0
SHAREHOLDERS' RETURN					
Return on equity (%)	6.9	1.9	2.9	2.9	9.6
Return on asset (%)	3.1	0.8	1.5	1.6	5.5
Dividend yield (%)	6.3	3.5	2.6	2.9	6.9
Dividend payout ratio (%)	37.9	88.2	71.4	83.3	53.3

5 YEARS
FINANCIAL HIGHLIGHTS







FINANCIAL YEAR	2020/21	2019/20	2018/19	2017/18 (restated)	2016/17
	$'000	$'000	$'000	$'000	$'000
REVENUE					
Construction#	-	-	-	-	575
Development	40,585	8,020	135,030	32,100	1,800
Hotels	16,027	20,986	18,817	23,282	27,334
Investments	16,739	17,704	17,549	17,287	17,335
Total	73,351	46,710	171,396	72,669	47,044
PROFIT BEFORE TAX					
Construction#	-	-	-	-	2,426
Development	(1,495)	(1,687)	10,592	8,510	8,106
Hotels	(6,711)	12,602	1,705	1,361	51,120
Investments	56,947	2,793	9,214	13,034	6,172
Total	48,741	13,708	21,511	22,905	67,824
TOTAL ASSETS *					
Construction#	-	-	-	-	243,698
Development	683,894	655,728	454,712	378,653	233,354
Hotels	143,231	134,055	166,363	148,287	142,205
Investments	720,460	721,379	591,674	629,616	531,346
Total	1,547,585	1,511,162	1,212,749	1,156,556	1,150,603

* Excluding deferred tax asset and any GST receivables
\# With effect from Q1FY2018, construction business is included in investment segment as the construction division provides construction service for internal property development and investment project.

OPERATING &
FINANCIAL REVIEW

Overall

The Group's three business segments are property development, investment and hotel. The Group increased net profit attributable to shareholders by $35.9 million to $48.7 million in current year from $12.8 million in previous year. The increase was mainly due to higher profit in Investment segment due to gain on sale of an associate company's equity interest in AXA Tower offset by lower profits in Development and Hotel segments. The net profit attributable to shareholders would have been negative $1.5 million if gain on sale of an associate company's equity interest in AXA Tower is excluded.

Revenue increased by $26.7 million to $73.4 million in current year from $46.7 million in previous year. Increase in revenue was mainly from Development segment of $32.6 million offset by decreases in Hotel and Investment segments of $5.0 million and $0.9 million respectively. Development revenue increased due to sales at Uptown @ Farrer which was launched for sale in Q3 previous year. As at 31 Jan 2021, 48 out of 116 units were sold at average price $1,873 psf. It was 75% sold at 27 April 2021. The decrease in revenue of $5.0 million in Hotel segment was mainly due to lower occupancy and temporary business shutdowns as a result of lockdowns imposed in Australia and Singapore to contain spread of COVID-19 pandemic. Citadines Balestier commenced business in Q3 previous year and its average occupancy was 80% for current year. The decrease in revenue in Investment segment was mainly due to rental rebates of $2.3 million granted to tenants at the retail malls at Paya Lebar Square and BT Centre offset by increase in construction revenue of $1.6 million at Dalvey Haus. The rental rebates were granted due to the lockdowns imposed by Singapore government to prevent the spread of COVID-19 pandemic.

Cost of sales increased by $28.6 million to $60.9 million in current year from $32.3 million in previous year. The increase in cost of sales was mainly due to increased sales at Uptown @ Farrer and full year operation at Citadines Balestier offset by wage credits received at Duxton Hotel Perth. Gross profit decreased by $2.0 million to $12.4 million in current year from $14.4 million in previous year mainly due to lower revenue in Hospitality and Investment segments and higher cost of sales in Development segment.

Other income decreased by $11.7 million to $7.4 million in current year from $19.1 million in previous year. The decrease in other income was mainly due to absence of write-back of provision of impairment in previous year of $14.9

Dalvey Haus

Paya Lebar Square

million at Citadines Balestier and decrease in dividend income of $1.0 million. The decrease is offset by the increase in other income from receipt of property tax rebates of $2.3 million and cash grant of $1.2 million from our retail malls at Paya Lebar Square and BT Centre. In addition the Group received $1.2 million from the government for Job Support Scheme to help support workers during the lockdowns imposed during current year.

Interest income decreased by $1.9 million to $5.2 million in current year from $7.1 million in previous year. The decrease was mainly due to lower fixed deposit interest and lower junior bond interest income. Junior bond of $32.0 million was fully redeemed on 30 June 2020 upon sale of an associate company's equity interest in AXA Tower.

Distribution costs increased by $3.7 million to $5.3 million in current year from $1.6 million in previous year. The increase was due to increase in sales agent commission at Uptown @ Farrer and showflat cost at Klimt Cairnhill.

Administrative costs increased by $0.7 million to $9.2 million in current year from $8.5 million in previous year. The increase was due to increase in unutilised annual leave staff cost and full year expenses incurred at Citadines Balestier and BT Centre. Citadines Balestier and BT Centre commenced business in Q3 previous year.

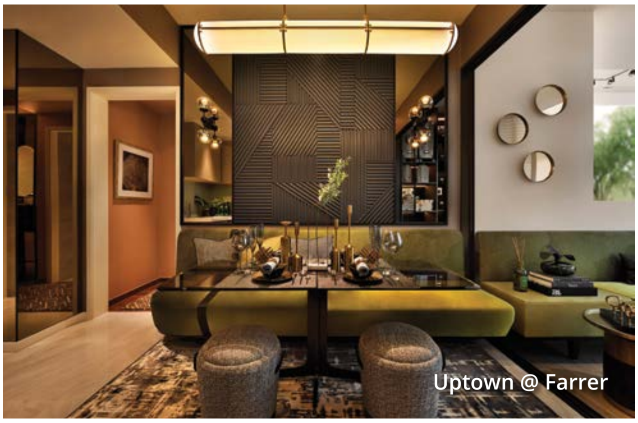
Other operating expenses increased by $3.5 million to $5.7 million in current year from $2.2 million in previous year. The increase was mainly due to property tax refund of $1.6 million granted to tenants at Paya Lebar Square retail mall, provision for impairment loss on Right-of-use assets and Property, plant and equipment of $1.6 million at Carnivore and provision for doubtful debts of $0.6 million at Paya Lebar Square retail mall.

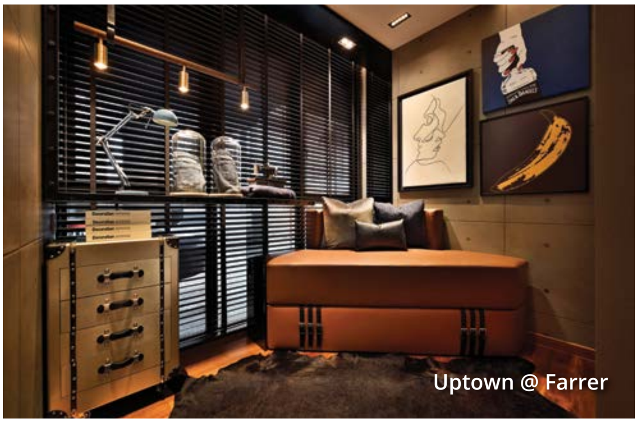
Finance costs decreased by $0.6 million to $9.2 million in current year from $9.8 million in previous year. The decrease was mainly due to lower interest at Paya Lebar Square retail mall offset by higher interest incurred at Citadines Balestier, BT Centre and Uptown @ Farrer.

OPERATING &
FINANCIAL REVIEW

Dalvey Haus

A. DEVELOPMENT PROJECTS ON HAND	LOCATION	LKHS' SHARE (%)	TYPE	NO. OF UNITS	STATUS
1. Uptown @ Farrer	2 Perumal Road	100	Condominium	116	84% completed as at 31 January 2021 Launched in September 2019 and sold 75% as at April 2021 TOP by Q2 FY 2022
Lyf @ Farrer	2 Perumal Road		Serviced apartments	240	Target to commence operations in Q4 FY 2022
			Commercial units	7	TOP by Q2 FY 2022
2. Klimt Cairnhill	71 Cairnhill Road	100	Freehold Condominium	138	Expected TOP is Q3 FY 2025
3. Dalvey Haus	101 Dalvey Road	40	Freehold Condominium	17	Expected TOP is Q4 FY 2023
4. Bina Park	Jalan Bina 1, Bina Park, Bandar Seri Alam, Johor	49	3 Storey shops with sub-basement	31	Launched in January 2012 22 units sold 2 units held for own use 7 units unsold
5. Taman Rinting	Taman Rinting	49	Landed Bungalows	20	Planning Stage (change of layout in 2020)





B. KEY INVESTMENT PROPERTIES	LOCATION	LKHS' SHARE (%)	TYPE	NO. OF UNITS	STATUS
1. Paya Lebar Square	60 Paya Lebar Road	55	Retail mall	159	Approximately 99% leased as at January 2021
2. Westgate Tower	1 Gateway Drive	40	Office units	295	Approximately 97% leased as at January 2021
3. AXA Tower	8 Shenton Way	10	Office units	674,000 sq feet	Approximately 92% leased as at January 2021
4. BT Centre	207 Balestier Road	100	Commercial retail units	31	Obtained TOP on 26 June 2019 Commenced operation in October 2019 and approximately 64% leased as at January 2021
C. PROPERTY, PLANT AND EQUIPMENT	**LOCATION**	**LKHS' SHARE (%)**	**TYPE**	**NO. OF UNITS**	**STATUS**
1. Duxton Hotel Perth	No. 1 St Georges Terrace	75	Freehold Hotel	306	Average occupancy approximately 31% during FY2021
2. Citadines Balestier	207 Balestier Road	100	Serviced apartments	166	Obtained TOP on 26 June 2019 Commenced operation in September 2019 Average occupancy approximately 80% during FY2021

OPERATING & FINANCIAL REVIEW

LAND BANK	LOCATION	LKHS' SHARE (%)	AREA (SQF)	USE
1. Bina Park	Bandar Seri Alam, Johor	49	66,137	Hotel Land Planning Stage
2. Unnamed	Bandar Seri Alam, Johor	49	3,330,996	Proposed Bungalow Lots Planning Stage
3. Tiram Park	Jalan Kota Tinggi, Johor	49	6,528,337	Proposed Industrial Development Planning Stage
4. Unnamed	Bandar Seri Alam, Johor	49	616,453	Proposed Mixed Commercial Development

CORPORATE **INFORMATION**

BOARD OF DIRECTORS
Low Keng Boon
@ Lau Boon Sen
(Executive Chairman)

Dato' Marco Low Peng Kiat
(Managing Director)

Low Poh Kuan
(Executive Director)

Alvin Teo Poh Kheng
(Executive Director)

Jimmy Yim Wing Kuen
(Lead Independent, Non-Executive Director)

Chris Chia Woon Liat
(Independent, Non-Executive Director)

Michael Leong Choon Fai
(Independent, Non-Executive Director)

Cheo Chai Hong
(Independent, Non-Executive Director)

AUDIT COMMITTEE
Jimmy Yim Wing Kuen *(Chairman)*
Chris Chia Woon Liat
Cheo Chai Hong

NOMINATING COMMITTEE
Cheo Chai Hong *(Chairman)*
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Low Keng Boon
@ Lau Boon Sen
Dato' Marco Low Peng Kiat

REMUNERATION COMMITTEE
Michael Leong Choon Fai *(Chairman)*
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Dato' Marco Low Peng Kiat

COMPANY SECRETARY
Chin Yeok Yuen, FCPA

LISTING
The Company's ordinary shares are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited.

AUDITORS
External Auditor Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
24 Raffles Place, #07-03
Clifford Centre
Singapore 048621
Partner-in-charge: Chang Fook Kay
(Year of appointment: Financial year ended 31 January 2021)

Internal Auditor
Noel Lee Sun Yen
Mckell Risk Management Pte. Ltd.

BANKERS
United Overseas Bank Limited
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad
The Bank of East Asia, Limited
Standard Chartered Bank (Singapore) Limited
Bank of China Limited (Singapore branch)
The Hongkong and Shanghai Banking
Corporation Limited
CIMB Bank Berhad

SOLICITORS
TSMP Law Corporation
6 Battery Road
Level 41
Singapore 049909

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#08-00 KH KEA Building
Singapore 188721

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#18-05/09 Parkway Parade
Singapore 449269
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Fax : +65 6345 7841
Website: https://www.lkhs.com.sg

BOARD OF **DIRECTORS**

MR LOW KENG BOON @ LAU BOON SEN
Executive Chairman

Date of first appointment as a director
14 April 1969

Date of appointment as Chairman
25 March 2019

Date of last re-election as a director
16 June 2020

Length of service as a director (as at 31 January 2021)
51 years 10 months

Low Keng Huat (Singapore) Limited Board Committee Membership:
- Nominating Committee (Member)

Academic & Professional Qualification:
- Chung Ling High School

Present Directorships in other listed companies (as at 31 January 2021):
- Nil

Major Appointments / Principal Commitments:
- Nil

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):
- Nil

DATO' MARCO LOW PENG KIAT
Managing Director

Date of first appointment as a director
7 November 2006

Date of last re-election as a director
29 May 2019

Length of service as a director (as at 31 January 2021)
14 years 3 months

Low Keng Huat (Singapore) Limited Board Committee Membership:
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualification:
- Bachelor of Science in Management & Systems from City University, England

Present Directorships in other listed companies (as at 31 January 2021):
- Nil

Major Appointments / Principal Commitments:
- Nil

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):
- Nil

MR LOW POH KUAN
Executive Director

Date of first appointment as a director
5 April 2004

Date of last re-election as a director
16 June 2020

Length of service as a director (as at 31 January 2021)
16 years 10 months

Low Keng Huat (Singapore) Limited Board Committee Membership:
- Nil

Academic & Professional Qualification:
- Bachelor of Science in Marketing and Economics from the University of Indiana, Bloomington, USA

Present Directorships in other listed companies (as at 31 January 2021):
- Nil

Major Appointments / Principal Commitments:
- Nil

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):
- Nil

ALVIN TEO POH KHENG
Executive Director

Date of first appointment as a director
5 April 2021

Date of last re-election as a director
Nil

Length of service as a director (as at 31 January 2021)
Nil

Low Keng Huat (Singapore) Limited Board Committee Membership:
- Nil

Academic & Professional Qualification:
- Bachelor of Science in Estate Management (Hons) from The National University of Singapore
- Diploma in Marketing Management from Singapore Institute of Management
- Postgraduate Diploma in Marketing from The Chartered Institute of Marketing
- Member of The Chartered Institute of Marketing
- Member of Singapore Institute of Surveyors and Valuers

Present Directorships in other listed companies (as at 31 January 2021):
- Nil

Major Appointments / Principal Commitments:
- Chairman of MCST 4311, Paya Lebar Square
- Member of School Management Committee, Assumption English School

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):
- Nil

BOARD OF **DIRECTORS**

MR JIMMY YIM WING KUEN

Non-Executive Lead Independent Director

Date of first appointment as a director

1 March 2009

Date of last re-election as a director

29 May 2019

Length of service as a director (as at 31 January 2021)

11 years 11 months

Low Keng Huat (Singapore) Limited Board Committee Membership:

- Audit Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Academic & Professional Qualification:

- LL.B. (Hons), National University of Singapore
- LL.M., National University of Singapore
- Advocate & Solicitor, Singapore
- Solicitor, England & Wales
- Appointed Senior Counsel
- Appointed Regional Arbitrator by the Singapore International Arbitration Centre

Present Directorships in other listed companies (as at 31 January 2021):

- Singapore Medical Group Limited

Major Appointments / Principal Commitments:

- Drew & Napier LLC (Chairman)

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):

- ARA-CWT Trust Management (CACHE) Limited
- CWT Limited
- Celestial Life Limited

MR CHRIS CHIA WOON LIAT

Non-Executive Independent Director

Date of first appointment as a director

12 September 2018

Date of last re-election as a director

16 June 2020

Length of service as a director (as at 31 January 2021)

2 years 5 months

Low Keng Huat (Singapore) Limited Board Committee Membership:

- Audit Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualification:

- Bachelor of Commerce from University of Western Australia (Major in Accounting and Finance)
- Bachelor of Commerce (Honours) from University of Western Australia (Major in Accounting)
- Master of Accounting from University of Western Australia
- Master of Business Administration from MIT Sloan School of Management
- Master of Liberal Arts from Harvard University

Present Directorships in other listed companies (as at 31 January 2021):

- Nil

Major Appointments / Principal Commitments:

- Druk Holding & Investments Limited (Advisor)

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):

- Nil

MR MICHAEL LEONG CHOON FAI
Non-Executive Independent Director

Date of first appointment as a director
7 December 2018

Date of last re-election as a director
29 May 2019

Length of service as a director (as at 31 January 2021)
2 years 2 months

Low Keng Huat (Singapore) Limited Board Committee Membership:
- Remuneration Committee (Chairman)

Academic & Professional Qualification:
- GCERT Property, University of Newcastle, Australia

Present Directorships in other listed companies (as at 31 January 2021):
- Nil

Major Appointments / Principal Commitments:
- Nil

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):
- Nil

MR CHEO CHAI HONG
Non-Executive Independent Director

Date of first appointment as a director
7 December 2018

Date of last re-election as a director
29 May 2019

Length of service as a director (as at 31 January 2021)
2 years 2 months

Low Keng Huat (Singapore) Limited Board Committee Membership:
- Nominating Committee (Chairman)
- Audit Committee (Member)

Academic & Professional Qualification:
- Bachelor of Business Administration (Hons) degree from University of Singapore

Present Directorships in other listed companies (as at 31 January 2021):
- Nil

Major Appointments / Principal Commitments:
- The Anglo-Chinese Schools Foundation Ltd (Director)
- ACS Old Boys Association (Member)
- The Anglo-Chinese School (International) Singapore (Board of Management)

Past Directorships in other listed companies over the preceding five years (from 1 February 2016 to 31 January 2021):
- Nil

KEY MANAGEMENT

LEE YOON MOI
Chief Operating Officer

Mr Lee Yoon Moi is responsible for all construction and development activities undertaken by the Group. He is also appointed as the Management Representative overseeing the development, implementation and maintenance of the Company's ISO Quality Assurance Programme. Prior to joining LKHS in 1990, Mr Lee was the General Manager of Construction Technology Pte Ltd (Contech), a wholly government owned construction company set up to spearhead modernisation and mechanisation in the construction industry. Mr Lee has a Bachelor of Civil Engineering degree (First Class Honours) from the then University of Singapore and a Masters of Engineering degree from McGill University, Montreal, Canada. He is also a member of the Institution of Civil Engineers, MICE (Chartered Civil Engineer) as well as a registered Professional Engineer (Civil & Structural).

CHIN YEOK YUEN
Chief Financial Officer

Ms Chin Yeok Yuen joined the Company in October 2007 as its Chief Financial Officer and is responsible for the financial, accounting and corporate matters of the Group. Immediately prior to joining the Company, Ms Chin was the Group Financial Controller of MediaRing Ltd. From 1997 to 2002, she was the Finance Director of Kemin Asia Pte Ltd. Before Kemin, she spent her earlier years working with one of the big four accounting firms and MNCs like Tandem Computers and Glaxo Pharmaceuticals. Ms Chin is a fellow member of the Institute of Singapore Chartered Accountants (ISCA). She graduated with a Bachelor of Accountancy from the National University of Singapore.

LOW POH KOK
Business Development Director

Mr Low Poh Kok joined the Company in July 2004. Prior to that, he had worked in the United States of America for 8 years as a project manager for an IT company. He is promoted to Business Development Director on 1 February 2021. He is also responsible for the Group's digital transformation to enhance productivity and efficiency, streamline processes and improve supply chain management. During his two decades with the Company, he has worked across the Company's various businesses that has enabled him to gain considerable experience and build up extensive networks, allowing him to perform multiple roles within the Group's business segments in hospitality, property development and property management. He brings to the Company his overseas experiences and project management skills. Mr Low has a Diploma in Business Studies from Ngee Ann Polytechnic and a Bachelor of Science in Computer Information System from Indiana University at Bloomington, USA.

LOW CHIN HAN
Director – Hospitality

Mr Low Chin Han graduated with a Bachelor of Business Management majoring in finance in 2003 from Singapore Management University. Mr Low has worked as a consultant for Duxton Hotels since 2009 and was promoted to General Director of Duxton Hotels in July 2011. Prior to working for Duxton Hotels, Mr Low was working with several investment banks in Singapore and Hong Kong in both equity capital markets and debt capital markets.

RIAZ MAHMOOD
General Manager
Duxton Hotel Perth

Mr Riaz Mahmood joined Duxton Hotel Perth in January 2019. He has more than 20 years of experience in hospitality industry. Before joining Duxton Hotel Perth as General Manager, he was the General Manager at Ayers Rock Resort, Australia. Prior to that, he also worked at Orchard Hotel (Singapore), Sheraton Dammam Hotel and Towers (Dammam Saudi Arabia), The Regency Hotel and Convention Center (Kuwait), Raffles Beijing Hotel (China) and Raffles Hotels & Resorts (Indo-China). Mr Riaz has a National Diploma in Hotel Management from Institute of Hotel Management at Calcutta, India and a Bachelor Degree in Commerce from the Calcutta University. Mr Riaz also attended General Manager Program at Cornell University in 2007.

The Board of Directors of Low Keng Huat (Singapore) Limited ("Company") is committed to complying with effective Corporate Governance to ensure transparency and protection of shareholders' value. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the 2018 Code of Corporate Governance ("Code").

STATEMENT OF COMPLIANCE

The Board of Directors ("Board") of the Company confirms that for the financial year ended 31 January 2021, the Company has complied in all material aspects with the principles and guidelines of the Code.

BOARD MATTERS

PRINCIPLE 1

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

Provision 1.1

Board's Role

The Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The primary role of the Board, apart from its statutory responsibilities, comprises: -

- provide entrepreneurial leadership, and set strategic objectives and ensure that the necessary resources are in place for the Company to meet its strategic objectives;
- establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;
- review and evaluate management performance;
- instil an ethical corporate culture and ensure that the company's values, standards, policies and practices are consistent with the culture;
- ensure transparency and accountability to key stakeholder groups; and
- assuming responsibility for corporate governance of the Group and considers sustainability issues of policies and procedures.

Provision 1.2

Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to take objective decisions as fiduciaries in the interest of the Group.

Continuous Training and Development of Directors

New Directors will be briefed on the Group's business and the Company's governance policies, disclosure of interest in securities, disclosure of any conflict in a transaction involving the Company, prohibitions on dealing in the Company's securities and restrictions on disclosure of price-sensitive information.

A first-time director of a listed company must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST"). Further training for a first-time director in areas such as accounting, legal and industry-specific knowledge are arranged and funded by the Company.

Mr Alvin Teo Poh Kheng was appointed as an Executive Director on 5 April 2021. He had received briefings from the Nominating Committee and Management to orientate him in the Company's business and governance practices. Mr Teo as a first-time director of a listed company will undergo the prescribed training in his first year of appointment.

All Directors are encouraged to update themselves by attending training programs, seminars and workshops organised by various professional bodies and organisations with funding from the Company as applicable.

During the financial year reported on, the Directors had received updates on regulatory changes to the Listing Rules of the SGX-ST, and the accounting standards and the amendments to the Companies Act and the Code. The Chairman updates the Board at each Board meeting on business and strategic developments. The management highlights the salient issues as well as the risk management considerations for the industries the Group are in.

Provision 1.3

Internal Guidelines on Matters Requiring Board Approval

The Board has adopted internal guidelines on the matters reserved for the Board's decision; and clear directions to Management on matters that must be approved by the Board.

Matters reserved for Board's Approval

Matters specifically reserved to the Board for its approval are: -

(a) matters involving a conflict of interest for a substantial shareholder or a director;

(b) material acquisitions and disposal of assets;

(c) corporate or financial restructuring;

(d) share issuances, interim dividends and other returns to shareholders; and

(e) any material investments or expenditures not in the ordinary course of the Group's businesses.

Provision 1.4

Delegation of Authority to Board Committees

To assist in the execution of its responsibilities, the Board has established the following specialized Board Committees: -

- The Nominating Committee ("NC");
- The Remuneration Committee ("RC"); and
- The Audit Committee ("AC")

Each of the above committees has its respective written mandates and operating procedures, which will be reviewed on a regular basis. A Committee member is required to disclose his interest and recuse himself from discussions and decisions involving a conflict of interest. The Board also constantly reviews the effectiveness of each Committee. The segments of this report under Principle 4 to 10 detailed the activities of the NC, RC and AC respectively.

The present Board members and Board Committee members are as follows:-

		Board Committees		
Name of Director	**Board Membership**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Low Keng Boon @ Lau Boon Sen	Executive Chairman	–	Member	–
Dato' Marco Low Peng Kiat	Managing Director	–	Member	Member
Low Poh Kuan	Executive Director	–	–	–
Jimmy Yim Wing Kuen	Lead Independent Director	Chairman	Member	Member
Chris Chia Woon Liat	Independent Director	Member	Member	Member
Michael Leong Choon Fai	Independent Director	–	–	Chairman
Cheo Chai Hong	Independent Director	Member	Chairman	–
Alvin Teo Poh Kheng*	Executive Director	–	–	–

**** Appointed on 5 April 2021***

Provision 1.5

Meetings of Board and Board Committees

The Board conducts regular scheduled meetings and as warranted by circumstances. In addition, all relevant information on material events and transactions are circulated to Directors as and when they arise. The Company's Constitution provides for the Board to convene meetings via teleconferencing and/or similar means provided the requisite quorum of majority of the directors is present. The NC takes into consideration other listed board representations held by the Directors and ensures that Directors give sufficient time and attention to the affairs of the Group.

All Directors are updated on a regular basis by way of Board meetings or by way of circulars on matters material to the Company.

The Directors' attendance at the Board meetings (including committee meetings) held and the number of meetings attended by each member at the respective meetings during the financial year under review are set out below:-

	No. of Meetings Attended in financial year ended 31 January 2021				
	Directors	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
1	Low Keng Boon @ Lau Boon Sen	3	–	1	–
2	Dato' Marco Low Peng Kiat	3	–	1	1
3	Low Poh Kuan	3	–	–	–
4	Jimmy Yim Wing Kuen	3	3	1	1
5	Chris Chia Woon Liat	3	3	1	1
6	Michael Leong Choon Fai	3	–	–	1
7	Cheo Chai Hong	3	3	1	–
	No. of meetings held	3	3	1	1

Provision 1.6

Board's Access to information

The Board is furnished with Board papers prior to any Board meeting. These Board papers include management reports, financial reports and other relevant information meant to provide complete, adequate, timely and reliable information so as to ensure Directors' informed participation at such meetings and hence the effective discharge of their duties. Where necessary, senior members of management staff or external consultants engaged on specific projects, are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings.

Provision 1.7

Board's Access to Management, Company Secretary and External Advisers

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends or is represented at all Board meetings and meetings of the Board committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Board collectively and each Director individually has the right to seek independent, legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors. Such cost for professional advice will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2

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

Provision 2.1

Strong and independent element on the Board, with independent directors making up at least one-third of the Board

The Board currently comprises eight Directors of whom four are independent and four are executive.

The criterion for independence is based on the definition given in the Code and in the Listing Rules of SGX-ST. The Code has defined an "independent" director as one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. Under the Listing Rules of SGX-ST, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years, or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

All the Independent Directors of the Company have confirmed their independence and that they do not have any relationship with the Company, its related corporation, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement and they are independent pursuant to the Listing Rules of SGX-ST.

Mr Jimmy Yim Wing Kuen has reached a term of service of 9 years on 1 March 2019. Despite his long period of service, the Board is of the view that Mr Yim has, at all times, expressed his individual viewpoints, objectively debated issues brought up at meetings of the Board and/or Board Committees and closely scrutinised Board matters and Board Committee matters in the interest of the Company. In addition he is not related to the majority shareholders and do not have any other interest in the Company, except those shareholdings as declared on page 53 of this Annual Report. Hence the Board considers him as independent. Mr Yim has abstained from the Board's deliberation of his independence.

Under Rule 210(5)(d)(iii) of the Listing Rules of SGX-ST which will take effect from 1 January 2022, an independent director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022 he has obtained approval from shareholders to continue in office under a two-tier voting by (a) all shareholders; and (b) shareholders, excluding the directors and the managing director and their associates as defined in the Listing Manual of the SGX-ST.

The Board has endorsed the NC's recommendation to seek shareholders' approval for Mr Yim to continue as Independent Director from 1 January 2022. The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. The Board will continue to benefit from Mr Yim's knowledge and experience and his insights into the Group gained over the years. Mr Yim has abstained from the Board's deliberation for him to continue as an Independent Director.

Provisions 2.2 and 2.3

Composition of Independent Directors and Non-Executive Directors on the Board

The number of independent directors represents half of the Board and complies with the Listing Rules of SGX-ST requiring independent directors to make up at least one-third of the Board.

The Code requires independent directors to make up a majority of a board where the chairman is not independent and for the non-executive directors to make up a majority of the board. All the Non-Executive Directors are Independent Directors who make up half of the Board. The Board considers that the Independent Directors, led by a Lead Independent Director, provide a good balance of authority and power within the Board. In addition, the NC, AC and RC which assist the Board in its functions is each chaired by an Independent Director. The Board is of the view that there is a strong independence element within the Board to justify the departure of the Board composition from the Code.

Provision 2.4

Composition and Size of the Board

The Board members bring with them invaluable experience and collective core competencies such as accounting, finance, law, business and management experiences as well as industry expertise. The Board has reviewed its composition and is satisfied that such composition is appropriate. The Board will constantly review its size and composition to determine its appropriateness and effectiveness taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and committees.

The Board also considers gender as an important aspect of diversity alongside factors such as the age, ethnicity and educational background of its members, as it believes that diversity in the Board's composition contributes to the quality of its decision making. The Company will continue to consider the merits of the candidates in its Board renewal process and believes that doing so will meet its aim of achieving diversity of perspectives. The Company targets to achieve gender diversity within next two years.

Where appropriate, developments in legislation, government policies and regulations affecting the Group's businesses and operations are provided to all Directors on a timely basis.

The profiles of the Directors are set out on page 16 to page 19 of this Annual Report.

Provision 2.5

Role of Non-Executive Directors

During the year, the Non-Executive Directors constructively evaluate and help develop both the Group's short-term and long-term business strategies. Management's progress in implementing such agreed business strategies are monitored by the Non-Executive Directors.

During the year, the Non-Executive Directors communicate among themselves without the presence of Management as and when the need arises. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors when necessary, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3

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

Provision 3.1 and 3.2

Separate roles of Chairman and Managing Director

The clear division of responsibilities between the Executive Chairman and the Managing Director ensures proper balance of power and authority at the top management of the Group. The posts of Executive Chairman and Managing Director are kept separate and are held by Mr Low Keng Boon @ Lau Boon Sen and Dato' Marco Low Peng Kiat respectively. Dato' Marco Low Peng Kiat, the Managing Director, is the nephew of the Executive Chairman.

The Chairman leads the Board, approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He ensures Directors receive complete, adequate and timely information and encourages constructive relations within the Board and between the Board and Management.

The Managing Director makes key decisions on the management and operations of the Group and are responsible for the conduct of the business and affairs of the Group.

Provision 3.3

Lead Independent Director

Under the Code, which recommends that where the Chairman is not independent, the Company may appoint an independent non-executive director to be the Lead Independent Director of the Company. Such appointment would further strengthen the independence of the Board and provide an additional channel of communication to shareholders.

Mr Jimmy Yim Wing Kuen is the Lead Independent Director. The key responsibilities of the Lead Independent Director are:-

- Providing an additional and independent channel of contact to shareholders;
- Leading the Non-Executive/Independent Directors in providing and facilitating non-executive perspective and contributing a balance of viewpoints on the Board;
- Co-ordinating the activities and meetings of Non-Executive/Independent Directors;
- Advising the Executive Chairman as to board and board committees meetings; and
- Promoting high standards of corporate governance.

BOARD MEMBERSHIP

PRINCIPLE 4

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

Provisions 4.1 and 4.2

Nominating Committee

The NC comprises five Directors, the majority of whom (including the Chairman) are Independent Directors:-

Mr Cheo Chai Hong	Chairman
Mr Jimmy Yim Wing Kuen	Member
Mr Chris Chia Woon Liat	Member
Mr Low Keng Boon @ Lau Boon Sen	Member
Dato' Marco Low Peng Kiat	Member

Mr Jimmy Yim Wing Kuen, the Lead Independent Director is a member of the NC.

The NC functions under written terms of reference which sets out its responsibilities as follows: -

- review board succession plans for directors; in particular the appointment and/or replacement of the Executive Chairman, the Managing Director and key management personnel;
- develop the process for evaluation of the performance of the Board, its board committees and directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each director;
- review training and professional development programs for the Board;
- determine the criteria for identifying candidates for directorship;
- review nominations and make recommendations to the Board on all Board appointments;
- make recommendations to the Board on the re-nomination of retiring Directors standing for re-election at the Company's Annual General Meeting ("AGM");
- determine annually whether or not a director is independent;
- determine whether a Director is able to and has been adequately carrying out his duties as a Director of the Company; and
- ensure disclosure of key information of Directors in the Annual Reports as required by the Code.

Provision 4.3

Process for the Selection and Appointment of New Directors

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of ongoing Board renewal process. The NC will review and identify the desired competencies for a new appointment.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement.

Once the NC has determined the desired competencies for an additional or replacement director to complement the skills and competencies of the existing directors, it will submit its recommendations to the Board for approval.

Candidates are first sourced through a network of contacts and identified based on the established criteria. Recommendations from directors and management are the usual source for potential candidates. Where applicable, search through external search consultants can be considered.

The NC will shortlist candidates and conduct formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the NC will make recommendations on the appointment(s) to the Board for approval.

Regulation 88 of the Constitution requires one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to one-third) shall retire from office by rotation and be eligible for re-election at the forthcoming AGM. Accordingly, Dato' Marco Low Peng Kiat, Mr Jimmy Yim Wing Kuen and Mr Michael Leong Choon Fai will retire at the forthcoming AGM and have consented to re-election. Taking into account their attendance and participation at Board meetings, the NC is satisfied that Dato' Marco Low Peng Kiat, Mr Jimmy Yim Wing Kuen and Mr Michael Leong Choon Fai have committed the time to effectively discharge their duties. The NC has recommended their re-election. The Board accepted the NC's recommendation. Each of Dato' Marco Low Peng Kiat and Mr Jimmy Yim Wing Kuen has recused himself from the NC's deliberation and decision over their re-election. Each of Dato' Marco Low Peng Kiat, Mr Jimmy Yim Wing Kuen and Mr Michael Leong Choon Fai has recused himself from the Board's decision on their re-election.

Regulation 87 of the Constitution requires a Director by the Board to hold office until he next AGM and shall be eligible for re-election. Accordingly, Mr Alvin Teo Poh Kheng who was appointed by the Board on 5 April 2021 will retire at the forthcoming AGM. Mr Teo has consented to stand for re-election at the forthcoming AGM.

In accordance with the Listing Rules of SGX-ST, the information as set out in Appendix 7.4.1 of the Listing Manual in respect of Dato' Marco Low Peng Kiat, Mr Jimmy Yim Wing Kuen, Mr Michael Leong Choon Fai and Mr Alvin Teo Poh Kheng are provided on pages 204 to 208 of this Annual Report.

Provision 4.4

Determining Directors' Independence

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Code, and the Listing Rules of SGX-ST and has ascertained that they are independent.

Provision 4.5

Multiple Board Representations

The NC ensures that new Directors are aware of their duties and obligations. Each Director signs the undertaking in the form set out in Appendix 7.7 of the Listing Rules of SGX-ST to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply.

The NC has considered and took the view that it would not be appropriate to set a limit on the number of listed company directorships that a Director may hold because directors have different capabilities, the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of his competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

The NC will assess whether a Director is able to and has been adequately carrying out his duties as a Director of the company, taking into account the number of directorships and principal commitments he has.

The NC expects sufficient commitment of time by a Director to discharge his duties. Appointment of alternate directors should be considered only if it is justified under exceptional circumstances. The Company does not have any alternate director.

Details of the Directors' principal commitments and outside directorships are set out on pages 16 to 19 of this Annual Report.

BOARD PERFORMANCE

PRINCIPLE 5

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

Provisions 5.1 and 5.2

Conduct of Board Performance

Criteria for Board Evaluation of Individual Directors

The NC's evaluation of each Director and the Board's performance as a whole is conducted on an annual basis.

The general assessment parameters of a Director are experience in being a company director, competence and knowledge. The specific assessment parameters of a Director include level and quality of involvement during the course of the year, attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, the quality of interventions and special contributions.

The NC also assesses the effectiveness of the Board as a whole in both quantitative and qualitative terms. Quantitative performance measurement is principally based on shareholder value creation such as share price performance and earnings per share. Qualitative performance indicators include compliance with the Code, transparency in terms of disclosure and feedback from authorities and investors.

The NC assesses the performance of the Board Committees based on work they perform in accordance with their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

The NC has reviewed the overall performance of the Board and Board Committees in terms of its role and responsibilities and the conduct of its affairs as a whole for financial year ended 31 January 2021 and is of the view that the performance of the Board as a whole and its Board committees have been satisfactory and that the individual Directors have performed to contribute to the Board's overall performance. No external facilitator was used in the evaluation process.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 6

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

Provisions 6.1 and 6.2

Remuneration Committee

The Code recommends that the RC should comprise entirely non-executive directors, the majority of whom, including the chairman, should be independent.

The RC comprises four Directors, the majority of whom are Non-Executive and Independent Directors:-

Mr Michael Leong Choon Fai	Chairman
Mr Jimmy Yim Wing Kuen	Member
Mr Chris Chia Woon Liat	Member
Dato' Marco Low Peng Kiat	Member

The Independent Directors believe that the RC benefits from having Dato' Marco Low Peng Kiat, an Executive Director, as a member of the RC. His understanding of the job duties of executives is valuable to ensure that the remuneration packages commensurate with the job scope and level of responsibilities of each of the executives. He will foster constructive discussions in proposing the executives' remuneration to the Board. Having an RC member who is an Executive Director will not impede the independence of the RC as majority of the RC comprises Independent Directors and no Director or member of the RC is allowed to participate in the deliberation, and he has to abstain from voting on any resolution, relating to his own remuneration or that of employees related to him.

The principal responsibilities of the RC are to:-

- approve the structure of the compensation programme for Directors and key management personnel to ensure that the programme is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully; and

- review Directors' and key management personnel' specific remuneration packages annually and determine appropriate adjustments;

Provision 6.3

Review of remuneration

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in-kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his remuneration package. The recommendations of the RC will be submitted to the Board for endorsement.

Each of the Executive Directors and key management personnel have an employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is ongoing basis and no onerous removal clauses are contained in the employment contract.

Provision 6.4

Engagement of remuneration consultants

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For financial year ended 31 January 2021, the RC did not engage expert professional advice.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7

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

Provision 7.1

Remuneration of Executive Directors and Key Management Personnel

The Company's remuneration policy is to provide compensation packages at market rates which will reward successful performance and attract, retain and motivate directors and managers. The level and structure of remuneration is also aligned with the long-term interest and risk policies of the Company, and the RC is of the view that it is appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company, while not paying more than necessary for this purpose.

The Executive Directors' remuneration comprises salary, bonus, allowances and benefits which are governed by employment contracts entered into with the Company. The bonus, which makes up a significant portion of total remuneration, is linked to the performance of the Group. The key management personnel are paid a fixed monthly salary and bonus based on their operating unit performance and their individual performance. The performance conditions were met in financial year ended 31 January 2021.

The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the operating unit performance (excluding unrealised profits and fair value gains) as well as individual performance, "claw-back" provisions in the service agreements may not be relevant or appropriate.

Provision 7.2

Remuneration of Non-Executive Directors

Non-Executive Directors do not have service agreements with the Company and receive only Directors' fees. Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee fees. The RC has reviewed the fee structure for Non-Executive Directors as being reflective of their responsibilities and work commitments and recommends the Directors' fee for financial year ended 31 January 2021. The Company will submit the quantum of Directors' fee of each year to the shareholders for approval at each AGM and they are paid upon the conclusion of the AGM.

Provision 7.3

Appropriate remuneration to attract, retain and motivate key management personnel and directors

The RC is satisfied that the remuneration structure of the Executive Directors and key management personnel as described under Provision 7.1 and that for the Non-Executive Directors as described under Provision 7.2 are appropriate to attract, retain and motivate the Directors to continue in their role as stewards of the Company and the key management personnel to contribute to the performance of the Group.

DISCLOSURE ON REMUNERATION

PRINCIPLE 8

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

Provision 8.1

Remuneration Report

The breakdown of the level and mix of remuneration of each Director and the top five key executives for the financial year ended 31 January 2021 are set out below. A significant portion of key executives' remuneration is linked to corporate and individual performance. Directors' remuneration are disclosed fully on a named basis in bands of $250,000 each.

	Directors' Fee[(1)]	Salary (annual)	Bonus (annual)	CPF/ Super-annuation	Allowances/ Benefits (annual)	Total
Directors						
$1,000,001 to $1,250,000						
Dato' Marco Low Peng Kiat	–	720,000	180,000	–	130,626	1,030,626
$750,001 to $1,000,000						
Low Keng Boon @ Lau Boon Sen	–	720,000	180,000	7,650	86,672	994,322
$250,001 to $500,000						
Low Poh Kuan	–	240,000	60,000	17,340	79,872	397,212
Below $250,001						
Jimmy Yim Wing Kuen	65,000	–	–	–	–	65,000
Chris Chia Woon Liat	50,000	–	–	–	–	50,000
Michael Leong Choon Fai	50,000	–	–	–	–	50,000
Cheo Chai Hong	50,000	–	–	–	–	50,000

Key Executives						
$250,001 to $500,000						
Lee Yoon Moi	–	76%	19%	2%	3%	100%
Chin Yeok Yuen	–	74%	19%	3%	4%	100%
Low Chin Han	–	63%	16%	–	21%	100%
Low Poh Kok	–	77%	19%	–	4%	100%
Riaz Mahmood	–	89%	2%	9%	–	100%

The directors' fees are subject to shareholders' approval at the forthcoming AGM.

The aggregate total remuneration paid to the top five key management personnel (who are not directors or the Managing Director) is $1,611,987.

Mr Low Chin Han is the son of Mr Low Keng Boon @ Lau Boon Sen. Dato' Marco Low Peng Kiat, Mr Low Poh Kuan and Mr Low Poh Kok are the nephews of Mr Low Keng Boon @ Lau Boon Sen.

Notes:

(1) Directors' fee proposed for 2020/2021.

Provision 8.2

Remuneration of employees who are substantial shareholders or immediate family members of a substantial shareholder, Director or the Managing Director

Remuneration of Immediate Family Members of Directors or Managing Director

The Remuneration of other employees who are substantial shareholders of the Company, or are immediate family members of a Director or Managing Director or substantial shareholder are as follows:-

	Relationship to Substantial Shareholder/ Directors/ Managing Director	**Designation in the Company**
$100,001 to $200,000		
Steven Low Chee Leong	Son of Mr Low Keng Boon @ Lau Boon Sen Cousin of Dato' Marco Low Peng Kiat and Mr Low Poh Kuan	Head, Safety Department
Choong Chee Kui	Nephew of Mr Low Keng Boon @ Lau Boon Sen Cousin of Dato' Marco Low Peng Kiat and Mr Low Poh Kuan	Senior Site Supervisor

Save as disclosed, no employee of the Group is a substantial shareholder or an immediate family member of a Director or Managing Director or substantial shareholder and whose remuneration is in excess of $100,000 in the year under review.

Provision 8.3

Employee Share Scheme

The Company does not have any share option or other share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing remuneration structure for management personnel and executives paid out in cash would continue to be adequate in incentivising performance without being overly-excessive. For other staff, the general preference is for incentives to be paid out in cash.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Provision 9.1

Risk Management and Internal Controls Systems

The Board is responsible for the governance of risk and it recognises the importance of a sound system of risk management and internal controls as part of good corporate governance. It has delegated to the AC to assist the Board in the oversight of the risk management and internal control systems within the Group.

Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

The main risks arising from the Group's business and financial instruments are operational and financial risks. Operational risk is inherent in all business activities. To minimize such a risk, the Group has put in place a QEHS (Quality, Environmental, Occupational Health and Safety) system for the construction business and an operating manual for the hotel business. Senior management adopts a proactive and "hands-on" approach in managing and supervising the Group's business. In addition, the Group has taken comprehensive insurance policies to cover unexpected events and losses. Where necessary, the Group engages external consultants and experts to assist in the operations.

The AC reviews and the Board endorses the Company's levels of risk tolerances and risk policies taking into account the Company's strategic and business objectives. The Board is responsible for ensuring that Management designs, implements and monitors the risk management and internal control systems to safeguard shareholders' investments and the assets of the Group.

Internal Controls

The Group has a system of internal controls designed to provide reasonable assurance that proper accounting records are maintained, the Group's assets are safeguarded and that financial information used for financial reporting is reliable.

The AC has reviewed the effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business.

With the assistance of the Internal Audit function and through the AC, the Board reviews the adequacy and effectiveness of the key internal controls and risk management on an on-going basis, at least once a year, and provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis.

Provision 9.2

Assurances from the Executive Chairman, Managing Director and the Chief Financial Officer

For the financial year ended 31 January 2021, the Board has received assurance from Executive Chairman, Managing Director 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 on the effectiveness of the Group's risk management and internal controls system.

Board's Comment on Adequacy and Effectiveness of Internal Controls and Risk Management Systems

Based on the internal controls currently in place, the work undertaken by the internal and external auditors, the assurances from Executive Chairman, Managing Director and Chief Financial Officer as well as reviews by the AC and the Board, the Board, is of the opinion that the Group's internal financial, operational, information technology and compliance controls and its risk management systems are adequate and effective as at 31 January 2021. The AC concurs with the Board's opinion based on their reviews of audit findings on internal controls and risks with the internal and external auditors.

The Board is also of the opinion that the Group's risk management and internal control systems provide reasonable but not absolute assurance that the Group will not be adversely affected by the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities or other events arising from the business environment which the Group operates in.

AUDIT COMMITTEE

Principle 10

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

Provisions 10.1 and 10.2

Audit Committee

The AC comprises three Directors, all of whom (including the Chairman) are independent:

Mr Jimmy Yim Wing Kuen	Chairman
Mr Chris Chia Woon Liat	Member
Mr Cheo Chai Hong	Member

These AC members have had many years of experience in senior management positions in the financial, accounting and legal sectors.

All the AC members are kept up to date with changes in accounting standards and issues through updates from the external auditors. The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the functions of AC.

Roles, Responsibilities and Authorities of AC

The AC assists the Board in fulfilling its responsibilities in financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The AC meets periodically to perform the following functions: -

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- reviewing the assurance from the Managing Director and the Chief Financial Officer on the financial records and financial statements;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;
- reviews with the external and internal auditors, the audit plan, and their evaluation of the accounting, operational and compliance controls, risk management and audit report;
- reviews the assistance given by Management and the staff of the Company to the external auditor;
- reviews the independence of the external auditor;
- nomination of the external auditor;
- oversees internal audit;

- reviews interested person transactions between the Group and interested persons; and
- reviews whistle-blowing policy.

The AC has the power to conduct or to authorise investigations into any matters within its scope of responsibility. It has full access to and co-operation of the Management, internal auditor and external auditor. It also has the discretion to invite any Director and executive officer to attend its meeting.

Interested person transactions

The Company records and reports interested person transactions which are subject to review by the AC to ensure that they were conducted on normal commercial terms. Details of interested person transactions during the year under review pursuant to the SGX-ST Listing Manual are as follows:-

Name of interested person	**Nature of relationship**	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)**
Binakawa Sdn Bhd ("BSB") and Bina Meganmas Sdn Bhd ("BMSB")	Subsidiary of Consistent Record Sdn. Bhd.	(A) **Loan to :-** (1) BSB **$868,685** (2) BMSB **$133,036** **Total: $1,001,721**	N/A
Hawkeye Security Solutions Pte Ltd ("HSSPL")	Daughter and son-in-law of Executive Chairman, Mr Low Keng Boon @ Lau Boon Sen	(B) **Provision of Security Services by** HSSPL **$245,061**	N/A

Independence of External Auditors

For the year under review, the AC has considered the matters set out in the Directors' Report, including the scope of non-audit services provided by the external auditor and is satisfied that the nature and extent of such services will not prejudice the independence of the external auditor.

The AC noted that the aggregate amount of audit fees paid and payable by the Group to the external auditors for financial year ended 31 January 2021 was approximately $175,600, of which audit fees amounted to approximately $169,100 and non-audit fees amounted to approximately $6,500.

In appointing the audit firm for the Group, the AC is satisfied that the Company has complied with Listing Rules 712 and 716.

Whistle-blowing Policy

The Company has set up a Whistle Blowing Policy. The Board believes that effective whistle blowing arrangements will act as a deterrent to malpractice and wrongdoing, encourage openness, promote transparency, underpin the risk management systems of the Group and enhance its reputation. The policy had been circulated to all employees for implementation. It has been put in place to encourage and provide a channel to employees and any other persons to report, in good faith and in confidence, concerns about possible fraud, improprieties in financial reporting or other matters. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The AC has the responsibility of overseeing this policy which is administered with the assistance of the Chief Financial Officer. The AC is able to act independently to take such action as may be necessary to address the concerns raised and has the authority to instruct any Senior Management staff to assist or co-operate in such action.

Provision 10.3

Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm is a member of the AC.

Provision 10.4

Internal Audit Function

The Company outsourced the Group's internal audit to Mckell Risk Management Pte. Ltd. an internal audit & risk advisory firm. The AC is satisfied that the internal audit function is adequately resourced to carry out its function. The Group Internal Auditor reports directly to the AC on internal audit matters. The Group Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including unrestricted direct access to the AC. The Group Internal Auditor has confirmed their independence to the AC.

The Group Internal Auditor is a member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience.

The internal audit essentially follows the professional standards set by the Institute of Internal Auditors.

Adequacy and Effectiveness of Internal Audit Function

To ensure the adequacy of the internal audit function, the AC annually reviews the scope, methodology and observations of the internal audit. The AC is satisfied that the Company's internal audit function is independent, effective and adequately resourced.

Provision 10.5

Meeting with external and internal auditors without presence of the Management

During the year, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC has the discretion to meet separately with the external auditors and internal auditors without the presence of Management.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 11

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

Provision 11.1

Providing Opportunity for Shareholders to Participate and Vote at General Meetings

Every shareholder has the right to receive notice of general meetings and to vote thereat.

The notices of the general meetings are dispatched to shareholders, together with explanatory notes at least 14 clear days before each meeting. The notice is also advertised in a national newspaper. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally during, before or after the general meeting.

Shareholders are encouraged to attend the AGM and other general meetings of the Company to ensure a high level of accountability and to stay informed of the Group's development. The general meetings are the principal forum for dialogue with shareholders. Shareholders can vote in person or by way of proxy at the general meetings. Shareholders will be briefed by the Company on the voting procedures at general meetings.

All resolutions at general meetings are put to vote by electronic poll. Voting and vote tabulation procedures are disclosed at the general meetings. A scrutineer is appointed to scrutinize the voting process. Votes cast for, or against, each resolution will be read out at shareholders immediately after vote tabulations. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET.

In view of the COVID-19 situation, the AGM in 2020 was 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. 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), publication of notice of AGM via SGXNET and dispensation with publication in the newspaper, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, were put in place for that AGM. The Company will be conducting the forthcoming AGM in similar manner.

Provision 11.2

Separate Resolutions at General Meetings

The Board will set separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed separate resolution relating to the said item. For resolutions on the election or re-election of directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual are given on pages 204 to 208 in this Annual Report.

Provision 11.3

Attendance of Directors and auditors at general meetings

Barring unforeseen circumstances, all Directors and in particular, the Chairpersons of the AC, NC, RC as well as senior management personnel will be available to address questions at general meetings. The external auditors are also present to address any Shareholders' question on the conduct of audit and the preparation of the Auditors' Report. The Company Secretary attends all general meetings to ensure that procedures under the Constitution and the SGX-ST Listing Manual are complied.

In 2020, the Company held one general meeting, namely the AGM, which was attended by all the Directors.

Provision 11.4

Absentia voting

The Company's constitution allows appointment of proxies by a shareholder who is absent from a general meeting to exercise his vote in absence through his proxy or proxies. The Company's Constitution allows all shareholders (who are not relevant intermediaries as set out under the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the CPF agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

In view of the COVID-19 situation, the AGM in 2020 was held by electronic means under the COVID-19 Order, where shareholders appointed the Chairman of the Meeting as their proxy. The Company will be adopting similar electronic voting means in the forthcoming AGM.

Provision 11.5

Minutes of general meetings

The Company prepares minutes of general meetings detailing the proceedings and questions raised by Shareholders and answers given by the Board and Management. The minutes will be taken and published in the Company's corporate website at https://www.lkhs.com.sg. Results of the general meetings are released as an announcement in SGXNET.

Provision 11.6

Dividend

For financial year ended 31 January 2021, the Board has proposed a first and final tax exempt (one-tier) dividend of 2.5 cents at the forthcoming AGM for Shareholders' approval. Details of the proposed dividend are stated in the Notice of the AGM attached to this Annual Report. The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and bank balances and retained earnings and projected capital expenditure and investments before proposing a dividend.

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12

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

Provision 12.1

Avenues for communication between the Board and shareholders

The Company communicates with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET. Financial results and material information are communicated to shareholders on a timely basis.

In accordance with the Listing Rules of the SGX-ST, the Board's policy is that all shareholders be informed on a timely basis of all major developments that impact the Group. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

The Company's AGM is a forum for the shareholders to engage the Board to ask questions on the resolutions tabled at the AGM and to express their views.

The Company will consider the use of other forums such as analyst briefings as and when applicable.

Provisions 12.2 and 12.3

Investor Relations

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely and equal dissemination of information and news via announcements to the SGX-ST via SGXNET. The Company does not practice selective disclosure.

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website https://www.lkhs.com.sg where it updates shareholders and investors on the latest news and business developments of the Group. Shareholders and investors are also provided with an investor relations contact at https://www.lkhs.com.sg where they can send their queries to and the Company will endeavour to respond thereafter.

ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13

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

Provisions 13.1 and 13.2

Engage with its material stakeholder groups

The Group's material stakeholders are its shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives and corporate social responsibility programmes as set out in its Sustainability Report for financial year ended 31 January 2021 in this Annual Report.

Please refer to the Sustainability Report for details.

Provision 13.3

Corporate website to communicate and engage with stakeholders.

The Group maintains a corporate website at https://www.lkhs.com.sg which stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. Shareholders and stakeholders are provided with an investor relations contact at https://www.lkhs.com.sg to contact the Company.

OTHER MATTERS

SECURITIES TRANSACTIONS

The Company has adopted and implemented a policy on dealings in the securities that is in accordance with Rule 1207(19) of the Listing Manual. Under this policy, Directors, Management and accounting staff have been prohibited from dealing in the Company's shares one month before the releases of the half year and full year financial statements and at any time while in possession of any unpublished material price-sensitive information.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's Securities outside the prohibited periods. They are discouraged from dealing in the Company's Securities on short-term considerations and should be mindful of the laws on insider trading.

The Company has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its own securities during the restricted trading periods.

MATERIAL CONTRACTS

Save as those contract disclosed, there was no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Executive Chairman, any Director, or controlling shareholder.

In this year's report, the Sustainability Committee focuses on the sustainability practices and efforts that address the material impact of the Covid-19 pandemic outbreak on the safety and well-being of employees, workers, guests, retail tenants and the public at our managed buildings and properties construction sites comprising Paya Lebar Square Retail Mall ('PLS'), Westgate Tower ('WGT'), Citadines Balestier Singapore ('CBS') and Balestier Tower Centre Retail Mall ('BTC') at Balestier Tower, Duxton Hotel in Perth ('Duxton Hotel Perth'), and the Klimt Cairnhill and Dalvey Haus development projects at No. 71 Cairnhill Road and 101 Dalvey Road respectively.

A new sustainability topic that is assessed and disclosed for the first time in our sustainability report is the wastes management policy and practices implemented at Balestier Tower and PLS.

Topics specific Global Reporting Initiative (GRI) standards that were adopted in the preparation of this GRI-referenced report include (i) Disclosure 403-1 to 403-10 from GRI 403: Occupational Health and Safety 2018, (ii) Disclosure 306-1 to 306-5 from GRI 306: Waste 2020, (iii) Disclosure GRI 302-1 to 302-3 from GRI 302: Energy 2016 and (iv) Disclosure 303-1 and 303-5 from GRI 303: Water and Effluents 2018.

Current Practices

1. Covid-19 Health and Safety Protocols

1.1 Retail Malls and Office Building

A Pandemic Response Plan had been set up and implemented by CBRE, our Managing Agent for PLS, BTC and WGT in accordance with Ministry of Health (MOH) directives to mitigate the effect of the Covid-19 pandemic situation in protecting the health and well-being of retail tenants, visitors and the general public. The Pandemic Response Plan is well communicated internally and externally to all stakeholders and operationalized by a standard operating procedures (SOP) focused on these three components and objectives:

Pandemic Response Plan – Key Components

- Procedures for mitigating pandemic disease threat
- Maintaining manpower operational capability
- Emergency evacuation of an infected person

The SOP is used by the building management in setting out the specific roles of security and other designated personnel in mitigating the Covid-19 threat in accordance with Singapore's DORSCON colour code alert levels with these key measures:

Standard Operating Procedures

- Appointment of emergency team consisting of competent team members
- Access control into the retail malls and office building
- Notices and signs for safe entry procedures at all entry points
- Personal Protection Equipment issued to personnel involved in evacuation of an infected person
- Setting up of Holding Room to be used solely for the emergency evacuation of an infected person
- Step-up cleaning and disinfection from Code ORANGE onwards
- Putting on of N95 mask and surgical gloves for security personnel from Code RED onward
- Activation procedures for the emergency evacuation team
- Post evacuation procedures

Since the circuit breaker in April 2020, additional measures have been implemented to align the SOP with the mandatory Safe Management Measures enforced by the Ministry of Manpower (MOM) including safe-entry and TraceTogether procedures, mandatory wearing of masks for all visitors entering the retail malls and office buildings with safe distancing measures limiting the occupying capacity to 8 sqm per person.

1.2 Serviced Residence

At CBS, the Flu Pandemic Contingency Plan developed by Ascott Limited had been adopted for its implementation by our operator, Ascott International Management Singapore ('Ascott') for the prevention and control of transmission to protect staff, visitors and guests at the serviced apartments according to the DORSCON framework. Essentially the Flu Pandemic Contingency Plan is made up of these key measures:

Flu Pandemic Contingency Plan – Key Measures

- Appointment of emergency key personnel including the Prevention Manager who liaises with the authority and ensures compliance with the Covid-19 health directives issued by the Ministry of Health
- Setting up of Isolation rooms designated within or external of the service residence building
- Disseminate information pertaining to precautionary measures and good hygiene practices
- Emergency response plan activation upon receiving community alert from the health authority
- Contact tracing procedures.
- Prevention and detection of infection
- Procedures to handle infection cases
- Room clearance procedures for (i) returning staff after quarantine and (ii) departure of guests under quarantine
- Post incidents procedures

Since the DORSCON level was raised to Orange in February 2020, Group HR of Ascott Limited had implemented additional precautionary measures seeking to safeguard the health of employees and their families as follows:

- Health and Travel declaration for staff and visitors
- Splitting of Teams in facilitating alternative work arrangements
- Testing of the company-wide "Call Tree" communication channel in activating instructions and coordinating recovery procedures

1.3 Hotel Management

Duxton Hotel Perth has not been designated for use as a quarantine hotel since March 2020. As of 31 January 2021 the State Government considered there were no incidents of community spread of the coronavirus in Western Australia and it was not mandatory for hotel businesses in the State to implement Covid-19 health measures.

Our Sustainability Committee will continue monitoring the Covid-19 pandemic in Western Australia closely and we will recommend Duxton Hotel Perth to consider drawing up appropriate action plans involving the implementation and incorporation of the Covid-19 infection control and isolation protocols into its existing Emergency Management Plan if the coronavirus situation may worsen, or if Duxton Hotel Perth will start providing hospitality services to quarantined guests in the future.

1.4 Property Development

The development and implementation of the Safe Management Measures Plan by LKHS as the Main Contractor for the Klimt Cairnhill and Dalvey Haus development projects aims to support the resumption of construction works, protect all projects' personnel, workers, subcontractors, stakeholders and interested parties against Covid-19 infection and prevent the re-emergence of Covid-19 cases in the community.

The Safe Management Measures Plan comprises three main components (i) Covid-Safe Worksite, (ii) Covid-Safe Workforce & (iii) Covid-Safe Accommodation and Transportation of which individually are made up of the key mandatory measures as summarized in below schedule:

No	Safe Management Measure Plan	
1	**COVID-Safe Worksite**	**1. Implementation of Safe Management Measures (SMM)** ■ Safe Management Measures to ensure a safe working environment and minimize risk of resurgence of infection on work resumption ■ Appointment of Safe Management Officers (SMO) and Safe Distancing Officers (SDO) who have been trained according to the Building and Construction Authority (BCA) and the Singapore Contractors Association Ltd (SCAL)'s requirements ■ Site monitoring & inspections carried out by the SMO in ensuring compliance with the SMM
		2. Segregation of teams for safe distancing and reduction in physical interaction ■ Setting up of on-site Temporary Living Quarter (TLQ) per MOM guidelines for allocated workers to reduce chances of their interaction with community ■ Segregation of workers into different site teams, site- zone and shared facilities ■ Staggered times for entry & exiting the site, lunch and break time and at shared facilities
		3. Contact Tracing Requirements ■ SafeEntry and SafeExit by NRIC, TraceTogether download and activation ■ Register and track all personnel entering the site
		4. Health Checks and Protocols ■ Temperature screening at entry points and health self-check protocols for workers
		5. Safe distancing measures for all personnel at worksite
		6. Medical Personal Protective Equipment
		7. Ensure cleanliness at workplace premises
		8. Procedures to manage suspected case ■ Response plan and designation of personnel according to scenarios ■ Cleaning and disinfection procedures

No	Safe Management Measure Plan		
2	**COVID-Safe Workforce**	1.	Temperature screening, COVID-19 respiratory symptoms check and swab tests requirement for all personnel
		2.	Ensure a contactable and traceable workforce
		3.	Covid-19 awareness training according to roles and responsibilities
		4.	Workforce well-being and management practices
		5.	Emergency Preparedness Plan for suspected COVID-19 cases
		6.	No leaving for workers from on-site accommodation after working hours and off-days
3	**COVID-Safe Accommodation & Transportation**	1.	Cohorting and segregation of workers in dedicated accommodation
		2.	Hygiene and housekeeping of accommodation
		3.	Isolation of suspected cases and quarantine procedures
		4.	Appointment of Accommodation SMO and SDO in ensuring compliance with the safe accommodation guidelines
		5.	Tight control of entry and exit at dormitory in accordance with MOM directives
		6.	Safe transportation measures for third-party contractors including designated and segregated waiting areas, staggered pick-up and drop-off timing for workers

2. Energy and Water Management

2.1 Balestier Tower

At Balestier Tower, energy and water consumption are managed according to the CapitaLand Sustainable Buildings Guidelines of CapitaLand Environment Health & Safety Policy adopted and implemented by Ascott for CBS and BTC. As part of this policy, Annual Environment Health & Safety (EHS) Targets are being set in parallel with Singapore's climate action plan 2030.

Monthly data of energy and water usage at Balestier Tower in relation to the service residence and retail mall operations are tracked and monitored through the CapitaLand's Environmental Tracking System (ETS).

3. Wastes Management

3.1 Balestier Tower

At Balestier Tower, the wastes management policy and practices are administered by CBRE according to National Environment Agency (NEA) directives. They are carried out based on these key 3R approaches:

- Waste segregation into paper, plastic and metal cans at recycling bins.
- Circulation of e-documents instead of photocopying.
- Use environmentally friendly or 100% recycled paper for printing.
- Use e-mails for correspondence instead of paper memos.
- Vet draft documents electronically.
- Use non-disposable utensil, cutlery and crockery.
- Conservation of existing usable furniture, equipment and materials in renovation.
- Encourage tenants to use green and recyclable building materials for retail fitting.
- Implement waste reduction initiatives on ongoing basis.

Services of NEA-licensed external provider is engaged for the daily collection of the wastes at the building for disposal in a regulatory compliance and safe manner.

Performance Data

Our Sustainability Committee had assessed the sustainability performance in relation to the material Environmental, Social and Corporate Governance (ESG) factors against their 2021 targets, and including the development of 2022 targets in below schedule:

1. Health & Safety								
ESG Factors	**Business Segment**	**Unit of Measurement**	**FY2018 Actual**	**FY2019 Actual**	**FY2020 Actual**	**FY2021 Actual**	**FY2021 Target**	**FY2022 Target**
Accident Incident	**All Managed Buildings**	Number	Nil	Nil	Nil	Nil	Nil	Nil
Workplace Injury		Number	Nil	1	Nil	Nil	Nil	Nil
Fatalities		Number	Nil	Nil	Nil	Nil	Nil	Nil
Occupational Diseases - General		Number	Nil	Nil	Nil	Nil	Nil	Nil
Occupational Diseases - Covid-19		Number	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	Not reported prior to 2021	Nil
Accident Incident	**Property Development**	Number	2	Nil	Nil	Nil	Nil	Nil
Workplace Injury		Number	2	Nil	Nil	NA	NA	NA
Fatalities		Number	Nil	Nil	Nil	NA	NA	NA
Occupational Diseases - General		Number	Nil	Nil	Nil	NA	NA	NA
Occupational Diseases - Covid-19		Number	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	Not reported prior to 2021	Nil
Accident Incident	**Hotel Management**	Number	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	Not reported prior to 2021	Nil
Workplace Injury		Number	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	Not reported prior to 2021	Nil
Fatalities		Number	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	Not reported prior to 2021	Nil
Occupational Diseases - General		Number	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	Not reported prior to 2021	Nil
Occupational Diseases - Covid-19		Number	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	Not reported prior to 2021	Nil

2. Energy Management								
ESG Factors	Business Segment	Unit of Measurement	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
			Actual	Actual	Actual	Actual	Target	Target
Energy Usage	**Property Development**	KWh/sqm GFA	47 KWh/ sqm	27 KWh/ sqm	5.5 KWh/ sqm	Nil	NA	16.95 KWh/ sqm
	All Managed Buildings	MWh	11,516	11,525	11,556	11,471	11,394	12,701

3. Water Management								
ESG Factors	Business Segment	Unit of Measurement	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
			Actual	Actual	Actual	Actual	Target	Target
Water Consumption	Property Development	m3/sqm GFA and m3	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	Nil	NA	0.38 m3/ sqm
	Managed Buildings - WGT and Balestier Tower		Not reported prior to 2020	Not reported prior to 2020	45,696	44,988	43,698	49,197

4. Wastes Management								
ESG Factors	Business Segment	Unit of Measurement	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
			Actual	Actual	Actual	Actual	Target	Target
Wastes Disposed	Property Development	Kg/sqm GFA	9.7 kg/sqm	24.3 kg/sqm	4.3 kg/sqm	Nil	NA	74 kg/sqm
	Managed Building - Balestier Tower	Kg	Not reported prior to 2021	Not reported prior to 2021	Not reported prior to 2021	63,800	NA	63,000

1. Commentaries

- Exclusion of water data for PLS: As Paya Lebar Square is a Management Corporation Strata Title (MCST) strata titled development, retail tenants monitor their own water consumption and implement their own water efficiency programme.

- Exclusion of wastes data for WGT and PLS: (i) At WGT, wastes handling and management practices are developed and implemented by the MCST, and (ii) the wastes management policies are centrally managed by CBRE for the Paya Lebar Square Building comprising the retail mall and offices common areas. Currently, the daily wastes handling processes do not provide segregation of tracked wastes data according to the retail mall and offices.

- Progress status for Klimt Cairnhill and Dalvey Haus were 1.58% and 8.65% respectively as of 31-Jan-2021 and their tracked data showed negligible amounts of wastes disposed, water and energy consumed during 2021.

2. Performance Variances

Period	ESG Factors	Performance Variance Analysis	
2021 Actual vs 2021 Target	**Energy Usage**	**All Managed Buildings:** 77 MWh (+0.7%) higher than 2021 target	(i) PLS: Lower energy usage (-631 MWh) due to circuit breaker measures. (ii) WGT: Lower energy usage (-709 MWh) due to adjustments in programming for the air-conditioners and lesser office utility resulting from work-from-home arrangement and lower office occupancy due to Covid-19. (iii) Balestier Tower: 1,417 MWh in 2021 is the total variance as this is the first-year reporting for energy management under Balestier Tower. No target set for 2021.
	Water Consumption	**WGT & Balestier Tower:** 1,290 m3 (+3%) higher than 2021 target	(i) WGT: Lower water usage by (-15,413 m3) resulting from work-from-home arrangement due to the Covid-19. (ii) Balestier Tower: 16,703 m3 in 2021 is the total variance as this is first year reporting for water consumption under Balestier Tower. No target set for 2021.
	Wastes Disposed	**Balestier Tower:** 63,800 Kg	(i) Balestier Tower: 63, 800 Kg in 2021 is the total variance as this is first year reporting for wastes management under Balestier Tower. No target set for 2021.
2022 Target vs 2021 Actual	**Energy Usage**	**All Managed Buildings:** 1,231 MWh (+10.7%) higher than 2021 actual **Property Development:** 16.95 KWh/sqm (2022 target)	(i) PLS & WGT: Reset energy usage level to 5,900 MWh (+531 MWh) & 5,387 MWh (+703MWh) respectively for 2022 in expectation of recovery in Covid-19 due to the launching of vaccination program in Singapore. (ii) Balestier Tower: Ascott is targeting a 0.2% saving in energy consumption (-2.8 MWh) according to the EHS policy for Balestier Tower. (iii) Property Development: 16.95 KWh/sqm is the total variance as this is first year reporting for energy usage under Klimt Cairnhill and Dalvey Haus development projects.
	Water Consumption	**WGT & Balestier Tower:** 4,210 m3 (+9.4%) higher than 2021 actual **Property Development:** 0.38 m3/sqm (2022 target)	(i) WGT: Reset water usage level to 32,527 m3 (+4,243 m3) for 2022 in expectation of recovery in Covid-19. (ii) Balestier Tower: Ascott is targeting a 0.2% saving in water consumption (-33 m3) according to the implemented EHS policy for Balestier Tower. (iii) Property Development: 0.38 m3/sqm is the total variance as this is first year reporting for water consumption under Klimt Cairnhill and Dalvey Haus development projects.
	Wastes Disposed	**Balestier Tower:** 800 Kg (-1.3%) lower than 2021 actual **Property Development:** 74 kg/sqm (2022 target)	(i) WGT: Continual implementation of waste management and reduction initiatives administered by CBRE at Balestier Tower. (ii) Property Development: 74 kg/sqm is the total variance as this is first year reporting for wastes disposal under Klimt Cairnhill and Dalvey Haus development projects.

Board Statements

The Board will continue to promote the importance of environmental sustainability to all subsidiaries, business units and managing agents, and prioritize the provision of a safe and healthy environment that is applicable to our managed properties and workplaces by implementing the necessary safe management measures in line with local and overseas legislations to ride through the Covid-19 challenges now and for the future.

In addition to health and safety focus, the Board affirms that sustainability practices with respect to supporting Singapore's efforts in the climate action plan and national waste reduction initiatives will always remain an integral part of the Group's business strategies as demonstrated through the ongoing implementation of our transparent and systematic sustainability reporting process established in accordance with the Singapore Exchange Guide and GRI-referenced reporting guidelines to support Low Keng Huat (Singapore) Limited in its long-term growth and positive performance.

DIRECTORS' **STATEMENT**

For the financial year ended 31 January 2021

The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 January 2021 and the statement of financial position of the Company as at 31 January 2021.

In the opinion of the directors,

(a) the accompanying financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

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

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

Names of Directors

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

Low Keng Boon @ Lau Boon Sen
Dato' Marco Low Peng Kiat
Low Poh Kuan
Alvin Teo Poh Kheng (appointed on 5 April 2021)
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Michael Leong Choon Fai
Cheo Chai Hong

Mr. Jimmy Yim Wing Kuen, Mr. Chris Chia Woon Liat, Mr. Michael Leong Choon Fai and Mr. Cheo Chai Hong are independent and non-executive directors.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year, the Company was a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other body corporate, other than as disclosed in this statement.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		**Holdings in which a director is deemed to have an interest**	
Name of director	As at 1.2.2020	**As at 31.1.2021**	As at 1.2.2020	**As at 31.1.2021**
		Number of ordinary shares		
The Company -				
Low Keng Huat (Singapore) Limited				
Low Keng Boon @ Lau Boon Sen	52,773,806	**52,773,806**	23,000,000	**23,000,000**
Dato' Marco Low Peng Kiat	300,000	**300,000**	399,945,345	**399,945,345**
Low Poh Kuan	1,998,000	**1,998,000**	–	**–**
Jimmy Yim Wing Kuen	–	**–**	320,000	**320,000**
Michael Leong Choon Fai	100,000	**100,000**	–	**–**
		Number of ordinary shares of RM1.00 each		
Ultimate holding company -				
Consistent Record Sdn. Bhd.				
Dato' Marco Low Peng Kiat	16	**16**	16	**16**

Dato' Marco Low Peng Kiat, by virtue of the provisions of Section 7 of the Singapore Companies Act, Chapter 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of the Company and all the joint ventures and associate companies in which the Company has 20% or more equity interest.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 February 2021.

Share option scheme

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

No shares were issued during the financial year to which this statement relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

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

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Jimmy Yim Wing Kuen (Chairman)
Chris Chia Woon Liat
Cheo Chai Hong

The Audit Committee performs the functions set out in Section 201B(5) of the Singapore Companies Act, Chapter 50, the SGX Listing Manual and the Code of Corporate Governance. In performing these functions, the Audit Committee has met three times since the last Annual General Meeting and reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2021 as well as the auditor's report thereon;

(iv) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;

(v) met with the internal auditor, external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the Board of Directors the external auditor and internal auditors to be nominated, approved the compensation of the external auditor and internal auditors, and reviewed the scope and results of the audits;

(x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

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

Audit Committee (Cont'd)

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the "Corporate Governance" section of the annual report.

In appointing our auditors for the Company, subsidiaries, associates and joint ventures, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

DATO' MARCO LOW PENG KIAT

LOW POH KUAN

Dated: 5 May 2021

INDEPENDENT AUDITOR'S **REPORT**

To the Members of Low Keng Huat (Singapore) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Low Keng Huat (Singapore) Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 January 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 January 2021 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	Risk	Our responses and work performed
Impairment of right-of-use assets, investment properties and property, plant and equipment [Notes 2(d), 2(e), 11, 17 and 18]	As at 31 January 2021, the Group's right-of-use assets, investment properties and property, plant and equipment amounted to \$6.8 million, \$314.5 million and \$294.6 million, respectively, (2020 - \$7.9 million, \$318.8 million and \$289.4 million, respectively) representing 0.4%, 20.3% and 19.0% respectively (2020 - 0.5%, 21.1% and 19.1% respectively) of the Group's total assets.	Our review of the impairment assessment included the following: ● we reviewed the Group's and the Company's right-of-use assets, investment properties and property, plant and equipment and discussed with management to determine where impairment indicators existed;

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Impairment of right-of-use assets, investment properties and property, plant and equipment [Notes 2(d), 2(e), 11, 17 and 18] (Cont'd)	The Group's right-of-use assets are mainly held by the Company, Carnivore Brazilian Churrascaria Pte. Ltd., Amuret Pty Ltd, and Paya Lebar Square Pte. Ltd.. The Group's investment properties are mainly held by the Company, Balestier Tower Pte. Ltd. and Paya Lebar Square Pte. Ltd.. The Group's property, plant and equipment are mainly held by Balestier Tower Pte. Ltd., Perumal Development Pte. Ltd. and Amuret Pty Ltd. Due to losses incurred by certain subsidiaries caused in part by the COVID-19 pandemic and the uncertain global economic environment, there is higher inherent risk relating to the impairment of non-financial assets. The Group engaged independent professional valuers to carry out valuations on the right-of-use assets, investment properties and property, plant and equipment based on the properties' highest-and-best use. These were performed on the basis of open market values to determine the fair value.	Our review of the impairment assessment included the following (Cont'd): ● we read the terms of engagement of the management's expert with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work; ● we evaluated whether the management's expert had the necessary competence, capability and objectivity for the required purposes. The evaluation of objectivity included inquiry regarding interests and relationships that may create a threat to that expert's objectivity; ● we sent group audit instructions to the component auditor of Amuret Pty Ltd and obtained the completed questionnaires and memoranda of work performed by the component auditor including their confirmation of independence. We also performed a review of the relevant audit working papers of the identified risks of significant misstatements including the impairment assessment by the component auditor and ascertained whether appropriate planned audit responses have been made; ● we engaged an auditor's expert in assessing the appropriateness of the valuation methodologies, assumptions and reasonableness of estimates used by the management's expert; ● we performed sensitivity analysis over the assumptions, estimates and its measurement against source data and appropriate external sources, where appropriate;

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Impairment of right-of-use assets, investment properties and property, plant and equipment [Notes 2(d), 2(e), 11, 17 and 18] (Cont'd)	The valuation as at 31 January 2021 contains a 'market valuation uncertainty' clause due to the market disruption caused by the COVID-19 pandemic which has resulted in a reduction in transactional evidence. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions. Accordingly, the professional valuers cannot attach as much weight as usual to previous market evidence for comparison purposes, and there is an increased risk that the price realised in an actual transaction would differ from the value conclusion. As a result of this increased uncertainty, the assumptions may require significant revision in the next financial period. The impairment testing performed on the Group's and the Company's non-financial assets is considered to be a key audit matter due to the significant judgement required in determining the assumptions to be used to estimate the recoverable amount of the cash-generating unit which the assets are allocated to, which is based on the higher of the value-in-use and fair value less costs of disposal.	Our review of the impairment assessment included the following (Cont'd): ● we assessed the competency, capability and objectivity of the auditor's expert; and ● we also considered the adequacy of the Group's and the Company's disclosures in relation to impairment of the right-of-use assets, investment properties and property, plant and equipment.

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Net realisable value of development properties [Notes 2(d), 2(e) and 10]	The Group has significant mixed development (comprises residential and commercial retail units) and residential development properties that are for sale in its core market – Singapore. As at 31 January 2021, the Group's development properties amounted to $622.0 million (2020 - $612.9 million), representing 40.2% (2020 - 40.5%) of the Group's total assets. The Group's development properties are mainly held by Glopeak Development Pte. Ltd. and Perumal Development Pte. Ltd.. Development properties for sale are stated at the lower of their cost and their net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices. The COVID-19 pandemic has led to heightened uncertainty inherent in estimating net realisable value of the development properties due to increased volatility in their selling prices because there is still significant uncertainty in the recovery trajectory of the economy in the near future. The Group engaged independent professional valuers to determine whether there was any need to write-down the value of development properties in accordance with SFRS(I) 1-2 *Inventories*.	Our review of the net realisable value of development properties included the following: ● we evaluated whether the management's expert has the necessary competence, capability and objectivity for the required purposes. The evaluation of objectivity included inquiry regarding interests and relationships that may create a threat to that expert's objectivity; ● we engaged an auditor's expert in assessing the appropriateness of the valuation methodologies, assumptions and reasonableness of the key inputs used by the management's expert based on the residual approach considering key factors such as the land cost, gross development value, construction costs and estimated developer's profit and compared against externally available industry, economic and financial data, as appropriate; ● we compared the management's expert underlying assumptions on estimated selling prices to market comparables and to recent prices for properties sold by the Group subsequent to the end of reporting period; ● we performed sensitivity analysis over the assumptions, estimates and its measurement against source data and appropriate external sources, where appropriate;

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Net realisable value of development properties [Notes 2(d), 2(e) and 10] (Cont'd)	There is a possible risk of understatement of project costs where work has been completed up to certain stage but liabilities owing to contractors or suppliers have not been recorded up to that stage. In addition, project costs may not be accurately or appropriately recorded.	Our review of the net realisable value of development properties included the following (Cont'd): ● we evaluated the competency, capability, and objectivity of the auditor expert; and for development properties, we assessed the reasonableness of the estimated cost and additional cost accrued against relevant supporting documentation and, where the works were contracted to third parties, agreed to the contracts. We tested samples of items of the cost components to source documents to ascertain the existence and accuracy of the cost of the development properties; and ● we considered the adequacy of the Group's disclosure about the uncertainties of the carrying values of the development properties.
Share of results of joint ventures and associated companies [Notes 14 and 15]	During the financial year ended 31 January 2021, the Group recorded a share of net profits of $53.0 million (2020 - share of net loss of $4.9 million) from its share of results of its joint ventures and associated companies. We determined the share of results of the Group's joint ventures and associated companies to be a key audit matter mainly due to the effect of the significant event or transaction of an associated company, Perennial Shenton Investors Pte. Ltd. ("PSI"), as fully disclosed in Note 15 to the accompanying financial statements which had a material impact on the financial performance of the Group for the financial year ended 31 January 2021.	Our audit procedures in addressing the appropriateness of the share of results of the associated company, PSI, included the following: ● we read the public announcements as disclosed in Note 15 to the accompanying financial statements on the disposal of AXA Tower and redevelopment of AXA Tower. We also evaluated the appropriateness of management's assessment and computation of the Group's share of the gain on disposal on AXA Tower by its associated company; ● we reviewed the competency, capabilities and objectivity of the component auditor of PSI; ● we sent group audit instructions to the component auditor of PSI and obtained the completed questionnaires and memoranda of work performed by the component auditor of PSI including their confirmation of independence;

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Share of results of joint ventures and associated companies [Notes 14 and 15] (Cont'd)		Our audit procedures in addressing the appropriateness of the share of results of the associated company, PSI, included the following: (Cont'd) ● we performed a review of the relevant audit working papers of the identified risks of significant misstatements including the assessment of the appropriateness of the gain on disposal of AXA Tower by the component auditor of PSI and ascertained whether appropriate planned audit responses have been made; ● we reviewed and considered the appropriateness of any audit adjustments made by the component auditor on the books of PSI that could affect the share of results recorded by the Group; ● we ascertained whether the subsequent events review work performed by the component auditor of PSI have any impact on the Group's share of results; ● we reviewed the adjustments to be made for the effects of significant transactions or events between 31 December 2020 (financial year end of PSI) to 31 January 2021 to comply with SFRS(I) 1-28 *Investments in Associates and Joint Ventures* where the financial year end of PSI is different from the Group; ● we determined whether appropriate adjustments have been made where accounting policies applied by the associated company are not the same as those applied by the Group; and ● we reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement section of the annual report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("Other Sections") which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S **REPORT**

To the Members of Low Keng Huat (Singapore) Limited

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 Chang Fook Kay.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 5 May 2021

STATEMENT OF **FINANCIAL POSITION**

As at 31 January 2021

The Group	Note	**31 January 2021 $'000**	31 January 2020 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	3	**76,427**	59,477
Fixed deposits	4	**7,456**	9,116
Trade and other receivables	6	**8,467**	6,573
Amount owing by non-controlling shareholders of subsidiaries (non-trade)	22(a)	**957**	957
Contract assets	8(a)	**25,889**	2,497
Contract costs	8(b)	**332**	298
Inventories	9	**402**	378
Development properties	10	**621,980**	612,898
		741,910	692,194
Non-Current Assets			
Financial assets at FVOCI	12	**10,089**	12,685
Other investments at amortised cost	13	**–**	32,000
Trade and other receivables	6	**496**	260
Financial assets at FVPL	5	**763**	–
Joint ventures	14	**89,364**	89,794
Associate companies	15	**89,099**	68,148
Investment properties	17	**314,475**	318,798
Right-of-use assets	11	**6,804**	7,943
Property, plant and equipment	18	**294,609**	289,401
Deferred tax assets	19	**1,040**	719
		806,739	819,748
Total assets		**1,548,649**	1,511,942
LIABILITIES			
Current Liabilities			
Trade and other payables	20	**28,602**	23,566
Amount owing to joint ventures (non-trade)	21	**249**	254
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	22(b)	**417**	375
Contract liabilities	8(c)	**–**	389
Provision for directors' fee		**215**	245
Lease liabilities	39(a)	**399**	398
Current tax payable		**3,241**	3,342
Bank borrowings	24	**46,900**	62,200
		80,023	90,769

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF **FINANCIAL POSITION**

As at 31 January 2021

The Group	Note	**31 January 2021 $'000**	31 January 2020 $'000
Non-Current Liabilities			
Trade and other payables	20	**3,106**	3,106
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	22(b)	**44,876**	45,147
Provision	23	**28**	27
Bank borrowings	24	**687,986**	678,208
Lease liabilities	39(a)	**1,837**	1,968
Deferred tax liabilities	19	**3,082**	3,065
		740,915	731,521
Total liabilities		**820,938**	822,290
NET ASSETS		**727,711**	689,652
EQUITY			
Capital and Reserves			
Share capital	25	**161,863**	161,863
Capital reserve	26(a)	**(2,005)**	(2,005)
Fair value reserve	27	**(1,513)**	1,083
Retained profits	26(b)	**537,779**	500,125
Currency translation reserve	28	**(585)**	(4,053)
		695,539	657,013
Non-controlling interests		**32,172**	32,639
Total equity		**727,711**	689,652

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF **FINANCIAL POSITION**

As at 31 January 2021

The Company	Note	**31 January 2021 $'000**	31 January 2020 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	3	**36,326**	17,168
Trade and other receivables	6	**2,631**	2,679
Amount owing by subsidiaries (non-trade)	7(a)	**2,734**	2,524
Contract assets	8(a)	**4,117**	2,202
		45,808	24,573
Non-Current Assets			
Financial assets at FVOCI	12	**969**	971
Trade and other receivables	6	**718**	–
Joint ventures	14	**98,678**	96,910
Subsidiaries	16	**545,759**	605,168
Investment properties	17	**17,817**	18,016
Right-of-use assets	11	**2,535**	2,586
Property, plant and equipment	18	**2,231**	2,572
		668,707	726,223
Total assets		**714,515**	750,796
LIABILITIES			
Current Liabilities			
Trade and other payables	20	**11,819**	9,349
Amount owing to subsidiaries (non-trade)	7(b)	**11,422**	11,508
Provision for directors' fee		**215**	245
Lease liabilities	39(a)	**7**	7
Current tax payable		**95**	471
Bank borrowings	24	**9,700**	55,000
		33,258	76,580
Non-Current Liabilities			
Lease liabilities	39(a)	**5**	12
Bank borrowings	24	**5,000**	–
		5,005	12
Total liabilities		**38,263**	76,592
NET ASSETS		**676,252**	674,204
EQUITY			
Capital and Reserves			
Share capital	25	**161,863**	161,863
Fair value reserve	27	**214**	216
Retained profits	26(b)	**514,175**	512,125
Total equity		**676,252**	674,204

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 January 2021

The Group	Note	**Year ended 31 January 2021 $'000**	Year ended 31 January 2020 $'000
Revenue	29,40	**73,351**	46,710
Cost of sales	34	**(60,909)**	(32,315)
Gross profit		**12,442**	14,395
Other operating income	30(a)	**7,419**	19,142
Interest income	30(b),40	**5,200**	7,124
Distribution costs		**(5,263)**	(1,644)
Administrative costs	31	**(9,196)**	(8,476)
Other operating expenses	32	**(5,735)**	(2,165)
Finance costs	33,40	**(9,151)**	(9,757)
Share of results of joint ventures and associates	14,15,40	**53,025**	(4,911)
Profit before taxation	34	**48,741**	13,708
Taxation	35,40	**(869)**	(1,510)
Total profit for the year		**47,872**	12,198
Other comprehensive expense after tax:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of the financial statements of foreign entities (net of tax at Nil%)	28	**3,468**	(2,071)
		3,468	(2,071)
Items that will not be reclassified subsequently to profit or loss			
Fair value (loss)/gain on financial assets at FVOCI (net of tax at Nil%)	12,27	**(2,596)**	2,182
Exchange differences on translation of the financial statements of foreign entities (net of tax at Nil%)		**397**	(223)
Other comprehensive income/(loss) for the year, net of tax		**1,269**	(112)
Total comprehensive income for the year		**49,141**	12,086
Profit/(loss) attributable to:			
Owners of the parent		**48,736**	12,768
Non-controlling interests	40	**(864)**	(570)
		47,872	12,198
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**49,608**	12,879
Non-controlling interests		**(467)**	(793)
		49,141	12,086
Earnings per share (cents)			
- Basic	36	**6.60**	1.73
- Diluted	36	**6.60**	1.73

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 January 2021

The Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Retained profits $'000	Currency translation reserve $'000	Total attributable to owners of the parent $'000	Non–controlling interests $'000	Total $'000
	← Attributable to equity holders of the Company →							
Balance at 1 February 2019	161,863	(2,005)	7,287	490,053	(1,982)	655,216	33,621	688,837
Profit for the year	–	–	–	12,768	–	12,768	(570)	12,198
Other comprehensive (loss)/income for the year	–	–	2,182	–	(2,071)	111	(223)	(112)
Total comprehensive (loss)/income for the year	–	–	2,182	12,768	(2,071)	12,879	(793)	12,086
Transfer upon disposal of financial assets at FVOCI [Notes 26(b) and 27]	–	–	(8,386)	8,386	–	–	–	–
Dividends paid to owners of the parent [Notes 26(b) and 38]	–	–	–	(11,082)	–	(11,082)	–	(11,082)
Dividends paid to non-controlling shareholders (Note 16)	–	–	–	–	–	–	(189)	(189)
Total transaction with owners, recognised directly in equity	–	–	(8,386)	(2,696)	–	(11,082)	(189)	(11,271)
Balance at 31 January 2020	161,863	(2,005)	1,083	500,125	(4,053)	657,013	32,639	689,652
Profit for the year	**–**	**–**	**–**	**48,736**	**–**	**48,736**	**(864)**	**47,872**
Other comprehensive (loss)/income for the year	**–**	**–**	**(2,596)**	**–**	**3,468**	**872**	**397**	**1,269**
Total comprehensive (loss)/income for the year	**–**	**–**	**(2,596)**	**48,736**	**3,468**	**49,608**	**(467)**	**49,141**
Dividends paid to owners of the parent [Notes 26(b) and 38]	**–**	**–**	**–**	**(11,082)**	**–**	**(11,082)**	**–**	**(11,082)**
Total transaction with owners, recognised directly in equity	**–**	**–**	**–**	**(11,082)**	**–**	**(11,082)**	**–**	**(11,082)**
Balance at 31 January 2021	**161,863**	**(2,005)**	**(1,513)**	**537,779**	**(585)**	**695,539**	**32,172**	**727,711**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF
CASH FLOWS

For the financial year ended 31 January 2021

The Group	Note	**Year ended 31 January 2021 $'000**	Year ended 31 January 2020 $'000 (Reclassified)
Cash Flows from Operating Activities			
Profit before taxation		**48,741**	13,708
Adjustments for:			
Share of results of joint ventures and associate companies		**(53,025)**	4,911
Depreciation of:			
- Investment properties	17,34	**4,145**	3,481
- Property, plant and equipment	18,34	**5,154**	2,760
- Right-of-use assets	11,34	**427**	507
Gain on disposal of property, plant and equipment	30(a),34	**–**	(21)
Gain on lease modification	30(a),34	**(67)**	–
Rent concessions	30(a),34	**(91)**	–
Impairment loss on:			
- Right-of-use assets	11,32,34	**980**	–
- Property, plant and equipment	18,32,34	**570**	–
- Receivables	6,32,34	**1,021**	17
Write off of amounts owing to joint ventures	21,34	**–**	(197)
Impairment loss no longer required for:			
- Receivables	6,30(a),34	**–**	(32)
- Property, plant and equipment	18,30(a),34	**–**	(14,929)
Amortisation of contract costs	8(b)	**1,537**	250
Bad debts recovered	30(a),34	**–**	(195)
Fair value (gain)/loss on financial assets at FVPL	5,30(a),34	**–**	(559)
Investment properties written off	17,34	**–**	190
Property, plant and equipment written off	32,34	**6**	410
Dividend income from quoted equity investments	30(a),34	**(193)**	(1,252)
Finance costs	33	**9,151**	9,757
Interest income	30(b)	**(5,200)**	(7,124)
Operating profit before working capital changes		**13,156**	11,682
(Increase)/decrease in inventories		**(22)**	(24)
(Increase)/decrease in development properties		**(9,082)**	(403,759)
(Increase)/decrease in contract assets and contract costs		**(24,963)**	88
Increase/(decrease) in contract liabilities		**(389)**	389
(Increase)/decrease in operating receivables		**(4,570)**	53,852
Increase/(decrease) in operating payables		**5,260**	4,190
Cash used in operations		**(20,610)**	(333,582)
Income tax paid		**(1,292)**	(3,158)
Net cash used in operating activities		**(21,902)**	(336,740)
Balance carried forward		**(21,902)**	(336,740)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 January 2021

The Group	Note	**Year ended 31 January 2021 $'000**	Year ended 31 January 2020 $'000 (Reclassified)
Balance brought forward		**(21,902)**	(336,740)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	Note A	**(7,886)**	(21,482)
Acquisition of investment properties	17	**(110)**	(2,146)
Proceed from disposal of quoted equity investments		**–**	30,470
Interest received		**2,663**	7,133
Decrease/(increase) in fixed deposit with maturity more than three months		**1,806**	(28)
Cash receipt from associate's capital reduction	15	**34,960**	–
Redemption of principal of junior bonds	13	**32,000**	–
Dividend from quoted equity investments		**168**	1,252
Dividend from joint venture		**–**	518
Dividend from associate company	Note B	**102**	–
Advances and loans made to joint ventures and associate companies		**(1,002)**	(7,241)
Investment in financial asset at FVPL	5	**(763)**	–
Proceeds from disposal of joint ventures		**–**	400
Loan repayment from joint ventures and associate companies		**2,000**	112
Advances to non-controlling shareholders of subsidiaries		**–**	(957)
Proceeds from disposal of property, plant and equipment		**152**	29
Net cash generated from investing activities		**64,090**	8,060
Cash Flows from Financing Activities			
Dividends paid to:			
- Shareholders of the Company	38	**(11,082)**	(11,082)
- Non-controlling shareholders of subsidiaries	16	**–**	(189)
Repayment of loans from non-controlling shareholders of subsidiaries	Note C	**(2,700)**	(978)
Bank borrowings:			
- Proceeds	Note C	**46,978**	404,300
- Principal paid	Note C	**(52,500)**	(111,089)
- Interest paid	Note C	**(6,649)**	(7,980)
Lease liabilities:			
- Principal paid	Note C	**(248)**	(324)
- Interest paid	Note C	**(71)**	(73)
Fixed deposit pledged		**(63)**	(73)
Net cash (used in)/generated from financing activities		**(26,335)**	272,512
Net increase/(decrease) in cash and cash equivalents		**15,853**	(56,168)
Cash and cash equivalents at beginning of year		**59,477**	116,259
Exchange differences on translations of cash and cash equivalents at beginning of year		**1,097**	(614)
Cash and cash equivalents at end of year	3	**76,427**	59,477

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF
CASH FLOWS

For the financial year ended 31 January 2021

A. Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $7,886,000 (2020 - $20,054,000). All additions were paid to suppliers of property, plant and equipment at the end of the financial year. Cash payment of $7,886,000 (2020 - $21,482,000) were made to purchase property, plant and equipment.

B. Dividend from associate company

As stated in Note 15 to the accompanying financial statements, during the financial year, Perennial Shenton Investors Pte. Ltd. ("PSI"), an associate company of the Group had declared dividends amounting to $53,865,000 (2020 - $Nil) to the Group's subsidiary, Huatland Development Pte. Ltd. ("Huatland") following the completion of the sale of PSI's subsidiaries, Perennial Shenton Holding Pte. Ltd. ("PSH") and Perennial Shenton Properties Pte. Ltd. ("PSP") (collectively, the "PSH group") to PRE13 Pte. Ltd. ("PRE13") and Alibaba Singapore Holding Private Limited in equal shares. In the same period, PSI had carried out a capital reduction exercise with capital distributions that were equal to the proportional shares owned by each of its consortium investors from which Huatland is entitled to a capital reduction distribution of $40,958,000.

The above-mentioned proceeds that Huatland was entitled to were offset against the shareholder loan extended by Huatland to PRE13 totalling $59,761,000 (Note 15). Cash proceeds of $34,960,000 were received by Huatland in respect of the capital reduction exercise of PSI. The net cash proceeds from the dividends declared by PSI to Huatland were $102,000 (2020 - $Nil) for the financial year ended 31 January 2021.

The Group	**2021 $'000**
Dividend declared by PSI (Note 15)	**53,865**
Add: Capital reduction by PSI - Huatland's entitlement	**40,958**
Less: Shareholder loan extended by Huatland to PRE13 (Note 15)	**(59,761)**
Balance cash proceeds	**35,062**
Consisting of:	
Cash proceeds on PSI capital reduction, as shown in the consolidated statement of cash flows	**34,960**
Cash proceeds from PSI's dividend declared, as shown in the consolidated statement of cash flows	**102**
	35,062

C. Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

			Cash flows			**Non-cash changes**							
	Note	1 February 2019 $'000	**Proceeds $'000**	**Principal paid $'000**	**Interest paid $'000**	**Lease modification $'000**	**New leases $'000**	**Rent concessions $'000**	**Interest expense $'000**	**Notional interest charged $'000**	**Foreign exchange movement $'000**	**Accrued interest $'000**	**31 January 2021 $'000**
Amount owing to non-controlling shareholders of subsidiaries:													
- Loans	22(b)	45,147	**-**	**(2,700)**	**-**	**-**	**-**	**-**	**-**	**2,429**	**-**	**-**	**44,876**
- Advances	22(b)	375	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42**	**-**	**417**
Bank borrowings	24	740,408	**46,978**	**(52,500)**	**(6,649)**	**-**	**-**	**-**	**6,650**	**-**	**-**	**(1)**	**734,886**
Lease liabilities	39(a)	2,366	**-**	**(248)**	**(71)**	**(885)**	**953**	**(88)**	**71**	**-**	**138**	**-**	**2,236**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

C. Reconciliation of liabilities arising from financing activities (Cont'd)

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items: (Cont'd)

	Note	1 February 2019 $'000	Cash flows			Non-cash changes						31 January 2020 $'000
			Proceeds $'000	Principal paid $'000	Interest paid $'000	Adoption of SFRS(I) 16 $'000	New leases $'000	Interest expense $'000	Notional interest charged $'000	Foreign exchange movement $'000	Accrued interest $'000	
Amount owing to non-controlling shareholders of subsidiaries:												
- Loans	22(b)	44,142	–	(978)	–	–	–	–	1,981	2	–	45,147
- Advances	22(b)	400	–	–	–	–	–	–	–	(25)	–	375
Bank borrowings	24	447,197	404,300	(111,089)	(7,980)	–	–	7,702	–	–	278	740,408
Lease liabilities	39(a)	–	–	(324)	(73)	2,751	30	73	–	(91)	–	2,366

D. Reclassification of interest paid

SFRS(I)1-7 permits interest paid to be shown as operating or financing activities, as deemed relevant for the entity. In prior years, the Group has classified interest paid as cash flows from operating activities as they relate mainly to the costs of financing the development property operations and the general working capital requirements which are usually within the normal operating cycle of the Group.

However, as these represent the cost of obtaining financial resources, the management believes that classifying interest paid as a financing activity more faithfully represents the nature of the transaction and is also in line with the real estate or property industry in which the Group operates in.

Accordingly, the interest paid of $8,053,000 as shown in the consolidated statement of cash flows for the year ended 31 January 2020 under operating activities has been reclassified to financing activities.

The effect of the above reclassification is as follows. The consolidated statement of financial position of the Group as at 1 February 2019 has not been presented as the reclassification is not considered to be significant to the financial statements.

The Group	As previously classified $'000	Adjustments $'000	Reclassified $'000
2020			
Consolidated statement of cash flows			
Net cash used in operating activities	(344,793)	8,053	(336,740)
Net cash generated from financing activities	280,565	(8,053)	272,512

1 General information

Low Keng Huat (Singapore) Limited ("Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 80 Marine Parade Road #18-05/09, Parkway Parade, Singapore 449269.

The principal activities of the Group are those of property development, hotels and investment holding. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

The Company's immediate and ultimate holding company is Consistent Record Sdn. Bhd., a company incorporated in Malaysia.

2(a) Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information has been presented in Singapore dollar and rounded to the nearest thousand ($'000), unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(d).

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 February 2020, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements did not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 3	*Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*	1 January 2020
Revised *Conceptual Framework for Financial Reporting*		1 January 2020
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions*	1 June 2020 *(early adoption)*

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Amendments to SFRS(I) 3 *Definition of a Business*

The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. The Group has no acquisition of a business or subsidiary during the year.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence';
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SFRS(I) 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There are no significant impact to the Group's consolidated financial statements and the Company's financial statements.

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships that are directly affected by the global reform initiative with respect to the inter-bank offered rate ("IBOR"). The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing IBOR reform.

Any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from the IBOR reform are no longer present. The amendments also introduce new disclosure requirements in SFRS(I) 7 for hedging relationships that are subject to the exceptions introduced by the amendments to SFRS(I) 9 and SFRS(I) 1-39. The amendments are mandatory for all hedges within scope and are to be applied retrospectively for annual reporting periods beginning on or after 1 January 2020.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform* *(Cont'd)*

There are no significant impact to the Group's consolidated financial statements and the Company's financial statements.

Revised *Conceptual Framework for Financial Reporting*

The purpose of the *Conceptual Framework* is to assist in developing financial reporting standards. The *Conceptual Framework* is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the *Conceptual Framework's* principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the *Conceptual Framework* in the absence of specific SFRS(I) requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the *Conceptual Framework*. The *Amendments to References to the Conceptual Framework* in SFRS(I), issued together with the revised *Conceptual Framework*, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised *Conceptual Framework*. These amendments are effective for annual periods beginning on or after 1 January 2020.

There are no significant impact to the Group's consolidated financial statements and the Company's financial statements.

Amendments to SFRS(I) 16 *COVID-19 Related Rent Concessions*

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

In the current year, the Group has elected to apply the amendments before its mandatory application date. In addition, the Group has elected to apply the practical expedient to all of the COVID-19 related rental concessions it has obtained as lessee.

In applying the practical expedient, the Group has:

- recognised a reduction in lease payments as a negative variable lease payment of $91,000 in profit or loss for the year; and

- de-recognised part of the lease liability of $88,000 that has been extinguished by the forgiveness of lease payments.

In accordance with the transitional provisions, as the rental concessions have only arisen during the current financial year, there is no retrospective adjustment to opening balance of retained earnings on initial application of the amendments.

2(c) New and revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them, except for Amendments to SFRS(I) 16 *COVID-19 Related Rent Concessions* which was discussed in Note 2(b). Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application.

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*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) 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022
• Amendments to SFRS(I) 16	*Lease Incentives*	1 January 2022
• Amendments to SFRS(I) 1-41	*Taxation in Fair Value Measurements*	1 January 2022
SFRS(I) 17	*Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 17	*Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 4	*Extension of the Temporary Exemption from Applying SFRS(I) 9*	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*	Yet to be determined

2(d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year ("FY"). Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future reporting periods affected. The areas involving significant judgement and critical accounting estimates and assumptions used are described below.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Significant judgements used in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Impact of COVID-19

The Coronavirus Disease ("COVID-19") outbreak that began as a viral pneumonia of unknown cause was reported by the People's Republic of China to the World Health Organisation ("WHO") in December 2019. In January 2020, WHO proclaimed that the outbreak was a public health emergency of international concern. Subsequently, COVID-19 was declared a worldwide pandemic by WHO in March 2020. In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement and reduced economic activities.

The ongoing and evolving COVID-19 pandemic has a significant impact on the global economy and the economies of the countries in which the Group operates in. There is significant uncertainty as to the duration of the pandemic and its impact on those economies.

In regard to the Group, the impact and consideration of COVID-19 have been in the following areas:

- Accounting for government assistance [Notes 30(a) and 32]
- Impairment of financial assets [Notes 3, 4, 6, 7(a), 12, 13 and 22(a)]
- Valuation of financial assets at FVPL (Note 5)
- Impairment of non-financial assets [Notes 8(b), 11, 14, 15, 16, 17 and 18]
- Net realisable value of development properties (Note 10)
- Valuation of financial assets at FVOCI (Note 12)
- Revenue recognition for development properties (Note 29)

Further details on significant judgements and estimation uncertainties impacted by the COVID-19 pandemic are included in the discussion below.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Significant judgements used in applying accounting policies (Cont'd)

Classification of properties [Notes 10, 17 and 18]

The Group determines whether a property is classified as development property, investment property, or owner-occupied property as follows:

- Development properties comprise completed properties for sale, properties for development and properties in the course of development in the ordinary course of business. Principally, these are residential, offices and retail properties that the Group develops and intends to sell before or on completion of construction.

- Investment properties comprise offices and retail units which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Owner-occupied properties comprise properties that are used by the Group in the production or supply of goods and services or for administrative services.

Joint ventures (Note 14)

The Group holds 25% to 49% ownership interest of its joint ventures recognised in the consolidated accounts using the equity method in accordance with the percentage owned. Management has assessed that the holdings are joint arrangements as there are contractual arrangement with the parties resulting in the Group having 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. As the joint arrangements provide the Group with rights to the net assets of the arrangements, the arrangements are joint ventures to the Group. Further details are disclosed in Note 14 to the financial statements.

Income tax [Notes 19 and 35]

The Group has exposures to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Significant judgements used in applying accounting policies (Cont'd)

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is re-assessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of leasehold properties and plant and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

Accounting for government assistance [Note 30(a) and 32]

SFRS(I) 1-20 *Accounting for Government Grants and Disclosures of Government Assistance* shall be applied when there is a transfer of resources from the government to an entity in return for meeting the stipulated conditions related to the operating activities of the entity and there is no service or goods provided back to the government by the entity. Government grant is recognised when there is reasonable assurance that it will comply with the conditions attached to them and the grants will be received. Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Significant judgement is required in determining the systematic basis, and timing of recognition of grant receivable and realisation to profit or loss.

Included in the government grant income for the current year and government grant receivable at the reporting date are $1,202,000 (2020 - $Nil) and $188,000 (2020 - $Nil) respectively related to the Jobs Support Scheme ("JSS") announced by the Singapore Government to provide wage support to employers during the period of economic uncertainty caused by the COVID-19 pandemic.

In determining the timing of recognition of the JSS grant income, management has evaluated and assessed that the adverse impact of this economic uncertainty to the Group commenced in April 2020 when significant volume of retail sales and construction activities declined following the lockdown measures, travel restrictions and supply chain disruption in Singapore where the Group's operations are primarily situated in.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Impairment of financial assets [Notes 3, 4, 6, 7(a), 12, 13 and 22(a)]

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECL 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. 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 has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days 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.

For non-trade receivables, the Group and the Company apply the general approach to determine ECL. ECL is measured as an allowance equal to 12-month ECL for stage-1 (low credit risk) assets, or lifetime ECL for stage-2 (deterioration in credit risk) or stage-3 (credit impaired) assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative, reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Impairment of financial assets [Notes 3, 4, 6, 7(a), 12, 13 and 22(a)] (Cont'd)

The ECL assessment involves estimation uncertainty heightened by the global economic slowdown ensuing the COVID-19 pandemic, such as a slowdown in payment collections from the customers. Significant management judgement is required to assess recoverability of debts from known customers who are potentially more negatively impacted by COVID-19. Forward-looking adjustments, such as economic data, by management have incorporated potential impact of the COVID-19 pandemic.

In addition, the Group has identified that the risk characteristics of the customers from certain sectors (e.g. retailers) are different from the existing customers under the COVID-19 situation as they are more adversely impacted due to social distancing measures. These customers are grouped into a separate provision matrix and the historical loss rates are adjusted to reflect the current and forward-looking information.

If the expected credit losses increase/decrease by 10% from management estimates, the carrying amounts of the financial assets of the Group and the Company will decrease/increase by approximately $126,000 and $1,094,000 (2020 - $24,000 and $942,000) respectively.

The carrying amount of the Group's and the Company's financial assets at the end of the reporting period is disclosed in Notes 3, 4, 6, 7(a), 12, 13 and 22(a) to the consolidated financial statements.

Impairment of non-financial assets [Notes 8(b), 11, 14, 15, 16, 17 and 18]

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"). The FVLCD calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next three or five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The key assumptions in deriving the recoverable amount include discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The FVLCD estimation is affected by the COVID-19 pandemic due to significant increase in uncertainty caused by more volatile asset prices and currency exchange rates in countries in which the Group operates in. The VIU estimation is based on forecasted cash flows of the underlying business. There is an increased estimation uncertainty on these forecasted cash flows due to the impact of COVID-19. In forecasting these cash flows, management has taken into account macroeconomic and sector trends and uncertain economic conditions arising from the COVID-19 pandemic.

The carrying amounts of the Group's and the Company's non-financial assets are disclosed in Notes 8(b), 11, 14, 15, 16, 17 and 18 to the consolidated financial statements. In 2021 and 2020, a decrease of 5% in each of the Group's and the Company's non-financial assets' recoverable amounts will not increase any impairment losses that had been provided on the Group's and the Company's non-financial assets.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Net realisable value of development properties (Note 10)

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately. The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each development property, taking into account the costs incurred to date, the development status and costs to complete. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

The COVID-19 pandemic has led to heightened uncertainty inherent in estimating net realisable value of the development properties due to increased volatility in their selling prices because there is still significant uncertainty in the recovery trajectory of the economy in the near future.

The carrying amount of the Group's development properties, including any write down to net realisable value, is disclosed in Note 10. In 2021 and 2020, an increase of 5% in total projected development costs will not lead to any allowance for diminution in value required for the Group's development properties.

Valuation of financial assets at FVOCI (Note 12)

In the current environment, the volatility of prices in the Singapore market has also increased which affects the financial assets at FVOCI directly as the fair value is determined based on market prices in case of shares traded on an active market.

The carrying amount of the Group's and the Company's financial assets at FVOCI are disclosed in Note 12. If the fair value of the financial assets increases/decreases by 5%, the carrying amount of financial assets at FVOCI would increase/decrease by $504,000 (2020 - $634,000) at the Group and no significant impact at the Company level.

Valuation of financial asset at FVPL (Note 5)

The Group's investment in the limited partnership is subject to the terms and conditions of the limited partnership agreement as disclosed in Note 5. The investment in the limited partnership is primarily valued based on the latest available financial information of the limited partnership. The General Partner reviews the details of the reported information obtained from the Master Fund, the Manager to the Master Fund and the Partnership and considers:

- The valuation of the limited partnership's underlying investments;
- The value date of the net asset value ("NAV") provided; and
- Cash flows (calls/distributions) since the latest value date.

No impairment allowance on the net assets of the Master Fund has been considered as the Master Fund is in its initial stages of investment process and investment evaluation.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Estimation of the incremental borrowing rate ("IBR") [Notes 11 and 39(a)]

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity uses its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group and the Company are the lessee, the IRIIL is not readily determinable. Therefore, the Group and the Company estimate the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amount of the Group's and the Company's right-of-use assets and lease liabilities are disclosed in Notes 11 and 39(a) respectively. An increase/decrease of 50 basis points in the estimated IBR will decrease/increase the right-of-use assets and lease liabilities by approximately $49,000 and $59,000 (2020 - $68,000 and $64,000) at the Group level and no significant change at the Company level.

Revenue recognition for development properties (Note 29)

The Group recognises contract revenue based on the stage of completion for the sale of development properties where the Group has enforceable rights to payment for performance completed to date. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects. The Group is required to estimate the total construction costs which include estimation for variation works and any other claims from contractors. In making these estimates, the Group relies on past experience and the work of specialists. The amount of revenue recognised from development properties by the Group is therefore subject to uncertainty in respect of variation works and estimation of future costs.

The COVID-19 pandemic brings about volatility in market and economic conditions such that there is heightened uncertainty in the variation between actual results and estimates. Significant management judgement has been made to incorporate the current status and potential impact of COVID-19 in the key assumptions used in forming any revised completion timeline and estimated property development costs.

The Group's revenue recognised from development properties for the year is disclosed in Note 29. If the estimated costs for variation works increase/decrease by 10%, there are no material impact to the Group's revenue for the year as the unexpected variation works remain minimum and immaterial.

Impairment of investments in subsidiaries (Note 16)

Determining whether investments in subsidiaries is impaired requires an estimation to the recoverable amounts of the investments in subsidiaries. The recoverable amounts of the investments in subsidiaries are estimated using the "fair value less costs of disposal" approach. Fair value is based on the revalued net assets of subsidiaries. In deriving the revalued net assets of these subsidiaries, the fair values of the underlying assets are estimated based on their expected selling prices and the fair values of the underlying liabilities are based on the estimated cash outflows to settle the obligations. Management has evaluated the recoverability of the investments based on such estimates.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Impairment of investments in subsidiaries (Note 16) (Cont'd)

If present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $1,963,000 (2020 - $1,094,000). The carrying amount of the investments in subsidiaries is disclosed in Note 16 to the financial statements.

Depreciation of investment properties (Note 17)

Investment properties of the Group and the Company are depreciated on a straight-line basis over their estimated useful lives.

The carrying amounts of the Group's and the Company's investment properties as at 31 January 2021 are $314,475,000 (2020 - $318,798,000) and $17,817,000 (2020 - $18,016,000) respectively.

If the actual useful lives of investment properties differ by 10% from management's estimates, the carrying amounts of the investment properties of the Group and the Company will be approximately $377,000 (2020 - $317,000) higher or $461,000 (2020 - $387,000) lower and approximately $18,000 (2020 - $18,000) higher or $22,000 (2020 - $22,000) lower, respectively.

Depreciation of property, plant and equipment (Note 18)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 January 2021 are $294,609,000 (2020 - $289,401,000) and $2,231,000 (2020 - $2,572,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 10% from management's estimates, the carrying amounts of the property, plant and equipment of the Group and the Company will be approximately $469,000 (2020 - $251,000) higher or $573,000 (2020 - $307,000) lower and approximately $36,000 (2020 - $36,000) higher or $44,000 (2020 - $44,000) lower respectively.

Deferred tax assets (Note 19)

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. This involves judgement regarding future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Management has assessed that it is reasonable to recognise deferred tax assets based on probable future taxable income. The carrying amount of the Group's deferred tax assets is disclosed in Note 19.

In the financial year ended 31 January 2021, a decrease of 10% in the probable future taxable income will not affect the amount of deferred tax assets recognised.

2(e) Summary of significant accounting policies

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. Information on its subsidiaries is given in Note 16 to the financial statements.

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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

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

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

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.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

<u>A change in the ownership interest</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill if any), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business combination comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are de-recognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

2(e) Summary of significant accounting policies (Cont'd)

Net investment in a foreign operation

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

Investment properties

Investment properties include commercial buildings and those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method over its remaining lease period. Freehold land held as an investment property is not subject to depreciation. Freehold property is depreciated over 50 years.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Freehold properties (hotel)	50 years
Plant, machinery and surveying equipment	5 to 40 years
Motor vehicles	8 to 10 years
Furniture, fittings and equipment	3 to 15 years
Renovation	10 years

No depreciation is provided on assets under construction.

2(e) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, if any.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Investments in associates

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

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

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

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

2(e) Summary of significant accounting policies (Cont'd)

Investments in associates (Cont'd)

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

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

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

The financial statements of the associates are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Group (not more than three months apart), adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group.

Upon loss of significant influence over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not re-measure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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.

2(e) Summary of significant accounting policies (Cont'd)

Joint arrangements (Cont'd)

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.

The Group re-assesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change. The Group does not have any joint arrangement classified as joint operation.

Joint ventures

In the Company's separate financial statements, investments in joint ventures are stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in joint ventures are carried in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Where there has been a change recognised in other comprehensive income by the 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 joint ventures are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the 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 investments in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the 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 joint venture and its carrying value and recognises the amount in profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Joint arrangements (Cont'd)

Joint ventures (Cont'd)

The financial statements of the joint ventures are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of a joint venture used in applying the equity method are prepared as of a different reporting date from that of the Group (not more than three months apart), adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group.

Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

2(e) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(a) Lease liability (Cont'd)

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statements of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2(e) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)

(b) Right-of-use asset (Cont'd)

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Equipment	Over remaining tenure of lease
Leasehold properties	Over remaining tenure of lease

If a lease transfer ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statements of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(c) Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions

The Group has applied the amendments to SFRS(I) 16 *Leases - COVID-19 Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(ii) The Group as lessor

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16, except when the Group is an intermediate lessor and the sub-lease is assessed as a finance lease.

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

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

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

2(e) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

(ii) The Group as lessor (Cont'd)

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" and "other operating income" in profit or loss. Lease incentives if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in profit or loss when incurred.

Financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, bank deposits pledged, trade and other receivables, amount owing by non-controlling shareholders of subsidiaries, amount owing by subsidiaries and other investments at amortised cost.

The Group's business model for these financial assets is by collecting the contractual cash flow where those cash flows represent solely payments of principal and interest, measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2(e) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Classification and measurement (Cont'd)

At subsequent measurement (Cont'd)

Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42.5 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables and cash and bank deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract costs

The Group pays sales commission to its intermediaries for each contract that they obtain for sale of development properties. The Group capitalises such commission as incremental costs to obtain a contract with the customer if these costs are recoverable. The capitalised costs are amortised to profit or loss as the Group recognises the related revenue.

Contract liabilities

Contract liabilities relate primarily to the progress billing issued in excess of the Group's right to the consideration in respect of its property development business.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost method, and includes all costs in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

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

Development properties

Development properties are properties being constructed or developed for future sale. These include completed properties and those in the course of development. Costs capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

Capitalisation of borrowing costs ceases when the properties can be sold. The capitalisation rate is determined by reference to the actual rate payable on borrowings for development property, weighted as applicable.

2(e) Summary of significant accounting policies (Cont'd)

Development properties (Cont'd)

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate Temporary Occupation Permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

Upon completion of construction, development properties are transferred to completed development properties for sale.

Unsold development properties

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

Sold development properties

Revenue and cost on development properties that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Development properties are stated at the lower of cost and net realisable value. Net realisable value represents, the estimated selling price in the ordinary course of business, less estimated total costs of completion and selling expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are readily convertible to cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include fixed deposits which are not pledged and mature 3 months or less from the end of the reporting period.

Share capital

Ordinary shares are classified as equity.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprise amount owing to joint ventures, amount owing to non-controlling shareholders of subsidiaries, borrowings, lease liabilities and trade and other payables.

2(e) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees

The Company has issued financial guarantees to banks for bank borrowings of its subsidiaries and joint ventures. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries and joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

<u>De-recognition of financial liabilities</u>

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are de-recognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Borrowings (Cont'd)

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

Borrowing costs

Borrowing costs are recognised in profit or loss in "finance costs" using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to earlier of the readiness of sale of the development properties or issuance of the Temporary Occupation Permit, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

Finance costs

Finance costs comprise (i) interest expense on borrowings and lease liabilities, and (ii) bank charges. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if the Group currently has a legally enforceable right to offset the recognised amounts and it intends to either settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

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 a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration of time value of money.

2(e) Summary of significant accounting policies (Cont'd)

Provisions (Cont'd)

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

The Group reviews the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

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. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Employee benefits

(i) <u>Defined contribution plans</u>

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which they have operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to CPF or other defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

(ii) <u>Employee leave entitlements</u>

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

(iii) <u>Key management personnel</u>

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

2(e) Summary of significant accounting policies (Cont'd)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

2(e) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Individual assets or cash-generating units are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently re-assessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. Any reversal of impairment is recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derived benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

<u>Hotel management services</u>

Fees from hotel management services are recognised when services are rendered at a point in time.

<u>Revenue from hotel and restaurant operations</u>

Revenue from hotel and restaurant operations is recognised over the period in which the accommodation and related services are provided, except for revenue from the sale of food and beverages, which is recognised at a point in time when the food and beverages are delivered.

<u>Revenue from property development - sale of development properties</u>

Revenue from sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

2(e) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Revenue from property development - sale of development properties (Cont'd)

For development properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the stage of completion of the properties. The stage of completion is measured by reference to the proportion of the total construction cost incurred to date, as per certification by quantity surveyors, to the estimated total construction costs. Management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the 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.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, the Group adjusts the promised amount of consideration for the effect of a financing component, if significant.

Revenue from construction contracts

The Group constructs properties for customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhance an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on by the value of work performed relative to the total contract value as determined by surveys of work performed ("output method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In some circumstances such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

2(e) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Revenue from construction contracts (Cont'd)

Contract modifications that add distinct goods or services at their standalone selling prices are accounted for as separate contracts. Contract modifications that add distinct goods or services but not at their standalone selling prices are accounted for as a continuation of the existing contract. The Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

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

Interest income

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

Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2(e) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Revenue from property investments – rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. As at each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or disposal involving loss of control over a subsidiary that includes a foreign operation, loss of significant influence over an associate that includes a foreign operation, or loss of joint control over a jointly controlled entity that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are de-recognised, but they are not reclassified to profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Foreign currency transactions and translation (Cont'd)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends, if any, are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

  (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

  (iii) both entities are joint ventures of the same third party;

2(e) Summary of significant accounting policies (Cont'd)

Related parties (Cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies: (cont'd)

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Current and non-current classification

The Group presents assets and liabilities in the statement of financial position based on current or non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2(e) Summary of significant accounting policies (Cont'd)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its 'highest-and-best use' or by selling it to another market participant that would use the asset in its 'highest-and-best use'.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value-in-use in SFRS(I) 1-36 *Impairment of Assets*.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

- Level 2 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable; and

- Level 3 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Executive Chairman and the Managing Director who regularly review the segment results in order to allocate resources to the segments and to assess segment performance.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

2(e) Summary of significant accounting policies (Cont'd)

Earnings per share (Cont'd)

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.

Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 42.

3 Cash and cash equivalents

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash on hand	**12**	13	**6**	6
Cash at banks	**37,478**	35,627	**10,846**	11,885
	37,490	35,640	**10,852**	11,891
Fixed deposits (maturity of less than three months)	**38,937**	23,837	**25,474**	5,277
	76,427	59,477	**36,326**	17,168

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore dollar	**59,284**	42,720	**32,099**	10,897
Australian dollar	**7,642**	7,699	**3,773**	4,051
Malaysian Ringgit	**1,192**	1,197	**126**	128
Chinese Renminbi	**7,981**	5,768	**–**	–
United States dollar	**328**	2,093	**328**	2,092
	76,427	59,477	**36,326**	17,168

3 Cash and cash equivalents (Cont'd)

The Group

Chinese Renminbi is not freely convertible into foreign currencies. However, under People's Republic of China's ("PRC") Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Chinese Renminbi for other currencies through banks that are authorised to conduct foreign exchange business. The remittance of these funds maintained with banks in the PRC by the Group out of the PRC is subject to currency exchange restrictions.

The fixed deposits carry an effective interest rate of 0.36% (2020 - 1.52%) per annum which mature on varying dates between the earliest, 3 February 2021 (2020 - 3 February 2020) and the latest, 29 April 2021 (2020 - 30 April 2020).

The Company

The fixed deposits carry an effective interest rate of 0.36% (2020 - 1.03%) per annum which mature on varying dates between the earliest, 3 February 2021 (2020 - 4 February 2020) and the latest, 8 April 2021 (2020 - 18 March 2020).

Fixed deposits that are not pledged and mature less than 3 months from the end of the reporting period are classified as part of cash and cash equivalents. Further information about the financial risk management is disclosed in Note 42.

4 Fixed deposits

The Group

Included in fixed deposits of $7,456,000 (2020 - $9,116,000) is a fixed deposit of $3,600,000 (2020 - $3,600,000) of a subsidiary pledged as security for bank borrowings of $164,460,000 (2020 - $171,660,000) granted to the said subsidiary (Note 24) and a fixed deposit of $3,856,000 (2020 - $3,793,000) pledged as cash collateral for Qualifying Certificate Bond for a development project.

The fixed deposits carry interest at an effective interest rate of 0.23% (2020 - 1.52%) per annum and mature on 26 February 2021 (2020 - 29 April 2020), being the earliest date and 30 December 2021 (2020 - 30 December 2020), being the latest date. Fixed deposits are denominated in the following currencies:

The Group	**2021 $'000**	2020 $'000
Singapore dollar	**7,456**	7,393
Chinese Renminbi	**–**	1,723
	7,456	9,116

Further information about the financial risk management is disclosed in Note 42.

5 Financial assets at FVPL

The Group	Note	**2021 $'000**	2020 $'000
● Quoted equity securities - Singapore			
Balance at beginning of year		**–**	5,156
Disposals		**–**	(5,715)
Fair value gain recognised in consolidated profit or loss	30(a),34	**–**	559
Balance at end of year		**–**	–
● Investment in limited partnership			
Balance at beginning of year		**–**	–
Additions		**763**	–
Balance at end of year		**763**	–
		763	–

These instruments are all mandatorily measured at fair value through profit or loss.

Quoted equity securities

The Group has reviewed its policy of classification and determined that these equity investments will be sold from time to time to realise capital appreciation or for liquidity management. Accordingly, these equity financial instruments will remain as financial assets at FVPL in accordance with SFRS(I) 9 based on the Group's business model.

The fair value of quoted equity investments is determined by reference to stock exchange quoted bid closing prices.

Investment in limited partnership

During the financial year ended 31 January 2021, the Group through its wholly-owned subsidiary, Glocity Capital Pte. Ltd. ("Glocity"), made capital contributions of $763,000 in cash to HThree City Australian Commercial Fund 3 LP (the "Partnership").

As at 31 January 2021, Glocity has undrawn capital commitment of $50,172,000 (2020 - $45,690,000) to the Partnership (Note 45.1), which will be paid as capital contributions to the Partnership as and when the Partnership issues capital calls to its limited partners. The objective of the Partnership is to invest in commercial real estate assets located in Australia.

The Group's joint venture entity, HThree City Australia Pte. Ltd. ("HThree City"), acts as investment manager to the Partnership and HThree City ACF3 GP Pte. Ltd., a wholly-owned subsidiary of HThree City, acts as general partner of the Partnership. Details on these entities can be found in Note 14 to the financial statements.

The fair value measurement was categorised as Level 3 fair value based on the inputs in the valuation technique use. Further information about the fair value measurement is disclosed in Note 43.

6 Trade and other receivables

The Group	Note	2021 $'000	2020 $'000
Due within one year			
Trade receivables			
Trade receivables			
- Third parties		**4,824**	2,180
- Associate		**142**	–
		4,966	2,180
Accrued rental income		**195**	117
Accrued billings		**70**	86
		5,231	2,383
Loss allowance of trade receivables			
Balance at beginning of year		**(186)**	(169)
Allowance during the year	32,34	**(1,021)**	(17)
Balance at end of year		**(1,207)**	(186)
Net trade receivables	(i)	**4,024**	2,197
Other receivables			
GST receivable		**24**	61
Interest receivable			
- Unquoted junior bonds		**–**	1,400
- Banks		**22**	20
		22	1,420
Amount owing by joint ventures		**1,094**	542
Deposits		**483**	95
Prepayments		**954**	923
Recoverable expenses		**1,213**	1,319
Sundry debtors		**522**	73
Government grant receivable		**188**	–
		4,500	4,433
Loss allowance of other receivables			
Balance at beginning of year		**(57)**	(89)
Allowance no longer required	30(a),34	**–**	32
Balance at end of year		**(57)**	(57)
Net other receivables	(ii)	**4,443**	4,376
Total	(i) + (ii)	**8,467**	6,573
Due after one year			
Trade receivables			
Accrued rental income		**352**	260
Retention money - Associate		**144**	–
	(iii)	**496**	260
Grand total	(i) + (ii) + (iii)	**8,963**	6,833

6 Trade and other receivables (Cont'd)

The Company	Note	2021 $'000	2020 $'000
Due within one year			
Trade receivables			
Trade receivables			
- Third parties		**474**	392
- Associate of the Group		**142**	–
		616	392
Accrued rental income		**–**	2
Retention money			
- Subsidiaries		**822**	822
		1,438	1,216
Loss allowance of trade receivables			
Balance at beginning of year		**–**	–
Allowance during the year		**(420)**	–
Balance at end of year		**(420)**	–
Net trade receivables	(i)	**1,018**	1,216
Other receivables			
GST receivable		**–**	54
Interest receivable - Banks		**16**	4
Deposits		**62**	48
Prepayments		**195**	117
Recoverable expenses		**1,185**	1,186
Sundry debtors		**102**	98
Government grant receivable		**97**	–
		1,657	1,507
Loss allowance of other receivables			
Balance at beginning of year		**(44)**	(76)
Allowance no longer required		**–**	32
Balance at end of year		**(44)**	(44)
Net other receivables	(ii)	**1,613**	1,463
Total	(i) + (ii)	**2,631**	2,679
Due after one year			
Retention money			
- Associate of the Group		**144**	–
- Subsidiary		**574**	–
	(iii)	**718**	–
Grand total	(i) + (ii) + (iii)	**3,349**	2,679

6 Trade and other receivables (Cont'd)

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore dollar	**8,040**	5,279	**3,349**	2,675
Australian dollar	**919**	1,546	**–**	4
Malaysian Ringgit	**3**	5	**–**	–
Chinese Renminbi	**1**	3	**–**	–
	8,963	6,833	**3,349**	2,679

As at 1 February 2020, the Group's and the Company's gross trade receivables from contracts with customers amounted to $1,898,000 and $1,214,000 (2020 - $8,739,000 and $2,606,000) respectively.

All receivables are subject to credit risk exposure where the credit terms are generally between 30 days and 90 days (2020 - 30 days and 90 days), excluding the retention money withheld. Retention money from construction works withheld will be paid upon the issuance of maintenance certificates from architects. The Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers.

The trade receivables ageing are generally between 30 days and 90 days (2020 - 30 days and 90 days).

Accrued rental income is the rental for the free fit out period and rental waiver given to certain tenants to be amortised over the lease term.

Accrued billings relate to additional rental income that has yet to be billed as at the end of the reporting period.

Interest receivable from unquoted junior bonds of $Nil (2020 - $1,400,000) is at an effective interest rate of 7.50% (2020 - 7.44%) per annum. The unquoted junior bonds were fully redeemed during the year ended 31 January 2021 (Note 13).

The information regarding the credit risk exposures is disclosed in Note 42.5.

7(a) Amount owing by subsidiaries (non-trade)

The Company	2021 $'000	2020 $'000
Amounts owing by subsidiaries (non-trade)	**13,208**	11,898
Loss allowance on amounts owing by subsidiaries (non-trade)		
Balance at beginning of year	**(9,374)**	(8,634)
Allowance during the year	**(1,100)**	(740)
Balance at end of year	**(10,474)**	(9,374)
	2,734	2,524

The non-trade amounts owing by subsidiaries represent advances, which are unsecured and interest-free. They are repayable on demand.

An impairment of $1,100,000 (2020 - $740,000) had been provided for amounts owing by subsidiaries due to significant increase in credit risk as certain subsidiaries had been suffering financial losses for the current and previous financial years. These receivables are not secured by any collateral or credit enhancements. The information regarding the credit risk exposures is disclosed in Note 42.5.

The non-trade amounts owing by subsidiaries are denominated in Singapore dollar.

7(b) Amount owing to subsidiaries (non-trade)

The non-trade amounts of $11,422,000 (2020 - $11,508,000) owing to subsidiaries represent advances, which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing to subsidiaries are denominated in the following currencies:

The Company	2021 $'000	2020 $'000
Singapore dollar	**10,276**	10,345
Malaysian Ringgit	**1,146**	1,163
	11,422	11,508

8(a) Contract assets

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2021	2020	2019	**2021**	2020	2019
	$'000	$'000	$'000	**$'000**	$'000	$'000
Contract assets	**25,889**	2,497	3,133	**4,117**	2,202	2,676

8(a) Contract assets (Cont'd)

The contract assets relate primarily to the Group's and the Company's right to recognise revenue for percentage of work completed but not yet billed at the reporting date on its development properties sold that is recognised over time and property construction contracts. Upon fulfilling certain agreed performance milestones with customers or commissioning and handing over of projects to customers, the amounts recognised as contract assets are reclassified to trade receivables when the rights become unconditional. The information regarding the credit risk exposures is disclosed in Note 42.5.

The contract assets balance increased as the Group and the Company provided more services and transferred more goods and services ahead of the agreed payment schedules. Significant changes in the contract assets during the period are as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Contract asset reclassified to trade receivables	**(2,070)**	(3,133)	**(2,202)**	(2,676)
Changes in measurement of progress	**25,462**	2,497	**4,117**	2,202

Unsatisfied performance obligations

The Group	**2021** **$'000**	2020 $'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at end of financial year:		
● Development properties under construction	**9,039**	9,560
● Construction contracts of residential properties	**20,402**	–
	29,441	9,560
Transaction price allocated to unsatisfied performance obligations as at end of financial year may be recognised as revenue in the next reporting periods as follows:		
● FY 2021	**–**	6,804
● FY 2022	**27,258**	2,756
● FY 2023	**2,183**	–
	29,441	9,560

As permitted under SFRS(I) 15 *Revenue from Contracts with Customers*, the aggregated transaction prices allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, are not disclosed.

8(b) Contract costs

The Group	**2021** **$'000**	2020 $'000
Costs to obtain sales contracts for development properties:		
Balance at beginning of year	**298**	–
Addition	**1,571**	548
Amortisation	**(1,537)**	(250)
Balance at end of year	**332**	298

Costs to obtain sale contracts for development properties relate to incremental commission fees paid to intermediaries as a result of obtaining residential property sales contracts. These costs are amortised on a straight-line basis over the period of construction as this reflects the period over which the residential property is transferred to the customer.

Amortisation of contract costs amounting to $1,537,000 (2020 - $250,000) are recognised within "Distribution costs" in the consolidated profit or loss. There has been no impairment loss recognised on the contract costs for the financial years ended 31 January 2021 and 2020.

8(c) Contract liabilities

The Group	**2021** **$'000**	2020 $'000
Consideration billed in advance to purchasers of development properties	**–**	389
Revenue recognised in the current period that were included in contract liabilities at beginning of year	**389**	–

As at 1 February 2019, the Group does not have any contract liabilities. There are no significant changes in the contract liabilities balances during the reporting period.

A contract liability is recognised when the Group bills in advance to customers for their purchase of development properties under construction in advance of the percentage of completion of construction, and then subsequently released to revenue recognised when the corresponding stage of completion is achieved.

9 Inventories

The Group	2021 $'000	2020 $'000
At cost:		
Hotel supplies	**243**	215
Restaurant supplies	**159**	163
	402	378
Cost of inventories included in cost of sales	**1,328**	2,056

10 Development properties

The Group	Note	2021 $'000	2020 $'000
Properties in the course of development:			
- Land and other related costs		**583,475**	643,191
- Development costs		**38,505**	27,944
		621,980	671,135
Transfer to investment properties	17	**–**	(51,802)
Transfer to property, plant and equipment	18	**–**	(6,435)
		621,980	612,898
Cost of development properties included in cost of sales		**36,113**	7,570

Development properties of the Group have operating cycles longer than one year. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle. Development properties amounting to $519,654,000 (2020 - $526,527,000) are expected to be recovered after more than 12 months from the reporting date.

Interest costs of $5,645,000 (2020 - $8,946,000) have been capitalised up to the point of revenue recognition during the financial year ended 31 January 2021 at effective interest rates ranging from 1.20% to 1.45% (2020 - 2.63% to 2.89%) per annum based on actual borrowing costs. The interest costs capitalised consist of $923,000 (2020 - $1,570,000) and $4,722,000 (2020 - $7,376,000) allocated to property, plant and equipment and development properties respectively.

10 Development properties (Cont'd)

Details of development properties as at the end of reporting period are as follows:

	Name/Location	Description of development	Tenure/ Group's interest in property	Site area (sq. metres)	Estimated gross floor area (sq. metres)	Stage of completion/ Expected date of TOP
(1)	2 Perumal Road, Uptown @ Farrer, Singapore	Mixed commercial and residential development – 1-block of 21-storey residential flats (116 units) and a 3-storey carpark podium	99 years leasehold commencing 17 April 2017/ 100%	3,848	9,693	84% Q2 FY 2022
(2)	71 Cairnhill Road, Klimt Cairnhill, Singapore	A 36-storey residential development (138 units) with carpark, pool and communal facilities	Freehold land/ 100%	5,844	21,890	4% Q3 FY 2025

As at the end of reporting period, the development properties have been pledged to financial institutions to secure bank borrowings (Note 24).

Notes:

(1) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd valued the property under development to be $291,362,000 (2020 - $311,083,000) as at 31 January 2021 based on the property's highest-and-best use fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method and Residual Value Method. The amount consists of $161,914,000 (2020 - $148,680,000) and $129,448,000 (2020 - $162,403,000) allocated to property, plant and equipment and development property respectively. Construction for Uptown @ Farrer is 84% completed as at 31 January 2021 (2020 - 46% completed).

(2) The Group had amalgamated 67 and 69 Cairnhill Road into 71 Cairnhill Road and is redeveloping the combined site into a high-end residential condominium. During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd valued the property under development to be $484,200,000 (2020 - $465,000,000) as at 31 January 2021 based on the land's fair value of using the Direct Comparison Method and Residual Value Method. Construction for Klimt Cairnhill is 4% completed as at 31 January 2021 (2020 - planning stage).

11 Right-of-use assets

	Note	Equipment $'000	Leasehold properties $'000	Total $'000
The Group				
Cost				
At 1 February 2019		29	10,902	10,931
Additions		30	29	59
Exchange translation difference		–	(94)	(94)
At 31 January 2020		**59**	**10,837**	**10,896**
Additions		**–**	**980**	**980**
Lease modification (Note A)		**–**	**(1,421)**	**(1,421)**
Exchange translation difference		**–**	**146**	**146**
At 31 January 2021		**59**	**10,542**	**10,601**
Accumulated depreciation				
At 1 February 2019		–	2,448	2,448
Depreciation	34	12	495	507
Exchange translation difference		–	(2)	(2)
At 31 January 2020		**12**	**2,941**	**2,953**
Depreciation	34	**14**	**413**	**427**
Lease modification (Note A)		**–**	**(575)**	**(575)**
Exchange translation difference		**–**	**12**	**12**
At 31 January 2021		**26**	**2,791**	**2,817**
Accumulated impairment				
At 1 February 2019 and 31 January 2020		–	–	–
Additions	32,34	**–**	**980**	**980**
At 31 January 2021		**–**	**980**	**980**
Net book value				
At 31 January 2021		**33**	**6,771**	**6,804**
At 31 January 2020		47	7,896	7,943
The Company				
Cost				
At 1 February 2019		19	4,009	4,028
Additions		9	–	9
At 31 January 2020 and 31 January 2021		**28**	**4,009**	**4,037**
Accumulated depreciation				
At 1 February 2019		–	1,399	1,399
Depreciation		9	43	52
At 31 January 2020		**9**	**1,442**	**1,451**
Depreciation		**8**	**43**	**51**
At 31 January 2021		**17**	**1,485**	**1,502**
Net book value				
At 31 January 2021		**11**	**2,524**	**2,535**
At 31 January 2020		19	2,567	2,586

Information about the Group's leasing activities is disclosed in Note 39(b)(i).

Information about the fair value measurement on the properties above is disclosed in Note 43.

11 Right-of-use assets (Cont'd)

The leasehold properties as at the end of the reporting period comprise:

	Location	Description	Tenure	The Group's effective equity interest
(A)	No. 1 St George's Terrace, Perth, Western Australia, Australia	Hotel parking and entrance forecourt	21 years lease commencing 1 January 2018	75%
(A)	Block C, #01-30 30 Victoria Street, CHIJMES, Singapore	Restaurant premises	5 years lease commencing 1 February 2018 (pre-terminated in October 2020)	100%
(1)	Block C, #01-32 30 Victoria Street, CHIJMES, Singapore	Restaurant premises	3 years lease commencing 1 September 2020	100%
(2)	80 Marine Parade Road, 18th Floor of Parkway Parade, Singapore	8 office units	99 years lease commencing 17 August 1979	100%
(3)	60 Paya Lebar Road, 4th Floor of Paya Lebar Square, Singapore	1 office unit	99 years lease commencing 25 July 2011	55%

Notes:

(A) Hotel parking and entrance forecourt

The monthly lease payments was revised effective from 1 January 2021. As this revision is not part of the original terms and conditions, the lease liability is remeasured and the corresponding right-of-use asset is adjusted totalling $107,000.

Block C, #01-30, 30 Victoria Street CHIJMES, Singapore

Carrying amount of $739,000 was written off during FY 2021 when the underlying lease was pre-terminated at the request of the landlord without any penalty.

(1) During the financial year ended 31 January 2021, the Group recognised an impairment loss of $980,000 (2020 - $Nil) as the recoverable amount was lower than the carrying amount and the subsidiary concerned was incurring continuing losses from its restaurant operations. The impairment loss of this right-of-use asset is recognised within "other operating expenses" in profit or loss (Note 32).

(2) The Directors of the Company estimated the fair value as at 31 January 2021 to be $15,034,000 (2020 - $15,635,000) for these 8 office units located at 80 Marine Parade Road based on the properties' highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area.

The fair value measurement was categorised as Level 2 fair value based on the inputs in the valuation technique used.

(3) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd valued the office unit located at 60 Paya Lebar Road to be $2,620,000 (2020 - $2,740,000) based on the property's highest-and-best use using the Direct Comparison Method and with reference to indicative prices for similar office units in the area.

The fair value measurement was categorised as Level 2 fair value based on the inputs in the valuation technique used.

12 Financial assets at FVOCI

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Quoted equity investments				
Balance at beginning of year	**12,685**	35,258	**971**	1,661
Disposals	**–**	(24,755)	**–**	–
Fair value (loss)/gain recognised in other comprehensive (loss)/income (Note 27)	**(2,596)**	2,182	**(2)**	(690)
Balance at end of year, at fair value	**10,089**	12,685	**969**	971

The quoted equity instruments are held for medium to long term purposes, and capital appreciation, and are accounted as FVOCI. The fair value of quoted equity investments is determined by reference to stock exchange quoted bid closing prices.

No equity investment at FVOCI has been disposed during the current reporting period. In the previous year, the Group disposed certain listed equity securities as these investments were no longer aligned with the Group's long-term investment strategy. These investments had a fair value of $24,755,000 at the date of disposal, and the cumulative gain on disposal amounted to $8,386,000 net of tax. The cumulative gain on disposal was reclassified from fair value reserve to retained profits [Notes 26(b) and 27].

Further information about the financial risk management and the fair value measurement is disclosed in Notes 42 and 43 respectively.

13 Other investments at amortised cost

Other investments related to unquoted debt instrument for funding a business opportunity when Huatland Development Pte. Ltd. ("Huatland"), a wholly-owned subsidiary of the Company, executed a letter of participation. This was in connection with the acquisition of 20% equity interest in Perennial Shenton Investors Pte. Ltd. ("PSI") for the acquisition of AXA Tower located at 8 Shenton Way, Singapore 068811. The total purchase consideration was $1,170,000,000, translating to $1,735 per square foot based on the existing net lettable area of 674,000 square feet. AXA Tower is a 99 years leasehold property with its lease commencement on 19 July 1982. The acquisition was undertaken in a consortium of investors led by Perennial Real Estate Holdings Limited.

On 24 April 2015, arising from this acquisition, Huatland agreed and accepted to subscribe for unquoted junior bonds issued by PSI with a principal amount of $32,000,000 which is managed by PSI. The bonds carry interest at the rate of 10% per annum and secured by a legal mortgage over the AXA Tower property but subordinated to all senior borrowings of PSI. During the financial year, the effective interest rate of bonds is 7.50% (2020 - 7.44%) per annum (Note 6). The unquoted junior bonds had been redeemed on 30 June 2020 following the sale of 100% of AXA Tower by the original consortium of PSI to Alibaba Singapore Holding Private Limited ("Alibaba Singapore") and PRE13 Pte. Ltd. on 30 June 2020. Information about the sale of AXA Tower by PSI is disclosed in Note 15.

14 Joint ventures

		The Group		The Company	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
Contributions made towards joint ventures:					
- Joint ventures		**1,454**	1,454	**1,453**	1,453
- Exchange fluctuation difference		**(117)**	(109)	**–**	–
Discount implicit in non-current loans to joint ventures		**22,603**	22,603	**22,603**	22,603
Amounts owing by joint ventures (non-trade):					
- Interest-free		**10,460**	10,213	**10,460**	10,213
- Exchange fluctuation difference		**(143)**	114	**(143)**	114
		34,257	34,275	**34,373**	34,383
Share of (accumulated losses)/ retained profits in joint ventures		**(21,058)**	(18,867)	**5,107**	5,107
Exchange fluctuation difference		**(131)**	(132)	**–**	–
Impairment loss on joint ventures:					
Balance at beginning and end of year		**–**	–	**(15,210)**	(15,210)
	(i)	**13,068**	15,276	**24,270**	24,280
Non-interest bearing loans owing by joint ventures (non-trade):					
- Non-interest bearing loans		**57,945**	59,945	**57,945**	59,945
- Notional interest on loans		**18,351**	14,573	**18,351**	14,573
		76,296	74,518	**76,296**	74,518
Impairment loss on joint ventures:					
Balance at beginning and end of year		**–**	–	**(1,888)**	(1,888)
	(ii)	**76,296**	74,518	**74,408**	72,630
Total	(i) + (ii)	**89,364**	89,794	**98,678**	96,910
Share of results in joint ventures, net of tax		**(2,191)**	(3,650)	**–**	–
Dividend received from joint ventures		**–**	518	**–**	518

All of the joint ventures are accounted for using the equity method in these consolidated financial statements.

The non-trade amounts owing by joint ventures are regarded as an extension of the Group's and the Company's net investments in the joint ventures because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. These non-trade amounts owing are unsecured, interest-free and denominated in Malaysian Ringgit.

14 Joint ventures (Cont'd)

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans. A discount rate of 5% (2020 - 5%) per annum has been applied to calculate the financial asset to its fair value at initial recognition and notional interest, up till the repayment dates, 13 October 2022, being the earliest date and 29 March 2023 (2020 - 13 October 2022, being the earliest date and 29 March 2023), being the latest date. These loans are non-trade, interest-free, denominated in Singapore dollar and subordinated to all bank borrowings of the respective companies.

The Group has commitments to provide financial guarantees to banks for credit facilities granted to certain joint ventures, as disclosed in Note 45.2.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Details of the joint ventures at the end of the reporting period are as follows:

	Name of joint venture	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by the Group		Principal activities
			2021	2020	
			%	%	
	Held by the Company				
(1)	Bina Meganmas Sdn. Bhd. ("Bina Meganmas")	Malaysia	**49**	49	To build bungalow lots at Bandar Seri Alam, Johor
(2),(3)	Promatik Emas Sdn. Bhd.	Malaysia	**25**	25	Developed Panaroma, a parcel of land at Persiaran Hampshire, Kuala Lumpur
(4)	Westgate Tower Pte. Ltd. ("Westgate Tower")	Singapore	**40**	40	Property investment
(4)	Westgate Commercial Pte. Ltd. ("Westgate Commercial")	Singapore	**40**	40	Property investment
	Held by Glocity Capital Pte. Ltd.				
(5),(6)	HThree City Australia Pte. Ltd. ("HThree City")	Singapore	**33**	33	Property fund management
	Held by HThree City				
(5),(6)	HThree City ACF3 GP Pte. Ltd.	Singapore	**33**	33	Property fund management
(5),(6)	HThree City ACF3 MSPV Pte. Ltd.	Singapore	**33**	33	Property fund management

14 Joint ventures (Cont'd)

Details of the joint ventures at the end of the reporting period are as follows (Cont'd):

Notes:

(1) Audited by Crowe Malaysia PLT

(2) Audited by PricewaterhouseCoopers, Malaysia

(3) This joint venture is a subsidiary of UOL Group Limited, a public company listed on the Singapore Exchange. The results of this joint venture are based on audited results as of 31 December 2020, which is within three months of the Group's financial year-end. No adjustments were made to these joint ventures' financial results as in the opinion of the directors, there were no material transactions and events that had occurred in the intervening period.

(4) Audited by Foo Kon Tan LLP

(5) Audited by Ernst & Young LLP, Singapore

(6) The joint venture is a joint venture of Glocity Capital Pte. Ltd., Holland Hill Holding Pte. Ltd. and Adelanto Investments Pte. Ltd.. The results of this joint venture and its subsidiaries are based on unaudited results as of 31 December 2020 with adjustments made to 31 January 2021 for the Group consolidation purpose.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its joint ventures would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Details of material joint ventures

Westgate Commercial and Westgate Tower are strategic ventures in the property leasing business for the Group. Bina Meganmas is a strategic partner for the Group's property development business in Johor, Malaysia.

Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with SFRS(I), adjusted by Group for equity accounting purposes.

14 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of financial position

	Westgate Commercial $'000	Westgate Tower $'000	Bina Meganmas $'000
2021			
Current assets	**18,272**	**14,094**	**1,761**
Includes			
- Cash and cash equivalents	**16,457**	**12,198**	**8**
Non-current assets	**288,320**	**274,881**	**20,480**
Current liabilities	**(4,988)**	**(3,154)**	**(276)**
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	**(1,600)**	**(1,800)**	**(273)**
Non-current liabilities	**(298,344)**	**(283,444)**	**(21,880)**
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	**(295,161)**	**(280,582)**	**(21,880)**
Net assets	**3,260**	**2,377**	**85**
2020			
Current assets	18,258	9,980	1,899
Includes			
- Cash and cash equivalents	16,166	8,447	209
Non-current assets	291,677	278,275	20,687
Current liabilities	(4,484)	(3,234)	(287)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	(1,600)	(1,800)	(282)
Non-current liabilities	(299,020)	(280,085)	(22,131)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	(296,822)	(277,877)	(22,131)
Net assets	6,431	4,936	168

14 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of comprehensive income

	Westgate Commercial $'000	Westgate Tower $'000	Bina Meganmas $'000
2021			
Revenue	**10,255**	**9,433**	**–**
Net loss and total comprehensive loss for the year	**(3,171)**	**(2,559)**	**(81)**
2020			
Revenue	10,519	9,920	–
Net loss and total comprehensive loss for the year	(4,382)	(4,346)	(72)

The above profit/(loss) for the year includes the following:

	Westgate Commercial $'000	Westgate Tower $'000	Bina Meganmas $'000
2021			
Depreciation	**(3,262)**	**(3,112)**	**–**
Interest income	**107**	**52**	**–**
Interest expense	**(8,078)**	**(7,014)**	**–**
Income tax expense	**(993)**	**(854)**	**–**
2020			
Depreciation	(3,262)	(3,112)	–
Interest income	253	81	–
Interest expense	(10,275)	(9,442)	–
Income tax expense	(579)	(650)	–

14 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements is as follows:

	Westgate Commercial	Westgate Tower	Bina Meganmas	Immaterial Joint Ventures	Total
	$'000	$'000	$'000	$'000	$'000
2021					
Net assets of joint ventures	**3,260**	**2,377**	**85**	**1,818**	**7,540**
Proportion of the Group's ownership interests in the joint ventures	**1,304**	**951**	**42**	**454**	**2,751**
Amounts owing by joint ventures	**37,017**	**39,279**	**10,317**	**–**	**86,613**
Carrying amount of joint ventures	**38,321**	**40,230**	**10,359**	**454**	**89,364**
2020					
Net assets of joint ventures	6,431	4,936	168	1,830	13,365
Proportion of the Group's ownership interests in the joint ventures	2,572	1,974	82	321	4,949
Amounts owing by joint ventures	37,042	37,476	10,327	–	84,845
Carrying amount of joint ventures	39,614	39,450	10,409	321	89,794

Aggregate information of joint ventures that are not individually material

The Group	**2021** $'000	2020 $'000
Share of profit/(loss) after taxation and total comprehensive income/(loss) for the year	**140**	(123)

15 Associate companies

The Group	Note	**2021 $'000**	2020 $'000
Unquoted equity investments		**5,712**	46,670
Discount implicit in non-current loans to associate		**23,083**	–
Amounts owing by associate companies (non-trade)		**21,581**	20,841
		50,376	67,511
Share of associate companies' post-acquisition profits		**3,261**	1,950
Exchange fluctuation difference		**(1,368)**	(1,313)
	(i)	**52,269**	68,148
Shareholder loan owing by associate company:			
- Shareholder loan		**36,678**	–
- Notional interest on shareholder loan		**152**	–
	(ii)	**36,830**	–
	(i) + (ii)	**89,099**	68,148
Share of associate companies' results, net of tax		**55,216**	(1,261)
Dividend received from associate company		**53,865**	–

These associate companies are accounted for using the equity method in these consolidated financial statements of the Group.

The non-trade amounts owing by associate companies are regarded as an extension of the Group's net investments in the associate companies because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. These non-trade amounts owing are unsecured and interest-free. It is denominated in Singapore dollar.

Shareholder loan owing by associate company

Interest is imputed on the shareholder loan owing by associate company. A discount rate of 5% (2020 - Nil%) per annum has been applied to calculate the financial asset to its fair value at initial recognition and notional interest, up till the repayment date, 31 December 2030. The amount is non-trade, unsecured, interest-free and denominated in Singapore dollar.

There are no contingent liabilities relating to the Group's interest in the associate companies.

15 Associate companies (Cont'd)

Details of the associate companies at the end of the reporting period are as follows:

	Name	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by the Group		Principal activities
			2021	2020	
			%	%	
	Held by Prodev Pte Ltd				
(1)	Binakawa Sdn. Bhd. ("Binakawa")	Malaysia	**49**	49	Property development and investment holding
	Held by Huatland Development Pte. Ltd. ("Huatland")				
(2),(3)	Perennial Shenton Investors Pte. Ltd. ("PSI")	Singapore	**20**	20	Investment holding
(2)	PRE13 Pte. Ltd. ("PRE13")	Singapore	**20**	–	Investment holding
	Held by PSI ("PSI group")				
(2)	Perennial Shenton Holding Pte. Ltd. ("PSH")	Singapore	**–**	20	Investment holding
(2)	Perennial Shenton Properties Pte. Ltd. ("PSP")	Singapore	**–**	20	Property investment
	Held by LKHS Property Investment Pte. Ltd.				
(4),(5)	Dalvey Breeze Development Pte. Ltd. ("Dalvey")	Singapore	**40**	40	Property development

Notes:

(1) Audited by Crowe Malaysia PLT

(2) Audited by KPMG LLP, Singapore, reporting period 31 December

(3) The associate company is an associate company of Perennial Real Estate Holdings Limited, which was delisted from the Singapore Exchange on 14 September 2020. The results of the company (2020 - PSI group of companies) are based on audited results as of 31 December 2020 with adjustments made to 31 January 2021 for the Group consolidation purpose.

(4) Audited by UHY Lee Seng Chan & Co, Singapore, reporting period 31 March

(5) The associate company is a subsidiary of KOP Limited, a public company listed on the Singapore Exchange. The results of the company are based on unaudited results as of 31 January 2021 for the Group consolidation purpose.

15 Associate companies (Cont'd)

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associate companies would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Dalvey and Binakawa act as strategic partners of the Group in the property development business in Singapore and Malaysia respectively.

Huatland, a wholly-owned subsidiary of the Company, owns 20% equity interest in PSI. PSI owns 100% equity stake in PSH, who owns 100% of equity stake in PSP ("PSH group"). PSP is the owner of AXA Tower, a 50-storey landmark Grade A office development with a retail podium strategically sited within Singapore's Central Business District.

PSI group acted as strategic partner in the properties leasing business for office units up until the sale of PSH group on 30 June 2020. Subsequently, PSI has been dormant and its role as the Group's strategic partner in the property leasing business has been undertaken by PRE13, in addition to property development business that PRE13 provides to the Group relating to the redevelopment of AXA Tower.

<u>Sale of PSH group by PSI</u>

On 6 May 2020, PSI disposed 100% of its equity interest in PSH group and transferred its shareholders' loan outstanding as of 30 June 2020 to Alibaba Singapore and PRE13 in equal shares of 50% each. Consequently, PRE13 has a 50% equity interest and shareholders' loan in the form of promissory note in PSH and PSP as at 30 June 2020 and 31 January 2021. Alibaba Singapore is a subsidiary of Alibaba Group Holding Limited, and PRE13 is a new associate company comprising the original consortium of investors, led by Perennial Real Estate Holdings Limited ("Perennial"). Huatland holds an equity interest of 20% in PRE13, who then entered into a joint venture agreement for the redevelopment of AXA Tower through PSH group with Alibaba Singapore.

AXA Tower currently has an existing gross floor area ("GFA") of approximately 1,050,000 square feet ("sqf."). Based on Urban Redevelopment Authority's Master Plan 2019, AXA Tower had already secured an approved uplift in its gross plot ratio which would increase the development's existing GFA to approximately 1,240,000 sqf.. Approval had also been obtained to further increase AXA Tower's GFA to 1,550,000 sqf. should it integrate hotel and residential usage under the CBD Incentive Scheme.

The consideration for the sale is based on the net asset value of PSH group as of 30 June 2020, calculated based on the agreed property price of AXA Tower at $1,680,000,000. The consideration was subject to certain adjustments for the net asset value of PSH and was determined after arm's length negotiations between PSI and Alibaba Singapore, resulted in total final consideration of $596,578,000 payable by Alibaba Singapore and PRE13 at $298,289,000 each via cash and promissory note respectively.

15 Associate companies (Cont'd)

Sale of PSH group by PSI (Cont'd)

The promissory note of PRE13 was assigned by PSI to its consortium investors to offset part of its dividend payments, capital reduction payments and junior bonds redemption payments during the year. The Group was assigned of the promissory note of PRE13 by PSI with a nominal value of $59,658,000, which was included as part of shareholder loan to PRE13 totalling $59,761,000 in nominal value.

During the year, the Group received total cash proceeds of $67,062,000 from PSI which includes proceeds from the redemption of junior bonds of $32,000,000, cash dividend proceeds of $102,000 and capital reduction proceeds of $34,960,000.

The redevelopment project would require partial reinvestment of proceeds received from the divestment. Depending on the final development plans and financing arrangement, the maximum equity required by the new joint venture to redevelop AXA Tower was estimated to be $114,118,000 based on Huatland's proportionate equity share and would be financed internally and through bank borrowings.

The Group's share of PSI gain on sale of PSH group

The Group's share on the PSI's gain on sale of interest in PSH group for the financial year ended 31 January 2021 was $50,176,000 which is included in the Group's share of results of associates and joint ventures for the period then ended.

Details of associate companies

Summarised financial information in respect of each of the Group's associate companies is set out below. The summarised financial information below represents amounts shown in the associate company's consolidated financial statements prepared in accordance with SFRS(I), adjusted by Group for equity accounting purposes.

Summarised statement of financial position

	PSI	PSI group	Dalvey		PRE13		Binakawa	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Current assets	**133,522**	1,103,176	**104,447**	101,123	**50**	–	**2,736**	2,979
Current liabilities	**(131,588)**	(20,730)	**(5,218)**	(923)	**(30)**	–	**(4,199)**	(22,116)
Non-current assets	**–**	136,741	**521**	4	**303,923**	–	**40,632**	41,238
Non-current liabilities	**–**	(1,017,912)	**(101,750)**	(99,568)	**(183,710)**	–	**(26,399)**	(8,221)
Net assets/(liabilities)	**1,934**	201,275	**(2,000)**	636	**120,233**	–	**12,770**	13,880

15 Associate companies (Cont'd)

Details of associate companies (Cont'd)

Summarised statement of comprehensive income

	PSI	PSI group	Dalvey		PRE13		Binakawa	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue	**20,641**	52,164	**1,412**	–	**–**	–	**–**	–
Profit/(loss) from continuing operations	**275,761**	(1,052)	**(2,615)**	(361)	**4,815**	–	**(914)**	(1,810)
Post-tax profit/(loss) from continuing operations, representing total comprehensive income/(loss)	**274,775**	(1,082)	**(2,636)**	(361)	**4,815**	–	**(914)**	(1,839)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate companies recognised in the consolidated financial statements is as follows:

	PSI	Dalvey	PRE13	Binakawa	Total
	$'000	$'000	$'000	$'000	$'000
2021					
Net assets	**1,934**	**(2,000)**	**120,233**	**12,770**	**132,937**
Group's share of net assets	**387**	**(800)**	**24,047**	**6,254**	**29,888**
Amount owing by associate companies	**–**	**12,028**	**36,830**	**9,553**	**58,411**
Others	**–**	**800**	**–**	**–**	**800**
Carrying amount	**387**	**12,028**	**60,877**	**15,807**	**89,099**

	PSI group	Dalvey	Binakawa	Total
	$'000	$'000	$'000	$'000
2020				
Net assets	201,275	636	13,880	215,791
Group's share of net assets	40,255	254	6,798	47,307
Amount owing from associate companies	–	12,028	8,813	20,841
Carrying amount	40,255	12,282	15,611	68,148

15 Associate companies (Cont'd)

Commitments for expenditure

The Group's commitments, including its share of commitments made with associate companies, are as follows:

The Group	**2021** **$'000**	2020 $'000
Capital expenditure	**114,118**	9,355

16 Subsidiaries

The Company	Note	**2021** **$'000**	2020 $'000
Unquoted equity investments		**14,291**	14,291
Discount implicit in non-current loan to subsidiaries		**73,564**	73,564
Amounts owing by subsidiaries (non-trade):			
- Interest-free		**426,086**	330,592
		513,941	418,447
Impairment loss on investments in subsidiaries			
Balance at beginning of year		**(10,936)**	(10,934)
Allowance for the year		**(9,611)**	(2)
Allowance no longer required		**915**	–
Balance at end of year		**(19,632)**	(10,936)
	(i)	**494,309**	407,511
Non-interest bearing loans owing by subsidiaries (non-trade):			
- Non-interest bearing loans		**40,010**	165,875
- Notional interest on loans		**11,440**	31,782
	(ii)	**51,450**	197,657
Total	(i) + (ii)	**545,759**	605,168

The non-trade amounts owing by subsidiaries of $426,086,000 (2020 - $330,592,000) are regarded as an extension of the Company's net investments in the subsidiaries because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. The non-trade amounts are unsecured and interest-free.

During the financial year ended 31 January 2021, the Company assessed the carrying amounts of its investments in subsidiaries for indicators of impairment. Based on this assessment, the Company recognised an impairment loss totalling $9,611,000 (2020 - $2,000) mainly due to its subsidiaries incurring losses from their business activities. The recoverable amounts of the investments have been determined based on the revalued net assets of these subsidiaries as at 31 January 2021 which is classified under Level 3 of the fair value hierarchy.

During the financial year ended 31 January 2021, the impairment loss on investments in subsidiaries of $915,000 (2020 - $Nil) has been reversed as a result of an increase in the recoverable amounts of certain subsidiaries.

16 Subsidiaries (Cont'd)

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans. A discount rate of 5% (2020 - 5%) per annum has been applied to calculate the financial asset to its fair value at initial recognition and notional interest, up till the repayment dates, 3 August 2023 (2020 - 27 September 2022 to 24 April 2025).

All amounts owing by subsidiaries are denominated in Singapore dollar.

The Company has commitments to provide financial guarantees to banks for credit facilities granted to certain subsidiaries, as disclosed in Note 45.2.

Details of the subsidiaries at the end of the reporting period are as follows:

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interests and voting rights held by the Group		Principal activities
			2021	2020	**2021**	2020	
			$'000	$'000	**%**	%	
	Subsidiaries held by the Company						
(1)	Kwan Hwee Investment Pte. Ltd.	Singapore	**3,230**	3,230	**100**	100	Property development and investment holding
(1)	Low Keng Huat International Pte. Ltd.	Singapore	**3,000**	3,000	**100**	100	Investment holding
(1)	Quality Investments Pte Ltd	Singapore	**500**	500	**100**	100	Investment holding
(1)	Prodev Pte. Ltd.	Singapore	**10**	10	**100**	100	Investment holding
(1)	Bali Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Duxton Hotel (Pte.) Ltd.	Singapore	*****	*	**100**	100	Hotel management services
(1)	Domitian Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Balestier Tower Pte. Ltd.	Singapore	**2,000**	2,000	**100**	100	Property development and property investment
(1)	Starworth Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Siong Feng Development Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Huatland Development Pte. Ltd.	Singapore	**1,000**	1,000	**100**	100	Investment holding
(1)	East Peak Development Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
	Balance carried forward		**9,740**	9,740			

16 Subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows (Cont'd):

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interests and voting rights held by the Group		Principal activities
			2021	2020	**2021**	2020	
			$'000	$'000	**%**	%	
	Balance brought forward		**9,740**	9,740			
	Subsidiaries held by the Company						
(1)	Kendall Pte. Ltd.	Singapore	**1**	1	**75**	75	Investment holding
(1)	Paya Lebar Square Pte. Ltd.	Singapore	**550**	550	**55**	55	Property investment
(1)	Perumal Development Pte. Ltd.	Singapore	**2,000**	2,000	**100**	100	Property development
(1)	Glocity Capital Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
(1)	Glopeak Development Pte. Ltd.	Singapore	**2,000**	2,000	**100**	100	Property development
(1)	LKHS Property Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
	Subsidiary held by Bali Investment Pte. Ltd.						
(2)	Vista Mutiara Sdn. Bhd.	Malaysia	**+**	+	**100**	100	Investment holding
	Subsidiary held by Starworth Pte. Ltd.						
(1)	Carnivore Brazilian Churrascaria Pte. Ltd.	Singapore	**+**	+	**100**	100	Restaurant
	Subsidiary held by Duxton Hotel (Pte.) Ltd.						
(3)	Duxton Hotels International Pty Ltd	Australia	**+**	+	**100**	100	Owner of trademark
	Subsidiary held by Kendall Pte. Ltd.						
(4)	Amuret Pty Ltd	Australia	**+**	+	**75**	75	Investment holding
	Subsidiaries held by Low Keng Huat International Pte. Ltd.						
(4)	Narymal Pty Ltd	Australia	**+**	+	**75**	75	Hotel management services
(5)	Shanghai Nova Realty Development Co., Ltd.	People's Republic of China	**+**	+	**63**	63	Investment holding
	Balance carried forward		**14,291**	14,291			

16 Subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows (Cont'd):

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interests and voting rights held by the Group		Principal Activities
			2021	2020	**2021**	2020	
			$'000	$'000	**%**	%	
	Balance brought forward		**14,291**	14,291			
	Subsidiary held by Quality Investments Pte Ltd						
(1)	Herman Investments Pte. Ltd.	Singapore	**+**	+	**100**	100	Investment holding
	Subsidiary held by Siong Feng Development Pte. Ltd.						
(1)	Paya Lebar Development Pte. Ltd.	Singapore	**+**	+	**80**	80	Property development
	Subsidiary held by East Peak Development Pte. Ltd.						
(1)	Newfort Alliance (Kismis) Pte. Ltd.	Singapore	**+**	+	**70**	70	Property development
	Subsidiary held by Glocity Capital Pte. Ltd.						
(6)	HThree Capital Pte.Ltd.	Singapore	**+**	+	**51**	51	Property fund management
			14,291	14,291			

* Represents amount less than $500

\+ Interest held through subsidiaries

(1) Audited by Foo Kon Tan LLP

(2) Audited by Crowe Malaysia PLT

(3) Not required to be audited under the country of jurisdiction

(4) Audited by PricewaterhouseCoopers LLP, Australia

(5) Audited by BDO China, People's Republic of China

(6) Audited by Ernst & Young LLP, Singapore, reporting period 31 December. The results of the company is based on audited results as at 31 December 2020 with adjustments made to 31 January 2021 for the Group consolidation purpose.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group and of the Company.

16 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of subsidiary	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest %	Profit/(Loss) allocated to non-controlling interests $'000	Accumulated non-controlling interests $'000	Dividends paid to non-controlling interests $'000
2021					
Held by the Company					
Paya Lebar Square Pte. Ltd.	Singapore	**45**	**(610)**	**17,892**	**–**
Kendall Pte. Ltd.	Singapore	**25**	**(42)**	**9,821**	**–**
Held by a subsidiary					
Narymal Pty Ltd	Australia	**25**	**124**	**1,472**	**–**
2020					
Held by the Company					
Paya Lebar Square Pte. Ltd.	Singapore	45	(85)	18,502	–
Kendall Pte. Ltd.	Singapore	25	22	9,863	–
Held by a subsidiary					
Narymal Pty Ltd	Australia	25	(207)	1,197	(189)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Summarised statement of financial position

	Paya Lebar Square Pte. Ltd. $'000	Kendall Pte. Ltd. $'000	Narymal Pty Ltd $'000
2021			
Non-current assets	**298,817**	**26,303**	**788**
Current assets	**14,618**	**4,605**	**8,522**
Non-current liabilities	**(260,042)**	**–**	**–**
Current liabilities	**(13,632)**	**(1,605)**	**(2,707)**
2020			
Non-current assets	302,276	26,303	615
Current assets	20,914	4,608	6,403
Non-current liabilities	(267,829)	–	–
Current liabilities	(14,245)	(1,440)	(2,181)

16 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Summarised statement of comprehensive income

	Paya Lebar Square Pte. Ltd. $'000	Kendall Pte. Ltd. $'000	Narymal Pty Ltd $'000
2021			
Revenue	**14,512**	**–**	**9,500**
Expenses	**(15,867)**	**(168)**	**(8,362)**
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year	**(1,355)**	**(168)**	**1,138**
Total comprehensive (loss)/income attributable to non-controlling interests	**(610)**	**(42)**	**124**
2020			
Revenue	17,042	99	17,091
Expenses	(17,232)	(4)	(17,920)
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year	(190)	95	(829)
Total comprehensive (loss)/income attributable to non-controlling interests	(85)	22	(207)

Other summarised information

	Paya Lebar Square Pte. Ltd. $'000	Kendall Pte. Ltd. $'000	Narymal Pty Ltd $'000
2021			
Net cash inflow/(outflow) from operating activities	**6,846**	**(3)**	**1,954**
Net cash outflow from investing activities	**(5)**	**–**	**(102)**
Net cash outflow from financing activities	**(13,202)**	**–**	**(2,039)**
2020			
Net cash inflow/(outflow) from operating activities	8,337	(4)	2,734
Net cash outflow from investing activities	(1,764)	–	(3,052)
Net cash outflow from financing activities	(7,200)	–	(3,060)

17 Investment properties

		The Group		The Company	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
Cost					
Balance at beginning of year		**335,224**	284,133	**19,061**	19,061
Additions		**110**	2,146	**–**	–
Written off		**(288)**	(190)	**–**	–
Transfer from development properties	10	**–**	51,802	**–**	–
Transfer to property, plant and equipment	18	**–**	(2,667)	**–**	–
Balance at end of year		**335,046**	335,224	**19,061**	19,061
Accumulated depreciation					
Balance at beginning of year		**16,426**	12,945	**1,045**	846
Depreciation for the year	34	**4,145**	3,481	**199**	199
Balance at end of year		**20,571**	16,426	**1,244**	1,045
Net book value		**314,475**	318,798	**17,817**	18,016
Fair value		**438,200**	478,868	**20,500**	21,600

(a) Investment properties are leased to third parties under operating leases [Note 39(b)(ii)].

(b) The following amounts are recognised in the consolidated profit or loss:

		2021	2020
The Group	Note	**$'000**	$'000
Income			
Rental income included in:			
- Revenue	29	**15,141**	17,294
- Other operating income	30(a)	**60**	582
Expenses			
Direct operating expenses arising from:			
- Investment properties that generated rental income		**6,639**	6,320
- Investment properties that did not generate rental income		**780**	441

17 Investment properties (Cont'd)

(c) The investment properties as at the end of reporting period held by the Group comprise:

	Location	Description	Tenure	Net book value 2021 $'000	2020 $'000	The Group's effective equity interest
(1)	80 Marine Parade Road, 18th Floor of Parkway Parade, Singapore	1 office unit	99 years lease commencing 17 August 1979	**597**	608	100%
(2),(6)	60 Paya Lebar Road, Paya Lebar Square Retail Podium, Singapore	159 retail units	99 years lease commencing 25 July 2011	**252,324**	255,308	55%
(3)	60 Paya Lebar Road, Paya Lebar Square, Office block, Singapore	4 office units	99 years lease commencing 25 July 2011	**14,199**	14,358	100%
(4),(5),(6)	207 Balestier Road, BT Centre, Singapore	30 commercial retail units	Freehold	**47,355**	48,524	100%
				314,475	318,798	

Notes:

(1) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued the office unit to be $2,500,000 (2020 - $2,600,000) located at 80 Marine Parade Road based on the property's highest-and-best use using the Direct Comparison Method and with reference to indicative prices for similar office units in the area.

(2) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued the retail units to be $367,000,000 (2020 - $397,000,000) as at 31 January 2021 based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method.

(3) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued these 4 office units located at 60 Paya Lebar Road to be $20,500,000 (2020 - $21,600,000) based on the property's highest-and-best use using the Direct Comparison Method and with reference to indicative prices for similar office units in the area. These properties have been subsequently sold to unrelated parties after the end of reporting period (Note 47).

(4) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued the property at 207 Balestier Road to be $206,600,000 as at 31 January 2021 (2020 - $221,800,000) based on the property's highest-and-best use fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method and Income Capitalisation Method. The amount consists of $158,400,000 and $48,200,000 (2020 - $164,132,000 and $57,668,000) allocated to property, plant and equipment and investment property respectively.

(5) In the previous year, the Group reclassified $51,802,000 being the cost of 31 commercial retail units of BT Centre from development property (Note 10) to investment property due to a change in use of the property. A unit with carrying amount of $2,667,000 was reclassified to property, plant and equipment from investment property.

(6) At the end of reporting period, these properties had been pledged to a financial institution to secure bank borrowings (Note 24).

The Direct Comparison Method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The Income Capitalisation Method capitalises an income stream into a present value using single-year capitalisation rate.

Further information regarding the fair value measurement of the Group's investment properties is provided in Note 43.

18 Property, plant and equipment

The Group	Note	Freehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Construction in-progress $'000	Total $'000
Cost								
At 1 February 2019		22,731	37,931	2,980	2,100	2,303	239,830	307,875
Additions		–	392	221	219	3,245	15,977	20,054
Written off		–	(260)	–	(74)	(335)	–	(669)
Disposals		–	(73)	(170)	–	(26)	–	(269)
Transfer from:								
- development properties	10	–	–	–	–	–	6,435	6,435
- investment properties	17	2,435	120	–	112	–	–	2,667
Reclassification		142,818	8,212	–	7,265	(3,729)	(154,566)	–
Exchange translation difference		(1,347)	(2,549)	(3)	(57)	(43)	–	(3,999)
At 31 January 2020		**166,637**	**43,773**	**3,028**	**9,565**	**1,415**	**107,676**	**332,094**
Additions		**48**	**1,026**	**–**	**194**	**130**	**6,488**	**7,886**
Written off		**–**	**(62)**	**–**	**(33)**	**(379)**	**(6)**	**(480)**
Disposals		**(152)**	**–**	**–**	**–**	**–**	**–**	**(152)**
Reclassification		**–**	**17**	**–**	**183**	**199**	**(399)**	**–**
Exchange translation difference		**2,242**	**4,520**	**4**	**102**	**38**	**–**	**6,906**
At 31 January 2021		**168,775**	**49,274**	**3,032**	**10,011**	**1,403**	**113,759**	**346,254**
Accumulated depreciation								
At 1 February 2019		3,511	30,079	785	1,790	665	–	36,830
Depreciation for the year	34	410	1,223	298	680	149	–	2,760
Written off		–	(43)	–	(73)	(143)	–	(259)
Disposals		–	(73)	(165)	–	(21)	–	(259)
Exchange translation difference		(243)	(1,954)	–	(55)	(1)	–	(2,253)
At 31 January 2020		**3,678**	**29,232**	**918**	**2,342**	**649**	**–**	**36,819**
Depreciation for the year	34	**1,091**	**1,883**	**299**	**1,805**	**76**	**–**	**5,154**
Written off		**–**	**(44)**	**–**	**(29)**	**(248)**	**–**	**(321)**
Exchange translation difference		**180**	**3,427**	**–**	**95**	**–**	**–**	**3,702**
At 31 January 2021		**4,949**	**34,498**	**1,217**	**4,213**	**477**	**–**	**45,354**

18 Property, plant and equipment (Cont'd)

The Group	Note	Freehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Construction in-progress $'000	Total $'000
Accumulated impairment loss								
At 1 February 2019		–	48	–	19	–	20,738	20,805
Written back	30(a),34	(14,929)	–	–	–	–	–	(14,929)
Disposals		–	(2)	–	–	–	–	(2)
Reclassification		20,738	–	–	–	–	(20,738)	–
At 31 January 2020		**5,809**	**46**	**–**	**19**	**–**	**–**	**5,874**
Additions	32,34	**–**	**146**	**–**	**138**	**286**	**–**	**570**
Written off		**–**	**(18)**	**–**	**(4)**	**(131)**	**–**	**(153)**
At 31 January 2021		**5,809**	**174**	**–**	**153**	**155**	**–**	**6,291**
Net book value								
At 31 January 2021		**158,017**	**14,602**	**1,815**	**5,645**	**771**	**113,759**	**294,609**
At 31 January 2020		157,150	14,495	2,110	7,204	766	107,676	289,401

The Company	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Total $'000
Cost					
At 1 February 2019	84	2,946	729	655	4,414
Additions	–	185	3	–	188
Disposals	–	(138)	–	–	(138)
At 31 January 2020	**84**	**2,993**	**732**	**655**	**4,464**
Additions	**–**	**–**	**55**	**–**	**55**
At 31 January 2021	**84**	**2,993**	**787**	**655**	**4,519**
Accumulated depreciation					
At 1 February 2019	80	757	588	207	1,632
Depreciation for the year	2	294	32	65	393
Disposals	–	(133)	–	–	(133)
At 31 January 2020	**82**	**918**	**620**	**272**	**1,892**
Depreciation for the year	**2**	**294**	**35**	**65**	**396**
At 31 January 2021	**84**	**1,212**	**655**	**337**	**2,288**
Net book value					
At 31 January 2021	**–**	**1,781**	**132**	**318**	**2,231**
At 31 January 2020	2	2,075	112	383	2,572

18 Property, plant and equipment (Cont'd)

In the previous year, the Group had written back an impairment loss of $14,929,000 to its recoverable amount, as Citadines Balestier had commenced operations during the year and generated profit from its business activities. The recoverable amount was computed based on property's highest-and-best use fair value using the Direct Comparison Method and Income Capitalisation Method. The write back of the impairment loss was included within "other operating income" in profit or loss [Note 30(a)].

During the financial year ended 31 January 2021, the Group recognised an impairment loss in "other operating expenses" of $570,000 (2020 - $Nil) of plant and equipment held by a subsidiary of the Group (Note 32), as the recoverable amount was lower than the carrying amount and the subsidiary concerned was incurring continuing losses from its restaurant operations.

The Group	**2021 $'000**	2020 $'000
Depreciation expense charged to:		
Construction costs	**97**	72
Profit or loss	**5,057**	2,688
	5,154	2,760

(i) The freehold properties comprise:

	Location	Description	Tenure	The Group's effective equity interest	Net book value **2021 $'000**	Net book value 2020 $'000
(1)	No.1 St. George's Terrace, Perth, Western Australia, Australia	306-room Duxton Hotel Perth	Freehold	75%	**19,571**	17,927
(2)	207 Balestier Road, Citadines Balestier, Singapore	27-storey serviced apartments (166 units) and 1 commercial retail unit	Freehold	100%	**138,446**	139,223
					158,017	157,150

18 Property, plant and equipment (Cont'd)

(ii) The property under construction-in-progress comprises:

	Location	Description	Tenure	The Group's effective equity interest
(3)	2 Perumal Road, Lyf @ Farrer, Singapore	Mixed commercial and residential development – 1-block of 16-storey serviced apartments (240 units), 7 commercial shops and a 3-storey carpark podium	99 years leasehold commencing 17 April 2017	100%

Notes:

(1) During the financial year, a firm of independent professional valuers, Savills Valuations Pty Ltd, valued the freehold property to be $84,043,000 (2020 - $77,673,000) based on the property's highest-and-best use using the Discounted Cash Flow Method, Income Capitalisation Method and Direct Comparison Method.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique use.

(2) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued the property at 207 Balestier Road to be $206,600,000 as at 31 January 2021 (2020 - $221,800,000) based on the property's highest-and-best use fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method and Income Capitalisation Method. The amount consists of $158,400,000 and $48,200,000 allocated to property, plant and equipment and investment property (2020 - $164,132,000 and $57,668,000) respectively. Accordingly, there is no impairment required in financial year ended 31 January 2021.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings (Note 24).

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique use.

(3) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued the property under development to be $291,362,000 (2020 - $311,083,000) as at 31 January 2021 based on the property's highest-and-best use fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method and Residual Value Method. The amount consists of $161,914,000 (2020 - $148,680,000) and $129,448,000 (2020 - $162,403,000) allocated to property, plant and equipment and development property respectively. Accordingly, there is no impairment required in financial year ended 31 January 2021. Construction for Lyf @ Farrer is 90% (2020 - 74%) completed as at 31 January 2021.

The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique use.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings (Note 24).

Further information regarding the fair value measurement of the Group's property, plant and equipment is provided in Note 43.

18 Property, plant and equipment (Cont'd)

(iii) In the previous financial year, the Group reclassified $6,435,000 being the cost of 7 commercial shops of property at 2 Perumal Road from development properties (Note 10) to property, plant and equipment due to a change in use of the properties, as the management decided these commercial shops would be used to support Lyf @ Farrer serviced apartment facilities. Accordingly, the development properties had been reclassified to property, plant and equipment.

19 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The carrying amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

The Group	**2021** **$'000**	2020 $'000
Deferred tax assets		
To be recovered		
- Within one year	**1,040**	346
- After one year	**–**	373
	1,040	719
Deferred tax liabilities		
To be settled		
- Within one year	**37**	41
- After one year	**3,045**	3,024
	3,082	3,065
Deferred tax assets		
Balance at beginning of year	**719**	370
Transfer to profit or loss (Note 35)	**292**	373
Exchange fluctuation difference	**29**	(24)
Balance at end of year	**1,040**	719
Deferred tax liabilities		
Balance at beginning of year	**3,065**	2,817
Transfer to profit or loss (Note 35)	**17**	248
Balance at end of year	**3,082**	3,065

19 Deferred taxation (Cont'd)

The deferred tax assets balance comprises tax on the following temporary differences:

The Group	Excess of tax written down value over net book value of property, plant and equipment $'000	Unabsorbed tax losses $'000	Total $'000
At 1 February 2019	370	–	370
Transfer to profit or loss	–	373	373
Exchange fluctuation difference	(24)	–	(24)
At 31 January 2020	**346**	**373**	**719**
Transfer to profit or loss	**–**	**292**	**292**
Exchange fluctuation difference	**29**	**–**	**29**
At 31 January 2021	**375**	**665**	**1,040**

The deferred tax liabilities balance comprises tax on the following temporary differences:

The Group	Excess of net book value over tax written down value of property, plant and equipment $'000
At 1 February 2019	2,817
Transfer to profit or loss	248
At 31 January 2020	**3,065**
Transfer to profit or loss	**17**
At 31 January 2021	**3,082**

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group's deferred tax assets include $665,000 (2020 - $373,000) from a wholly-owned subsidiary, Perumal Development Pte. Ltd.. This subsidiary has incurred tax losses over the past two financial years because the property is still in the development phase and no taxable profits are allowed to be recognised until the project is substantially completed, which is indicated by issuance of Temporary Occupation Permit in the next financial year. Construction for Uptown @ Farrer is 84% (2020 - 46%) completed as at 31 January 2021.

The Group is of the view that the related deferred tax asset is recoverable based on the estimated future taxable income of the subsidiary on the basis of the current business plan and approved budget for the subsidiary. The related tax losses have no expiry date.

20 Trade and other payables

	Note	The Group 2021 $'000	The Group 2020 $'000	The Company 2021 $'000	The Company 2020 $'000
Due within one year					
Trade payables					
Trade payables					
- Third parties		**13,167**	12,693	**6,249**	4,367
- Related party		**21**	25	**4**	–
	(i)	**13,188**	12,718	**6,253**	4,367
Other payables					
Accruals		**5,168**	3,416	**453**	469
Deposits received from third parties		**4,649**	4,749	**–**	–
Advanced payments received from customers		**2,259**	233	**–**	11
Interest payable		**480**	479	**11**	30
GST payable		**465**	250	**228**	–
Amount owing to related parties		**2**	7	**–**	–
Amount owing to subsidiaries		**–**	–	**4,200**	4,200
Provision for unutilised staffs' leave		**1,537**	1,179	**510**	237
Deferred income		**353**	–	**97**	–
Sundry payables		**501**	535	**67**	35
	(ii)	**15,414**	10,848	**5,566**	4,982
Total	(i) + (ii)	**28,602**	23,566	**11,819**	9,349
Due after one year					
Trade payables – Third parties	(iii)	**3,106**	3,106	**–**	–
Grand total	(i) + (ii) + (iii)	**31,708**	26,672	**11,819**	9,349

Related party refers to a company which is controlled by the Group's key management personnel and his close family members. Transactions with related party were made on normal commercial terms and conditions. Outstanding balances with related party are unsecured.

Non-trade amounts owing to subsidiaries, representing advances and payments on behalf are unsecured, interest-free and repayable on demand.

Non-trade amounts owing to related parties, representing advances and payments on behalf are unsecured, interest-free and repayable on demand.

Deferred income of $174,000 (2020 - $Nil) and $179,000 (2020 - $Nil) pertains to renovation subsidy from a landlord and Job Support Scheme grant received but not yet earned respectively.

20 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore dollar	**28,963**	24,378	**11,819**	9,349
United States dollar	**–**	3	**–**	–
Australian dollar	**2,740**	2,282	**–**	–
Malaysian Ringgit	**5**	6	**–**	–
Chinese Renminbi	**–**	3	**–**	–
	31,708	26,672	**11,819**	9,349

Further information about the financial risk management is disclosed in Note 42.

21 Amounts owing to joint ventures (non-trade)

	2021	2020
The Group	**$'000**	$'000
Balance at beginning of year	**254**	446
Written off (Note 34)	**–**	(197)
Exchange translation difference	**(5)**	5
Balance at end of year	**249**	254

The non-trade amounts owing to joint ventures represent advances which are unsecured, interest-free and repayable on demand. It is denominated in United States dollar.

Further information about the financial risk management is disclosed in Note 42.

22(a) Amount owing by non-controlling shareholders of subsidiaries (non-trade)

	2021	2020
The Group	**$'000**	$'000
Non-trade amounts owing by non-controlling shareholders of subsidiaries		
- Advances	**957**	957
Amount repayable:		
Not later than one year	**957**	957

The advances owing by non-controlling shareholders of subsidiaries, are unsecured, interest-free and repayable on demand. They are denominated in Singapore dollar.

Further information about the financial risk management is disclosed in Note 42.

22(b) Amounts owing to non-controlling shareholders of subsidiaries (non-trade)

The Group	**2021** **$'000**	2020 $'000
Non-trade amounts owing to non-controlling shareholders of subsidiaries:		
- Advances	**417**	375
- Non-interest bearing loans	**32,736**	35,436
- Notional interest on loans	**9,360**	6,931
- Interest on loans	**2,780**	2,780
	45,293	45,522
Amount repayable:		
Not later than one year	**417**	375
Later than one year and not later than five years	**44,876**	45,147
	45,293	45,522

Advances

The non-trade advances of $417,000 (2020 - $375,000) owing to non-controlling shareholders of subsidiaries, are unsecured, interest-free and repayable on demand.

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans of $44,876,000 (2020 - $45,147,000). Discount rate of 5% (2020 - 5%) per annum has been applied to calculate the financial liabilities to its fair value at initial recognition and notional interest up till the repayment date, 3 August 2023 (2020 - 3 August 2023).

The non-trade amounts owing to non-controlling shareholders of subsidiaries are denominated in the following currencies:

The Group	**2021** **$'000**	2020 $'000
Singapore dollar	**44,876**	45,147
Australian dollar	**417**	375
	45,293	45,522

Further information about the financial risk management is disclosed in Note 42.

23 Provision

The Group	2021 $'000	2020 $'000
Reinstatement of premises – Non-current	**28**	27

Provision for reinstatement of premises is the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition and use of restaurant assets, which are capitalised and included in the cost of plant and equipment. The provision is based on estimates made from historical data associated with reinstatement works on contracts of similar nature. The Group expects to incur the liability over the next three years (2020 - three years).

Movement in provision for reinstatement of premises is as follows:

The Group	Note	2021 $'000	2020 $'000
Balance at beginning of year		**27**	24
Provision during the year		**28**	2
Amortisation of discount	33	**1**	1
Provision no longer required		**(28)**	–
Balance at end of year		**28**	27

24 Bank borrowings

The Group	2021 $'000	2020 $'000
Revolving credit loan – unsecured	**9,700**	55,000
Money market loan – secured	**30,000**	–
Temporary bridging loan – unsecured	**5,000**	–
Term loans – secured	**690,186**	685,408
	734,886	740,408
Amount repayable:		
Not later than one year	**46,900**	62,200
Later than one year and not later than five years	**687,986**	678,208
	734,886	740,408

24 Bank borrowings (Cont'd)

The Company	2021 $'000	2020 $'000
Revolving credit loan – unsecured	**9,700**	55,000
Temporary bridging loan – unsecured	**5,000**	–
	14,700	55,000
Amount repayable:		
Not later than one year	**9,700**	55,000
Later than one year and not later than five years	**5,000**	–
	14,700	55,000

All bank borrowings are denominated in Singapore dollar.

Revolving credit loan totalling $9,700,000 (2020 - $55,000,000) at both the Group and the Company level is unsecured and carries an effective interest rate ranging from 1.25% to 1.38% (2020 - 2.54% to 2.70%) per annum.

The Group's money market loan totalling $30,000,000 (2020 - $Nil) is secured by mortgages over the investment property and property, plant and equipment located at 207 Balestier Road, Singapore [Notes 17(c)(4) and 18(i)(2)] and charges on all new assignments of tenancy, sales agreements or contracts with the operator of the serviced apartment. The effective interest rate per annum for the money market loan is 1.00% (2020 - Nil%).

Temporary bridging loan totalling $5,000,000 (2020 - $Nil) at both the Group and the Company level is unsecured and carries an effective interest rate of 2.00% (2020 - Nil%) per annum.

Term loans of the Group totalling $690,186,000 (2020 - $685,408,000) are secured by mortgages over the development properties (Note 10), certain investment properties [Notes 17(c)(2) and 17(c)(4)] and property, plant and equipment [Note 18(i)(2) and Note 18(ii)] of certain subsidiaries and charges on all new assignments of tenancy, sales agreements and construction contracts and a fixed deposit of $3,600,000 (2020 - $3,600,000) of a subsidiary (Note 4). The effective interest rate per annum for the term loans ranges from 1.20% to 1.45% (2020 - 2.47% to 2.97%).

All the Group's and the Company's loan interest rates are repriced monthly. The carrying amounts of the Group's and the Company's borrowings approximate their fair values.

The maturity dates of bank borrowings are as follows:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Repayable in/by				
FY2021	**–**	62,200	**–**	55,000
FY2022	**46,900**	7,200	**9,700**	–
FY2023	**122,200**	122,200	**–**	–
FY2024	**560,786**	548,808	**–**	–
FY2025	**–**	–	**–**	–
FY2026	**5,000**	–	**5,000**	–
	734,886	740,408	**14,700**	55,000

24 Bank borrowings (Cont'd)

The amount repayable within one year is included under current liabilities whilst the amount repayable after one year is included under non-current liabilities.

The Group has financial covenants attached to all term loans granted to certain subsidiaries which relate to restriction of limits imposed on certain ratios to be maintained by the said subsidiaries. At the end of the reporting period, there are no known instances of any breach of loan covenants of the Group and its subsidiaries. The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet its normal operating commitments and having an adequate amount of committed credit facilities.

Further information about the financial risk management is disclosed in Note 42.

25 Share capital

	2021	2020	**2021**	2020
The Group and The Company	No. of ordinary shares		**$'000**	$'000
Issued and fully paid with no par value:				
Balance at beginning and end of year	**738,816,000**	738,816,000	**161,863**	161,863

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares rank equally with regard to the Company's residual assets.

26(a) Capital reserve

	2021	2020
The Group	**$'000**	$'000
Balance at beginning and at end of year	**(2,005)**	(2,005)

Capital reserve represents excess of consideration paid in the acquisition of the non-controlling interest in a subsidiary.

26(b) Retained profits

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**500,125**	490,053	**512,125**	423,748
Profit for the year	**48,736**	12,768	**13,132**	99,459
Transfer upon disposal of financial assets at FVOCI [Notes 12 and 27]	**–**	8,386	**–**	–
Dividends paid (Note 38)	**(11,082)**	(11,082)	**(11,082)**	(11,082)
	37,654	10,072	**2,050**	88,377
Balance at end of year	**537,779**	500,125	**514,175**	512,125

27 Fair value reserve

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**1,083**	7,287	**216**	906
Fair value gain recycled to retained earnings on de-recognition [Notes 12 and 26(b)]	**–**	(8,386)	**–**	–
Net fair value (loss)/gain on financial assets at FVOCI (Note 12)	**(2,596)**	2,182	**(2)**	(690)
	(2,596)	(6,204)	**(2)**	(690)
Balance at end of year	**(1,513)**	1,083	**214**	216

Fair value reserve arises from fair value changes on revaluation of financial assets at FVOCI held as at the end of reporting period.

28 Currency translation reserve

	2021	2020
The Group	**$'000**	$'000
Balance at beginning of year	**(4,053)**	(1,982)
Exchange fluctuation difference during the year	**3,468**	(2,071)
Balance at end of year	**(585)**	(4,053)

The currency translation reserve is a non-distributable reserve and relates to the exchange difference arising from translation of the financial statements of foreign subsidiaries, associate companies and joint ventures.

29 Revenue

Revenue of the Group includes revenue from construction contracts, sale of development properties, hotel operations, food and beverage operations and rental income and excludes inter-company transactions, and applicable goods and services taxes or value-added taxes.

The Group derives revenue from contracts with customers based on transfer of goods and services over time and at a point in time as follows:

	2021			2020		
	At a point in time	**Over time**	**Total**	At a point in time	Over time	Total
The Group	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000
Revenue from contracts with customers:						
Construction of buildings	**–**	**1,598**	**1,598**	–	–	–
Sales of development properties	**–**	**40,585**	**40,585**	–	8,020	8,020
Hotel operations	**4,371**	**10,951**	**15,322**	6,056	13,244	19,300
Food and beverage operations	**705**	**–**	**705**	1,686	–	1,686
Others	**–**	**–**	**–**	410	–	410
	5,076	**53,134**	**58,210**	8,152	21,264	29,416
Rental income [Note 17(b)]			**15,141**			17,294
Total revenue of the Group			**73,351**			46,710

The segment analysis of the Group is disclosed in Note 40 to the financial statements.

30(a) Other operating income

The Group	Note	**2021 $'000**	2020 $'000
Bad debts recovered	34	**–**	195
Dividend income from quoted equity investments:			
- Relating to investments de-recognised during the year	34	**–**	725
- Relating to investments held at the end of reporting period	34	**193**	527
		193	1,252
Exchange gain		**–**	514
Fair value gain on financial assets at FVPL	5,34	**–**	559
Gain on disposal of property, plant and equipment	34	**–**	21
Gain on lease modification	34	**67**	–
Loss allowance on receivables no longer required	6,34	**–**	32
Reversal of impairment loss on property, plant and equipment	18,34	**–**	14,929
Rental income - Investment properties	17(b)	**60**	582
Management fee		**1,229**	152
Government grant income	34	**5,309**	–
Rent concessions	34	**91**	–
Sundry income		**470**	906
		7,419	19,142

Included in government grant income is Job Support Scheme ("JSS") grant of $1,202,000 (2020 - $Nil) from the Singapore Government to help employers to retain their local employees during the period of economic uncertainty as a result of COVID-19. JSS grant income is allocated over the period of economic uncertainty to match the related staff costs for which the grant is intended to compensate.

The Group as lessor

Included in government grant income are property tax rebate of $2,271,000 (2020 - $Nil) and cash grant of $1,240,000 (2020 - $Nil) from the Singapore Government as part of relief measures to help businesses deal with the impact from COVID-19. For the property tax rebate, the Group is obliged to pass on the benefits of $1,641,000 to its tenants and has transferred these to the tenants in the form of rental rebates, and accordingly the amount was recorded as government grant expense in operating expenses (Note 32). For the cash grant, the Group is obliged to waive up to 4 months of rental to eligible tenants, and consequently has recognised variable lease payment of $2,290,000 as a reduction to rental income in profit or loss and has offset the obligation for rental reliefs against the lease receivable.

The Group as lessee

Included in rental concession is rental relief and property tax rebate received from the landlord totalling $88,000 (2020 - $Nil) for the Group's leased restaurant premises at CHIJMES (Note 11) and $3,000 (2020 - $Nil) for the Group's short-term lease under the Rental Relief Framework as mandated by the Singapore Government whereby the landlord is obliged to waive up to 4 months of rental to the Group as eligible tenant and under the COVID-19 (Temporary Measures) Act 2020 for the property tax rebate received from landlord.

30(b) Interest income

The Group	Note	**2021** **$'000**	2020 $'000
Interest income			
- Banks		**187**	255
- Fixed deposits		**481**	979
- Joint ventures and associate companies		**3,931**	3,408
- Unquoted junior bonds	37	**596**	2,464
- Others		**5**	18
		5,200	7,124

31 Administrative costs

The Group	Note	**2021** **$'000**	2020 $'000
Employee benefit costs		**5,744**	4,597
Depreciation of property, plant and equipment		**332**	385
Depreciation of investment properties		**159**	159
Depreciation of right-of-use assets		**156**	179
Directors' fee	34	**215**	245
Credit card commission expenses		**148**	115
Property tax		**107**	108
Rental expenses on short-term leases		**-**	2
Travelling and transportation expenses		**28**	209
Others		**2,307**	2,477
		9,196	8,476

32 Other operating expenses

The Group	Note	**2021** **$'000**	2020 $'000
Hotel maintenance and utilities		**1,517**	1,738
Loss allowance on receivables	6,34	**1,021**	17
Government grant expense	30(a),34	**1,641**	–
Property, plant and equipment written off	34	**6**	410
Impairment of property, plant and equipment	18,34	**570**	–
Impairment of right-of-use assets	11,34	**980**	–
		5,735	2,165

33 Finance costs

The Group	Note	2021 $'000	2020 $'000
Interest expense			
- Lease liabilities	39(a)	**71**	73
- Loans		**6,650**	7,702
- Unwinding of the effect of discounting provision	23	**1**	1
- Non-controlling shareholders		**2,429**	1,981
		9,151	9,757

34 Profit before taxation

The Group	Note	2021 $'000	2020 $'000
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee:			
- Auditors of the Company			
- Current year		**169**	179
- Other auditors			
- Current year		**71**	66
Non-audit fees:			
- Auditors of the Company			
- Current year		**7**	18
- Other auditors			
- Current year		**86**	76
- (Over)/under provision in respect of prior years		**(1)**	7
Depreciation of:			
- Investment properties	17	**4,145**	3,481
- Property, plant and equipment	18	**5,154**	2,760
- Right-of-use assets	11	**427**	507
Gain on lease modification	30(a)	**(67)**	–
Exchange loss/(gain)		**58**	(514)
Fair value gain on financial assets at FVPL	5,30(a)	**–**	(559)
Gain on disposal of property, plant and equipment	30(a)	**–**	(21)
Dividend income from quoted equity investments:			
- Relating to investments de-recognised during the year	30(a)	**–**	(725)
- Relating to investments held at the end of reporting period	30(a)	**(193)**	(527)
		(193)	(1,252)
Property, plant and equipment written off	32	**6**	410
Investment properties written off	17	**–**	190
Impairment loss on receivables	6,32	**1,021**	17
Impairment loss on property, plant and equipment	18,32	**570**	–
Impairment loss on right-of-use assets	11,32	**980**	–

34 Profit before taxation (Cont'd)

The Group	Note	2021 $'000	2020 $'000
Impairment loss no longer required for:			
- Receivables	6,30(a)	**–**	(32)
- Property, plant and equipment	18,30(a)	**–**	(14,929)
Bad debts recovered	30(a)	**–**	(195)
Operating lease rentals:			
- Short-term leases	39(a)	**96**	13
- Low value leases	39(a)	**12**	12
- Variable lease expenses	39(a)	**15**	54
Rent concessions	30(a)	**(91)**	–
Government grant income	30(a)	**(5,309)**	–
Government grant expense	30(a),32	**1,641**	–
Write off of amounts owing to joint ventures	21	**–**	(197)
Employee benefit costs:			
Directors' fee	31	**215**	245
Directors of the Company			
- Salaries and other related costs		**2,397**	2,157
- CPF contributions and other equivalent contributions		**25**	25
Key management personnel (other than directors)			
- Salaries, wages and other related costs		**1,572**	1,420
- CPF contributions and other equivalent contributions		**40**	40
		4,249	3,887
Other than key management personnel			
- Salaries, wages and other related costs		**9,871**	11,418
- CPF contributions and other equivalent contributions		**948**	1,167
		15,068	16,472
Cost of sales:			
- Current		**60,909**	32,810
- Project costs written back		**–**	(495)
		60,909	32,315

35 Taxation

The Group	Note	2021 $'000	2020 $'000
Current taxation			
- Singapore		**1,586**	1,772
- Foreign		**11**	12
		1,597	1,784
Deferred taxation	19	**(275)**	(125)
Tax expense		**1,322**	1,659
Overprovision of current taxation in respect of prior years		**(453)**	(149)
		869	1,510

35 Taxation (Cont'd)

Domestic income tax is calculated at 17% (2020 - 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at 24%, 25% and 30% (2020 - 24%, 25% and 30%) for jurisdictions located in Malaysia, PRC and Australia respectively.

The tax on the Group's results before tax differs from the theoretical amount that would arise using the various applicable corporate tax rates of income tax as follows:

The Group	**2021** **$'000**	2020 $'000
Profit before taxation	**48,741**	13,708
Share of results of joint ventures and associate companies, net of tax	**(53,025)**	4,911
	(4,284)	18,619
Tax at domestic rate applicable to profits in the countries concerned[1]	**(979)**	8,727
Tax effect on non-deductible expenses[2]	**9,446**	3,769
Tax effect on non-taxable income[3]	**(8,053)**	(10,845)
Tax effect on temporary differences not recognised	**982**	175
Tax incentives	**(20)**	(86)
Tax effect on Singapore statutory stepped income exemption	**(54)**	(92)
Withholding taxes	**–**	11
Overprovision of taxation in respect of prior years	**(453)**	(149)
	869	1,510

Notes:

[1] This is prepared by aggregating separate reconciliations for each national jurisdiction.

[2] This relates mainly to disallowed expenditures incurred in the ordinary course of business which includes cost of development properties sold at Uptown @ Farrer which would only be deductible upon obtaining Temporary Occupation Permit, depreciation on non-qualifying assets, impairment on property, plant and equipment, impairment of right-of-use assets and interest charged on non-interest bearing loans from non-controlling shareholders.

[3] This relates mainly to non-taxable income occurred in the ordinary course of business which includes revenue from sold development properties at Uptown @ Farrer which would only be taxable upon obtaining Temporary Occupation Permit, notional interest income charged to joint ventures, JSS government grant income, impairment losses no longer required for property, plant and equipment and one-tier tax exempt dividend income from quoted equity investments.

As at the end of reporting period, the Group had unabsorbed capital allowances and tax losses amounting to $15,792,000 (2020 - $16,800,000) and $11,823,000 (2020 - $5,040,000) respectively in relation to certain subsidiaries incorporated in Singapore, which are subject to agreement with the tax authorities. These unabsorbed capital allowances and tax losses could be carried forward for offsetting against future taxable income provided that the provisions of Sections 23 and 37 of the Singapore Income Tax Act, Chapter 134 are complied with.

Unutilised tax benefits totalling $4,695,000 (2020 - $3,713,000) arising from these unabsorbed capital allowances and tax losses have not been recognised as there is no reasonable certainty of their realisation in future periods.

36 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit 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 consolidated income statement and share data used in the computation of basic and diluted earnings per share from continuing operations for the financial years ended 31 January:

The Group	**2021** **$'000**	2020 $'000
Net profit attributable to equity holders of the Group	**48,736**	12,768
Weighted average number of ordinary shares for purpose of calculating basic and diluted earnings per share (Note 25)	**738,816,000**	738,816,000
Basic and diluted earnings per share (cents)	**6.60**	1.73

As there are no dilutive potential ordinary shares that were outstanding during the year, the basic earnings per share is the same as the diluted earnings per share.

37 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following are significant transactions that took place between the Group and related parties at mutually agreed amounts:

The Group	**2021** **$'000**	2020 $'000
Executive directors service fee charged by non-controlling shareholders of subsidiaries	**81**	81
Security services charged by other related party	**245**	187
Repayment of shareholder loans to non-controlling shareholders of subsidiaries	**2,700**	978
Dividends paid to non-controlling shareholders of subsidiaries (Note 16)	**–**	189
Shareholders' loans to a joint venture	**133**	625
Repayment of shareholder loans by joint ventures	**2,000**	–
Construction work performed for an associate company	**1,598**	–
Advances to associate companies	**869**	3,152
Shareholders' loans to an associate company	**59,761**	–
Management fee charged to an associate company	**–**	56
Management fee charged to joint ventures	**1,229**	96
Interest income on junior bonds from an associate company [Note 30(b)]	**596**	2,464

Other related party refers to a company which is controlled by the Group's key management personnel and his close family members.

38 Dividends

The Company	2021 $'000	2020 $'000
Dividends paid		
- Ordinary dividends:		
First and final dividend of 1.5 (2020 – 1.5) cents per share, tax exempt paid in respect of the previous financial year [Note 26(b)]	**11,082**	11,082
	11,082	11,082
Dividends proposed		
- Ordinary dividends:		
First and final dividend of 2.5 (2020 - 1.5) cents per share, tax exempt	**18,470**	11,082

At the forthcoming Annual General Meeting, a first and final tax-exempt (one-tier) ordinary dividend of 2.5 cents (2020 - 1.5 cents) per share amounting to $18,470,000 (2020 - $11,082,000) will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 January 2022.

39 Leases

39(a) Lease liabilities

	The Group		The Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Undiscounted lease payments due:				
- Financial Year 1	**460**	463	**7**	8
- Financial Year 2	**455**	462	**2**	7
- Financial Year 3	**364**	458	**2**	2
- Financial Year 4	**96**	97	**1**	2
- Financial Year 5	**92**	93	**–**	1
- Financial Year 6 and onwards	**1,184**	1,246	**–**	–
	2,651	2,819	**12**	20
Less: Future interest cost	**(415)**	(453)	**–**	(1)
Lease liabilities	**2,236**	2,366	**12**	19
Presented as:				
- Current	**399**	398	**7**	7
- Non-current	**1,837**	1,968	**5**	12
	2,236	2,366	**12**	19

39 Leases (Cont'd)

39(a) Lease liabilities (Cont'd)

Lease liabilities are denominated in the following currencies:

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore dollar	**967**	1,074	**12**	19
Australian dollar	**1,269**	1,292	**–**	–
	2,236	2,366	**12**	19

Interest expense on lease liabilities of $71,000 (2020 - $73,000) (Note 33) is recognised within finance costs in profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within administrative costs in profit or loss are set out below:

The Group	**2021** **$'000**	2020 $'000
Short-term leases	**96**	13
Leases of low-value assets	**12**	12
Variable lease payments not dependent on an index or rate[(i)]	**15**	54

Total cash outflows for all leases in the year amount to $439,000 (2020 - $476,000).

As at 31 January 2021, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

Information about the Group's leasing activities is disclosed in Note 39(b).

Further information about the financial risk management is disclosed in Note 42.

The Group's lease liabilities are secured by the lessors' title to the leased assets.

(i) Variable lease payments

The leases for restaurant premise contain variable lease payments that are based on 2% of gross sales generated by the restaurant, on top of fixed payments. Such variable lease payments are recognised to profit & loss when incurred, and an amount of $15,000 (2020 - $54,000) has been recognised in profit or loss for the financial year ended 31 January 2021.

39 Leases (Cont'd)

39(b) Lease arrangements

(i) The Group as lessee

(a) Leasehold properties

The Group makes monthly lease payments for the use of several leasehold properties for operation purposes [Note 39(a)]. These leasehold properties are recognised within the Group's right-of-use assets (Note 11). There are no externally imposed covenants on these property lease arrangements.

(b) Office equipment

The Group makes monthly lease payments to lease office equipment used for administrative operation activities. These equipment are recognised as the Group's right-of-use assets (Note 11).

Information regarding the Group's right-of-use assets and lease liabilities is disclosed in Note 11 and 39(a) respectively.

(ii) The Group as lessor

Investment properties

Operating leases, in which the Group is the lessor, relate to investment properties (Note 17) owned by the Group. The lease terms range between 1 to 6 years with the option to extend for another 3 years, for certain tenants. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with constant increase in value over the last 5 years. The Group has not identified any indications that this situation will change.

The Group's revenue from rental income received on the investment properties are disclosed in Note 17(b).

Variable lease payments received during the year that do not depend on an index or rate from rental of investment properties is $408,000 (2020 - $516,000).

39 Leases (Cont'd)

39(b) Lease arrangements (Cont'd)

(ii) The Group as lessor (Cont'd)

Investment properties (Cont'd)

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting date are as follows:

The Group	**2021 $'000**	2020 $'000
Undiscounted lease payments to be received:		
- Financial Year 1	**16,016**	16,643
- Financial Year 2	**12,743**	9,423
- Financial Year 3	**7,291**	5,752
- Financial Year 4	**2,370**	955
- Financial Year 5	**468**	535
- Financial Year 6 and onwards	**46**	61
	38,934	33,369

40 Operating segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's reportable operating segments are as follows:

(i) Development
Activities in this segment comprise the development of properties.

(ii) Hotels
Activities in this segment comprise owning and operating hotels and restaurants.

(iii) Investments
Activities in this segment relate mainly to investments in properties and shares in quoted and unquoted equities.

There are no other operating segments that have been aggregated to form the above reportable operating segments.

The Executive Chairman and the Managing Director monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group taxation is managed on a group basis and is not allocated to operating segments.

Sales between operating segments are carried out at arm's length basis similar to transactions with third parties.

40 Operating segments (Cont'd)

(a) Business Segments

	Development		Hotels		Investments		Consolidated	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
The Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
REVENUE								
Total sales	**40,585**	8,020	**16,506**	23,816	**24,147**	26,046	**81,238**	57,882
Inter-segment sales	**–**	–	**(479)**	(2,830)	**(7,408)**	(8,342)	**(7,887)**	(11,172)
External sales	**40,585**	8,020	**16,027**	20,986	**16,739**	17,704	**73,351**	46,710
RESULTS								
Segment results	**105**	(200)	**(5,142)**	13,386	**4,704**	8,066	**(333)**	21,252
Interest income	**265**	254	**14**	99	**4,921**	6,771	**5,200**	7,124
Finance costs	**(1,127)**	(675)	**(1,583)**	(883)	**(6,441)**	(8,199)	**(9,151)**	(9,757)
	(757)	(621)	**(6,711)**	12,602	**3,184**	6,638	**(4,284)**	18,619
Share of results of joint ventures and associate companies	**(738)**	(1,066)	**–**	–	**53,763**	(3,845)	**53,025**	(4,911)
	(1,495)	(1,687)	**(6,711)**	12,602	**56,947**	2,793	**48,741**	13,708
Taxation							**(869)**	(1,510)
Non-controlling interests							**864**	570
Net profit							**48,736**	12,768

40 Operating segments (Cont'd)

(a) Business Segments (Cont'd)

The Group	Development 2021 $'000	Development 2020 $'000	Hotels 2021 $'000	Hotels 2020 $'000	Investments 2021 $'000	Investments 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
OTHER INFORMATION								
Segment assets	**645,246**	638,193	**143,231**	134,055	**580,645**	580,972	**1,369,122**	1,353,220
Investments in joint ventures and associate companies under equity method	**38,648**	17,535	**-**	–	**139,815**	140,407	**178,463**	157,942
Consolidated total assets (excluding taxation)	**683,894**	655,728	**143,231**	134,055	**720,460**	721,379	**1,547,585**	1,511,162
Consolidated total liabilities (excluding taxation)	**(439,868)**	(425,461)	**(6,462)**	(5,862)	**(367,820)**	(384,310)	**(814,150)**	(815,633)
Capital expenditure								
- Property, plant and equipment	**6,082**	9,807	**1,746**	10,040	**58**	207	**7,886**	20,054
- Investment properties	**-**	–	**-**	–	**110**	2,146	**110**	2,146
- Right-of-use assets	**-**	–	**980**	38	**-**	21	**980**	59
Depreciation								
- Property, plant and equipment	**-**	–	**4,736**	2,296	**418**	464	**5,154**	2,760
- Investment properties	**-**	–	**-**	–	**4,145**	3,481	**4,145**	3,481
- Right-of-use assets	**-**	–	**316**	399	**111**	108	**427**	507
Project costs written back	**-**	–	**-**	–	**-**	495	**-**	495
Impairment loss/(reversal) on								
- Property, plant and equipment	**-**	–	**570**	(14,929)	**-**	–	**570**	(14,929)
- Right-of-use assets	**-**	–	**980**	–	**-**	–	**980**	–
- Receivables	**-**	–	**-**	–	**1,021**	(15)	**1,021**	(15)
Write-off								
- Property, plant and equipment	**-**	–	**6**	410	**-**	–	**6**	410
- Investment properties	**-**	–	**-**	–	**-**	190	**-**	190
Gain on disposal of								
- Property, plant and equipment	**-**	–	**-**	(7)	**-**	(14)	**-**	(21)
Fair value gain on financial assets at FVPL	**-**	–	**-**	–	**-**	(559)	**-**	(559)
Amortisation of contract costs	**1,537**	250	**-**	–	**-**	–	**1,537**	250
Bad debts recovered	**-**	–	**-**	–	**-**	(195)	**-**	(195)
Write off of amounts owing to joint ventures	**-**	–	**-**	–	**-**	(197)	**-**	(197)

40 Operating segments (Cont'd)

(b) Geographical Segments

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

The Group	Revenue 2021 $'000	Revenue 2020 $'000	Non-current assets 2021 $'000	Non-current assets 2020 $'000
Singapore	**63,852**	29,619	**622,182**	643,491
Australia	**9,499**	17,091	**32,423**	29,648
Malaysia	**–**	–	**26,620**	26,427
	73,351	46,710	**681,225**	699,566

Non-current assets information presented above consists of right-of-use assets, investments in joint ventures and associate companies, investment properties and property, plant and equipment.

(c) Information about major customers

The Group does not have any major customers.

(d) Reconciliation of segments total assets and total liabilities

The Group	2021 $'000	2020 $'000
Reportable segments' assets are reconciled to total assets as follows:		
Segment assets	**1,369,122**	1,353,220
Investments in joint ventures and associate companies under equity method	**178,463**	157,942
Deferred tax assets	**1,040**	719
GST receivable	**24**	61
Total assets	**1,548,649**	1,511,942
Reportable segments' liabilities are reconciled to total liabilities as follows:		
Segment liabilities	**814,150**	815,633
Deferred tax liabilities	**3,082**	3,065
GST payable	**465**	250
Current tax payable	**3,241**	3,342
Total liabilities	**820,938**	822,290

41 Disclosure of directors' remuneration

As required by the Listing Manual of the Singapore Exchange, the remuneration of Directors of the Company is disclosed in bands as follows:

	Number of directors	
	2021	2020
$1,000,001 to $1,250,000	**1**	–
$750,001 to $1,000,000	**1**	2
$250,001 to $500,000	**1**	1
Below $250,001	**4**	7
Total	**7**	10

Included in the directors' remuneration for the financial year 2020 was remuneration for Tan Sri Dato' Low Keng Huat who passed away on 20 February 2019 and Mr. Lucas Liew Kim Voon and Mr. Lee Han Yang who both retired on 29 May 2019.

42 Financial risk management objectives and policies

The Group's and the Company's financial risk management policies set out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, interest rate risk, liquidity risk, market price risk and credit risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not hold or issue derivative financial instruments for speculative purposes.

As at 31 January 2021, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, financial assets at FVOCI, financial asset at FVPL, receivables, payables, lease liabilities and bank borrowings.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

Part of the Group's revenue, expenses, investments, assets and liabilities are denominated in foreign currencies which give rise to foreign exchange risk, particularly of the hotel which is located overseas. The currencies giving rise to this risk are primarily Australian dollar (AUD), Malaysian Ringgit (RM) and United States dollar (USD).

In terms of operations, the sales and purchases are denominated in the same currency as much as is practicable. The Group also matches the currency of its bank borrowings, if any, with the location of its investment to mitigate the risk of currency exposure. As such, the Group does not deem it necessary to enter into any derivative contracts to hedge against foreign currency risk.

Exposure to foreign currency risk is insignificant as the Group's income and related expenses, assets and liabilities are substantially denominated in the respective functional currencies of the Group's entities. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The Company and the Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. As at the end of each reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

The Group	USD $'000	AUD $'000	RM $'000	Total $'000
At 31 January 2021				
Cash and cash equivalents	**328**	**3,773**	**126**	**4,227**
Financial assets at FVPL	**–**	**763**	**–**	**763**
Financial assets at FVOCI	**–**	**–**	**969**	**969**
Amount owing to non-controlling shareholders of subsidiaries	**–**	**(417)**	**–**	**(417)**
Amount owing to joint ventures	**(249)**	**–**	**–**	**(249)**
	79	**4,119**	**1,095**	**5,293**
At 31 January 2020				
Cash and cash equivalents	2,092	4,051	128	6,271
Trade and other receivables	–	4	–	4
Financial assets at FVOCI	–	–	971	971
Trade and other payables	(3)	–	–	(3)
Amount owing to non-controlling shareholders of subsidiaries	–	(375)	–	(375)
Amount owing to joint ventures	(254)	–	–	(254)
	1,835	3,680	1,099	6,614

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk (Cont'd)

The Company	USD $'000	AUD $'000	RM $'000	Total $'000
At 31 January 2021				
Cash and cash equivalents	**328**	**3,773**	**126**	**4,227**
Financial assets at FVOCI	**–**	**–**	**969**	**969**
Amount owing to subsidiaries	**–**	**–**	**(1,146)**	**(1,146)**
	328	**3,773**	**(51)**	**4,050**
At 31 January 2020				
Cash and cash equivalents	2,092	4,051	128	6,271
Trade and other receivables	–	4	–	4
Financial assets at FVOCI	–	–	971	971
Amount owing to subsidiaries	–	–	(1,163)	(1,163)
	2,092	4,055	(64)	6,083

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies against the functional currency of each group entity, with all other variables held constant, of the Group's results net of tax and equity.

	Increase/(Decrease)			
	2021		2020	
The Group	**Profit after taxation $'000**	**Equity $'000**	Profit after taxation $'000	Equity $'000
Australian dollar				
- strengthened 5% (2020 - 5%)	**171**	**171**	153	153
- weakened 5% (2020 - 5%)	**(171)**	**(171)**	(153)	(153)
Malaysian Ringgit				
- strengthened 5% (2020 - 5%)	**5**	**45**	5	46
- weakened 5% (2020 - 5%)	**(5)**	**(45)**	(5)	(46)
United States dollar				
- strengthened 5% (2020 - 5%)	**3**	**3**	76	76
- weakened 5% (2020 - 5%)	**(3)**	**(3)**	(76)	(76)

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

	Increase/(Decrease)			
	2021		2020	
The Company	**Profit after taxation $'000**	**Equity $'000**	Profit after taxation $'000	Equity $'000
Australian dollar				
- strengthened 5% (2020 - 5%)	**157**	**157**	168	168
- weakened 5% (2020 - 5%)	**(157)**	**(157)**	(168)	(168)
Malaysian Ringgit				
- strengthened 5% (2020 - 5%)	**(42)**	**(2)**	(43)	(3)
- weakened 5% (2020 - 5%)	**42**	**2**	43	3
United States dollar				
- strengthened 5% (2020 - 5%)	**14**	**14**	87	87
- weakened 5% (2020 - 5%)	**(14)**	**(14)**	(87)	(87)

42.2 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 bank borrowings and cash placed with financial institutions.

The interest rates of cash and fixed deposits placed with financial institutions, other investments at amortised costs, notional interest charged on non-interest bearing loans owing by joint ventures and subsidiaries, notional interest charged on non-interest bearing loans owing to non-controlling shareholders of subsidiaries, bank borrowings and lease liabilities are disclosed in Notes 3, 4, 13, 14, 16, 22(b), 24 and 39(a) to the financial statements, respectively.

42 Financial risk management objectives and policies (Cont'd)

42.2 Interest rate risk (Cont'd)

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Within 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	Over 5 years $'000	Total $'000
The Group							
At 31 January 2021							
Floating rate							
Fixed deposits - less than 3 months	**38,937**	**–**	**–**	**–**	**–**	**–**	**38,937**
Fixed deposits - more than 3 months	**7,456**	**–**	**–**	**–**	**–**	**–**	**7,456**
Bank borrowings	**(46,900)**	**(122,200)**	**(560,786)**	**–**	**(5,000)**	**–**	**(734,886)**
	(507)	**(122,200)**	**(560,786)**	**–**	**(5,000)**	**–**	**(688,493)**
At 31 January 2020							
Floating rate							
Fixed deposits - less than 3 months	23,837	–	–	–	–	–	23,837
Fixed deposits - more than 3 months	9,116	–	–	–	–	–	9,116
Other investments	–	–	–	–	–	32,000	32,000
Bank borrowings	(62,200)	(7,200)	(122,200)	(548,808)	–	–	(740,408)
	(29,247)	(7,200)	(122,200)	(548,808)	–	32,000	(675,455)
The Company							
At 31 January 2021							
Floating rate							
Fixed deposits - less than 3 months	**25,474**	**–**	**–**	**–**	**–**	**–**	**25,474**
Bank borrowings	**(9,700)**	**–**	**–**	**–**	**(5,000)**	**–**	**(14,700)**
	15,774	**–**	**–**	**–**	**(5,000)**	**–**	**10,774**
At 31 January 2020							
Floating rate							
Fixed deposits - less than 3 months	5,277	–	–	–	–	–	5,277
Bank borrowings	(55,000)	–	–	–	–	–	(55,000)
	(49,723)	–	–	–	–	–	(49,723)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months. The other financial instruments of the Group and the Company that are not included in the above table are not subject to interest rate risks.

42 Financial risk management objectives and policies (Cont'd)

42.2 Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period and on the assumption that the change took place at the beginning of the financial year and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

	Increase/(Decrease)			
	2021		2020	
	Profit after taxation	**Equity**	Profit after taxation	Equity
	$'000	**$'000**	$'000	$'000
The Group				
Interest rate				
- decreased by 1% per annum	**5,714**	**5,714**	5,606	5,606
- increased by 1% per annum	**(5,714)**	**(5,714)**	(5,606)	(5,606)
The Company				
Interest rate				
- decreased by 1% per annum	**(89)**	**(89)**	413	413
- increased by 1% per annum	**89**	**89**	(413)	(413)

42.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit facilities available as disclosed in Note 24 to the financial statements.

42 Financial risk management objectives and policies (Cont'd)

42.3 Liquidity risk (Cont'd)

The table below summarises the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2021				
Trade and other payables	**25,525**	**3,197**	**–**	**28,722**
Lease liabilities	**460**	**1,007**	**1,184**	**2,651**
Amounts owing to joint ventures (non-trade)	**249**	**–**	**–**	**249**
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	**417**	**47,566**	**–**	**47,983**
Provision for directors' fee	**215**	**–**	**–**	**215**
Bank borrowings	**55,905**	**700,503**	**–**	**756,408**
	82,771	**752,273**	**1,184**	**836,228**
Financial guarantees for joint ventures	**1,360**	**153,972**	**–**	**155,332**
At 31 January 2020				
Trade and other payables	23,083	3,383	–	26,466
Lease liabilities	463	1,110	1,246	2,819
Amounts owing to joint ventures (non-trade)	254	–	–	254
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	375	50,266	–	50,641
Provision for directors' fee	245	–	–	245
Bank borrowings	80,820	721,207	–	802,027
	105,240	775,966	1,246	882,452
Financial guarantees for joint ventures	1,360	155,332	–	156,692

42 Financial risk management objectives and policies (Cont'd)

42.3 Liquidity risk (Cont'd)

The Company	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2021				
Trade and other payables	**11,494**	**–**	**–**	**11,494**
Lease liabilities	**7**	**5**	**–**	**12**
Amounts owing to subsidiaries (non-trade)	**11,422**	**–**	**–**	**11,422**
Provision for directors' fee	**215**	**–**	**–**	**215**
Bank borrowings	**9,824**	**5,380**	**–**	**15,204**
	32,962	**5,385**	**–**	**38,347**
Financial guarantees for subsidiaries	**7,200**	**759,186**	**–**	**766,386**
Financial guarantees for joint ventures	**1,360**	**153,972**	**–**	**155,332**
At 31 January 2020				
Trade and other payables	9,338	–	–	9,338
Lease liabilities	8	12	–	20
Amounts owing to subsidiaries (non-trade)	11,508	–	–	11,508
Provision for directors' fee	245	–	–	245
Bank borrowings	55,415	–	–	55,415
	76,514	12	–	76,526
Financial guarantees for subsidiaries	7,200	724,408	–	731,608
Financial guarantees for joint ventures	1,360	155,332	–	156,692

42.4 Market price risk

Market price risk arises mainly from uncertainty about future prices of instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding investments in the face of price movements. It is the Group's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector or industry.

The Group is exposed to marketable securities price risk arising from its investments in equity investments classified as financial assets held at fair value through other comprehensive income. These securities are listed on the Singapore Exchange and Bursa Malaysia Berhad.

The Group is also exposed to market price risk arising from its investment in the limited partnership classified as financial assets held at fair value through profit or loss. The partnership will invest all or substantially all of its assets in the Master Fund, whose valuation is based on the valuation of the underlying commercial real estate assets. All investments present a risk of loss of capital. The General Partner moderates this risk by managing the investments with the careful selection and recommendation by the Manager to the Partnership and the Master Fund within the specified investment guidelines.

42 Financial risk management objectives and policies (Cont'd)

42.4 Market price risk (Cont'd)

	The Group		The Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Financial assets at FVOCI				
- Listed in Singapore	**8,418**	11,011	**–**	–
- Listed in Malaysia	**1,671**	1,674	**969**	971
	10,089	12,685	**969**	971
Financial assets at FVPL				
- Investment in limited partnership	**763**	–	**–**	–
Total equity securities	**10,852**	12,685	**969**	971

The Group and the Company are not exposed to commodity price risk. The Group and the Company have in place a set of internal controls to manage its market price risk arising from investments in marketable securities.

Sensitivity analysis for market price risk

The sensitivity analysis below has been determined based on the portfolio of quoted equity securities held by the Group and the Company as at the end of reporting period, if prices for equity securities listed in Singapore and Malaysia increase/decrease by 2% (2020 - 2%) with all other variables including tax rate being held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in the prices for equity securities under normal economic conditions.

Investments

	Increase/(Decrease)					
	2021			2020		
The Group	**Profit after taxation $'000**	**OCI $'000**	**Equity $'000**	Profit after taxation $'000	OCI $'000	Equity $'000
Prices for quoted equity investments						
- increased by 2% per annum	**–**	**202**	**202**	–	254	254
- decreased by 2% per annum	**–**	**(202)**	**(202)**	–	(254)	(254)
Prices for unquoted investment in limited partnership						
- increased by 2% per annum	**13**	**–**	**13**	–	–	–
- decreased by 2% per annum	**(13)**	**–**	**(13)**	–	–	–

42 Financial risk management objectives and policies (Cont'd)

42.4 Market price risk (Cont'd)

Investments (Cont'd)

	Increase/(Decrease)					
	2021			2020		
The Company	**Profit after taxation $'000**	**OCI $'000**	**Equity $'000**	Profit after taxation $'000	OCI $'000	Equity $'000
Prices for quoted equity investments						
- increased by 2% per annum	**–**	**19**	**19**	–	19	19
- decreased by 2% per annum	**–**	**(19)**	**(19)**	–	(19)	(19)

42.5 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral where appropriate to mitigate credit risk; and
- High credit quality counterparties rating by external credit rating companies.

The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables, related parties' balances and cash placed with financial institutions. Cash is held with reputable financial institutions. For trade receivables, the Group and the Company adopt the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure. There are no significant concentrations of credit other than advances to joint ventures, associate companies, non-controlling shareholders of subsidiaries, and inter-company balances which are eliminated upon consolidation.

As at 31 January 2021, none (2020 - none) of the trade receivables individually exceed 5% of the Group's total assets.

The Company carries out construction work for entities within the Group and for an associate company. There is insignificant expected credit loss on construction contracts.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as disclosed in Note 45.2.

The Group monitors its potential losses on credit extended. In addition, rental deposits are received as security from tenants of its investment properties. The amounts presented in the statements of financial position are net of allowances for doubtful receivables.

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

The Group's credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
2021					
Trade receivables	(a)	Lifetime	**5,727**	**(1,207)**	**4,520**
Contract assets	(a)	Lifetime	**25,889**	**–**	**25,889**
Other receivables	Performing	12-month	**3,334**	**(57)**	**3,277**
Non-interest bearing loans owing by joint ventures	Performing	12-month	**76,296**	**–**	**76,296**
Shareholder loan owing by associate company	Performing	12-month	**36,830**	**–**	**36,830**
Amount owing by non-controlling shareholders of subsidiaries	Performing	12-month	**957**	**–**	**957**
2020					
Trade receivables	(a)	Lifetime	2,643	(186)	2,457
Contract assets	(a)	Lifetime	2,497	–	2,497
Other receivables	Performing	12-month	3,449	(57)	3,392
Non-interest bearing loans owing by joint ventures	Performing	12-month	74,518	–	74,518
Other investments at amortised cost	Performing	12-month	32,000	–	32,000
Amount owing by non-controlling shareholders of subsidiaries	Performing	12-month	957	–	957

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

No adjustment has been made to the allowance for other receivables, contract assets and other investments at amortised cost as of 31 January 2021 and 31 January 2020 as the amount to be adjusted is insignificant.

Cash and cash equivalents, trade and other receivables, contract assets and other investments at amortised cost are subject to immaterial credit loss.

The Company	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
2021					
Trade receivables	(a)	Lifetime	**2,156**	**(420)**	**1,736**
Contract assets	(a)	Lifetime	**4,117**	**–**	**4,117**
Other receivables	Performing	12-month	**1,365**	**(44)**	**1,321**
Non-interest bearing loans owing by joint ventures	Performing	12-month	**76,296**	**(1,888)**	**74,408**
Amount owing by subsidiaries	Performing	12-month	**13,208**	**(10,474)**	**2,734**
2020					
Trade receivables	(a)	Lifetime	1,216	–	1,216
Contract assets	(a)	Lifetime	2,202	–	2,202
Other receivables	Performing	12-month	1,336	(44)	1,292
Non-interest bearing loans owing by joint ventures	Performing	12-month	74,518	(1,888)	72,630
Amount owing by subsidiaries	Performing	12-month	11,898	(9,374)	2,524

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

(a) Trade receivables and contract assets

The Group and the Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets, except for credit-impaired receivables which has been impaired in full.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

In response to the COVID-19 pandemic, the management has also been performing more frequent reviews of sales limits for retail tenants that are severely impacted. During the financial year, the Group has temporarily extended the credit terms to up to 120 days for specific customers with liquidity constraints arising as a result of the COVID-19 pandemic. All extensions are granted within current sales limits after careful consideration of the impact of the COVID-19 pandemic on the creditworthiness of the customer and each customer granted an extension is closely monitored for credit deterioration.

In particular, the Group and the Company have identified a group of debtors who have been experiencing significant financial difficulty arising from the consequences of COVID-19 outbreak. The carrying amount of the related receivables amounting to $1,021,000 and $420,000 (2020 - $Nil and $Nil) at the reporting date under the Group and the Company level respectively (Note 6) are credit impaired and therefore allowance for impairment loss has been made in full. The recovery from these receivables is assessed individually after consideration of any collateral.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due.

Where receivables are written off, the Group and the Company continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

(a) Trade receivables and contract assets (Cont'd)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 January 2021 are set out as follows:

	Trade receivables						Contract assets	
	Current	< 30 days	31 – 60 days	61 – 90 days	91 – 120 days	> 120 days	Current	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group								
2021								
ECL Rate (%)	**0.0%**	**4.8%**	**0.0%**	**70.7%**	**81.8%**	**77.8%**	**0.0%**	
Estimated total gross carrying amount at default ($)	**2,373**	**1,805**	**103**	**133**	**110**	**1,203**	**25,889**	**31,616**
Lifetime ECL ($)	**–**	**87**	**–**	**94**	**90**	**936**	**–**	**1,207**
2020								
ECL Rate (%)	0.0%	0.0%	7.0%	67.5%	6.3%	28.8%	0.0%	
Estimated total gross carrying amount at default ($)	1,912	94	43	40	16	538	2,497	5,140
Lifetime ECL ($)	–	–	3	27	1	155	–	186
The Company								
2021								
ECL Rate (%)	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**32.4%**	**0.0%**	
Estimated total gross carrying amount at default ($)	**860**	**–**	**–**	**–**	**–**	**1,296**	**4,117**	**6,273**
Lifetime ECL ($)	**–**	**–**	**–**	**–**	**–**	**420**	**–**	**420**
2020								
ECL Rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Estimated total gross carrying amount at default ($)	824	–	–	–	7	385	2,202	3,418
Lifetime ECL ($)	–	–	–	–	–	–	–	–

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

(b) Other investments at amortised cost

Other investments at amortised cost comprise unquoted junior bonds, which has been redeemed on 30 June 2020. It was considered having "low credit risk" as the unquoted junior bonds have low risk of default as the issuer has a strong capacity to meet the contractual cash flow obligations in the near term. Hence, the loss allowance recognised on this asset is measured at the 12-month expected credit losses.

(c) Financial guarantees

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

The maximum exposure of the Company in respect of its intra-group financial guarantees (Note 45.2) at the reporting date as if the facilities are drawn down up to the amount of $1,011,202,000 (2020 - $1,026,840,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

43 Fair value measurement

(i) Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(ii) Non-financial 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. The different levels have been defined as follows:

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

43 Fair value measurement (Cont'd)

(ii) Non-financial assets and liabilities (Cont'd)

(a) *Fair value hierarchy (Cont'd)*

Other than as disclosed elsewhere in these financial statements, the carrying amounts and fair values of non-financial assets and liabilities, including their fair value hierarchy level, are set out below:

	2021			2020		
	Carrying amount	**Fair value**	**Fair value hierarchy**	Carrying amount	Fair value	Fair value hierarchy
	$'000	**$'000**		$'000	$'000	
The Group						
Investment properties:						
Office units	**14,796**	**23,000**	**Level 2**	14,966	24,200	Level 2
Retail units	**252,324**	**367,000**	**Level 3**	255,308	397,000	Level 3
Commercial units	**47,355**	**48,200**	**Level 3**	48,524	57,668	Level 3
Property, plant and equipment:						
Hotel	**19,571**	**84,043**	**Level 3**	17,927	77,673	Level 3
Serviced apartment	**138,446**	**158,400**	**Level 3**	139,223	164,132	Level 3
Serviced apartment under development	**113,759**	**161,914**	**Level 3**	107,676	148,680	Level 3
Right-of-use assets:						
Office units	**5,065**	**17,654**	**Level 2**	5,137	18,375	Level 2
Development properties:						
Residential units under development	**621,980**	**648,898**	**Level 3**	612,898	627,403	Level 3
The Company						
Investment properties:						
Office units	**17,817**	**20,500**	**Level 2**	18,016	21,600	Level 2
Right-of-use assets:						
Office units	**2,524**	**15,034**	**Level 2**	2,567	15,635	Level 2

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 January 2021 and 2020.

43 Fair value measurement (Cont'd)

(ii) Non-financial assets and liabilities (Cont'd)

(b) Valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the Level 3 fair value measurements.

Valuation Method	Key unobservable inputs	Retail units	Commercial units	Hotel	Serviced apartment	Serviced apartment under development	Residential units under development	Inter-relationship between key unobservable inputs and fair value measurement
Income Capitalisation Method	Capitalisation rate							
	2021 (%)	**4.3**	**3.5**	**5.0**	**3.8**	**–**	**–**	Higher the capitalisation rate, lower the fair value
	2020 (%)	4.3	3.5	5.0	4.0	–	–	
	Occupancy rate							
	2021 (%)	**98.9**	**64.0**	**31.1 to 69.4**	**92.3**	**–**	**–**	Higher the occupancy rate, higher the fair value
	2020 (%)	100.0	90.0 to 92.0	58.7 to 71.6	90.0	–	–	
Discounted Cash Flow Method	Discount rate							
	2021 (%)	**–**	**–**	**6.5 to 7.0**	**–**	**–**	**–**	Higher the discount rate, lower the fair value
	2020 (%)	–	–	7.0 to 7.5	–	–	–	
	Terminal yield rate							
	2021 (%)	**–**	**–**	**5.0 to 5.5**	**–**	**–**	**–**	Higher the terminal yield rate, lower the fair value
	2020 (%)	–	–	5.0 to 5.5	–	–	–	
	Occupancy rate							
	2021 (%)	–	–	**31.1 to 69.4**	–	–	–	Higher the occupancy rate, higher the fair value
	2020 (%)	–	–	58.7 to 71.6	–	–	–	
Residual Value Method	Gross development value							
	2021 ($'000)	**–**	**–**	**–**	**–**	**192,645**	**982,055**	Higher the gross development value, higher the fair value
	2020 ($'000)	–	–	–	–	199,125	966,375	
	Estimated cost to complete							
	2021 ($'000)	**–**	**–**	**–**	**–**	**13,981**	**161,865**	Higher the estimated cost to complete, lower the fair value
	2020 ($'000)	–	–	–	–	20,064	207,144	

43 Fair value measurement (Cont'd)

(ii) Non-financial assets and liabilities (Cont'd)

(c) *Valuation techniques used to determine Level 2 fair values for properties*

The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique used. Level 2 fair values of the Group's properties were derived using the Direct Comparison Method. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size.

(d) *Valuation techniques used to determine Level 3 fair values for properties*

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Level 3 fair value of the Group's certain properties were derived using Income Capitalisation Method, Discounted Cash Flow ("DCF") Method and Residual Value Method.

The Income Capitalisation Method capitalises an income stream into a present value using single-year capitalisation rates. The DCF Method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. In the Residual Method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation.

(e) *Impact of COVID-19*

The economic disruption caused by the COVID-19 pandemic has created a highly uncertain economic outlook which may have a material adverse effect on the operations of tenanted properties and hotel/serviced apartment properties.

This uncertainty is factored into the valuation of the properties, specifically in estimating occupancy rates and discount rate, all of which are significant inputs into the fair value determination.

The valuer has factored in the potential impact of the COVID-19 pandemic by modifying the assumptions of previous year on the occupancy rates for retail units, commercial units, hotel and serviced apartment properties and discount rate for hotel property as per (b) above.

The discount rate for hotel property has decreased by 0.5% despite the uncertainties caused by COVID-19 to reflect on the assumption that COVID-19 vaccine roll out across Australia will be successfully completed in Q4 FY2022.

Occupancy rate for hotel property has been lowered with the assumption that only selected number of countries would be able to travel to Australia by Q1 FY2022 with unrestricted international travel not available until FY2024.

43 Fair value measurement (Cont'd)

(ii) Non-financial assets and liabilities (Cont'd)

(e) Impact of COVID-19 (Cont'd)

The occupancy rates for retail and commercial units have been lowered down to reflect the post COVID-19 impact to the respective properties. Meanwhile, the capitalisation rate and occupancy rate of serviced apartment in Singapore were improved despite the circuit breaker measures imposed by the Singapore Government due to accommodation demand from foreign workers affected by Malaysia border closures and returnees from overseas serving out Stay Home Notices in hotels during the year.

The valuation as at 31 January 2021 contains a 'market valuation uncertainty' clause due to the market disruption caused by the COVID-19 pandemic which has resulted in a reduction in transactional evidence. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions. Accordingly, the valuer cannot attach as much weight as usual to previous market evidence for comparison purposes, and there is an increased risk that the price realised in an actual transaction would differ from the value conclusion. As a result of this increased uncertainty, the assumptions may require significant revision in the next financial period.

(f) Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest-and-best use. As at 31 January 2021 and 31 January 2020, the fair values of the properties have been determined by Savills Valuation & Professional Services (S) Pte Ltd and Savills Valuations Pty Ltd.

The finance department of the Group reviews the valuations of assets required for financial reporting purposes, including Level 2 and Level 3 fair values. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO, the finance team and management's experts at least annually.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements compared to the prior year valuation reports; and
- holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the annual valuation discussions between the CFO and the finance team.

43 Fair value measurement (Cont'd)

(iii) Financial assets and liabilities

(a) Fair value hierarchy

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 January 2021 and 31 January 2020:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000
2021			
Assets			
Financial assets at FVPL – Unquoted equity investments	**–**	**–**	**763**
Financial assets at FVOCI – Quoted equity investments	**10,089**	**–**	**–**
2020			
Assets			
Financial assets at FVOCI – Quoted equity investments	12,685	–	–

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000
2021			
Assets			
Financial assets at FVOCI – Quoted equity investments	**969**	**–**	**–**
2020			
Assets			
Financial assets at FVOCI – Quoted equity investments	971	–	–

(b) Valuation techniques used to determine Level 1 fair values for financial assets at FVOCI

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets at FVOCI held by the Group and the Company is the current bid price. These instruments are included in Level 1.

43 Fair value measurement (Cont'd)

(iii) Financial assets and liabilities (Cont'd)

(c) Valuation techniques used to determine Level 3 fair values for financial asset at FVPL

As at 31 January 2021, the whole of financial asset at FVPL comprises the investment in the Master Fund that has been fair valued in accordance with the estimates disclosed in Note 2(d)(ii).

The Master Fund is not publicly traded. As set out in the limited partnership agreement, the Master Fund will make, manage and dispose of investments in accordance with the Investment Guidelines spelt out in the Partnership Agreement. The Partnership's objective is to invest all or substantially all of its assets in the Master Fund, whose valuation is based on the valuation of the underlying commercial real estate assets.

As at 31 January 2021, the Master Fund has not entered into any investment in commercial real estate assets or obtained any related borrowings. As such, the fair value of the Master Fund is determined based on the latest available financial statements of the Master Fund and represents the net asset value of the Master Fund as of 31 January 2021. No impairment allowance on the net assets of the Master Fund has been considered as the Master Fund is in its initial stages of investment process and investment evaluation.

There were no transfers into or out of fair value hierarchy levels for financial years ended 31 January 2021 and 2020.

(iv) Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value

The carrying amounts of cash and short-term deposits, current trade and other receivables, non-trade amount owing by/to non-controlling shareholders of subsidiaries, non-trade amount owing to joint ventures, provision for directors' fee, current trade and other payables and current bank loans based on their notional amounts, reasonably approximate their fair values due to their short-term nature.

The carrying amounts of non-current bank loans approximate fair values as their interest rates approximate the market lending rate and they are repriced frequently. For non-current payables and receivables, their fair values are not significantly different from their carrying amount.

44 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amount of the different categories of financial instruments are as follows:

The Group	**2021 $'000**	2020 $'000
Financial assets at FVOCI	**10,089**	12,685
Financial assets at FVPL	**763**	–
Cash and cash equivalents	**76,427**	59,477
Fixed deposits	**7,456**	9,116
Other investments at amortised cost	**–**	32,000
Amount owing by joint ventures	**76,296**	74,518
Amount owing by non-controlling shareholders of subsidiaries	**957**	957
Amount owing by associate companies	**36,830**	–
Trade and other receivables(i)	**7,797**	5,849
Financial assets at amortised cost	**205,763**	181,917
Amount owing to joint ventures	**249**	254
Amount owing to non-controlling shareholders of subsidiaries	**45,293**	45,522
Provision for directors' fee	**215**	245
Bank borrowings	**734,886**	740,408
Lease liabilities	**2,236**	2,366
Trade and other payables(ii)	**28,631**	26,189
Financial liabilities at amortised cost	**811,510**	814,984

The Company	**2021 $'000**	2020 $'000
Financial assets at FVOCI	**969**	971
Cash and cash equivalents	**36,326**	17,168
Amount owing by joint ventures	**74,408**	72,630
Amount owing by subsidiaries	**54,184**	200,181
Trade and other receivables(i)	**3,057**	2,508
Financial assets at amortised cost	**167,975**	292,487
Amount owing to subsidiaries	**11,422**	11,508
Provision for directors' fee	**215**	245
Bank borrowings	**14,700**	55,000
Lease liabilities	**12**	19
Trade and other payables(ii)	**11,494**	9,338
Financial liabilities at amortised cost	**37,843**	76,110

(i) This excludes GST receivable, prepayment and government grant receivable.
(ii) This excludes GST payable, advanced payments received from customers and deferred income.

45 Commitments

45.1 Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements, excluding those relating to investments in joint ventures (Note 14) and investments in associate companies (Note 15) are as follows:

The Group	**2021** **$'000**	2020 $'000
Capital expenditure contracted but not provided for in the financial statements	**295,764**	79,913

The capital commitments principally relate to:

- Consultancy, architectural services and construction cost for the proposed development of 71 Cairnhill Road by Glopeak Development Pte. Ltd. of $120,681,000 (2020 - $4,315,000);
- Consultancy, architectural services and construction cost for the mixed development at 2 Perumal Road by Perumal Development Pte. Ltd. of $10,737,000 (2020 - $28,678,000);
- Improvement of Property Management System, Point of Sale and Inventory System for hotel at No.1 St. George's Terrace by Amuret Pty Ltd of $56,000 (2020 - $1,230,000);
- Redevelopment of AXA Tower by Huatland Development Pte. Ltd. of $114,118,000 (2020 - $Nil) (Note 15); and
- Fund Partnership commitment by Glocity Capital Pte. Ltd. as limited partner totalling $50,172,000 (2020 - $45,690,000) (Note 5).

45.2 Other commitments

Financial guarantees

The Company has provided financial guarantees to banks for credit facilities totalling $855,870,000 (2020 - $870,148,000) granted to certain subsidiaries for which the Company is exposed to liability which is capped at $766,386,000 (2020 - $731,608,000), as disclosed in Note 42.3. As at the reporting date, the banking facilities utilised stood at $766,386,000 (2020 - $731,608,000).

The Company has provided financial guarantees to banks for credit facilities $155,332,000 (2020 - $156,692,000) granted to certain joint ventures for which the Company is exposed to liability which is capped at $155,332,000 (2020 - $156,692,000), as disclosed in Note 42.3. As at the reporting date, the banking facilities utilised stood at $155,332,000 (2020 - $156,692,000).

As at 31 January 2021 and 31 January 2020, the fair values of the financial guarantees determined based on the expected loss arising from the risk of default are negligible.

46 Capital management

The Group's and the Company's objectives when managing capital are:

(a) to safeguard the Group's and the Company's ability to continue as going concern;
(b) to support the Group's and the Company's stability and growth;
(c) to provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
(d) to provide an adequate return to shareholders.

Having regards to its gearing exposure, the Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

Total capital is calculated as total equity plus net debt.

The Group	Note	**2021** **$'000**	2020 $'000
Trade and other payables	20	**31,708**	26,672
Amounts owing to joint ventures	21	**249**	254
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	22(b)	**45,293**	45,522
Lease liabilities	39(a)	**2,236**	2,366
Bank borrowings	24	**734,886**	740,408
		814,372	815,222
Less:			
Cash and cash equivalents	3	**(76,427)**	(59,477)
Fixed deposits	4	**(7,456)**	(9,116)
Net debt	(i)	**730,489**	746,629
Total equity	(ii)	**727,711**	689,652
Total capital	(i)+(ii)	**1,458,200**	1,436,281
Gearing ratio	(i)/[(i)+(ii)]	**50%**	52%

46 Capital management (Cont'd)

The Company	Note	**2021 $'000**	2020 $'000
Trade and other payables	20	**11,819**	9,349
Amounts owing to subsidiaries	7(b)	**11,422**	11,508
Lease liabilities	39(a)	**12**	19
Bank borrowings	24	**14,700**	55,000
		37,953	75,876
Less:			
Cash and cash equivalents	3	**(36,326)**	(17,168)
Net debt	(i)	**1,627**	58,708
Total equity	(ii)	**676,252**	674,204
Total capital	(i)+(ii)	**677,879**	732,912
Gearing ratio	(i)/ [(i)+(ii)]	**1%**	8%

Gearing has a significant influence on the Group's and the Company's capital structure and the Group monitors capital using a gearing ratio. The Group's policy is to keep the gearing ratio between 40% and 80%. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as the sum of bank borrowings, trade and other payables, lease liabilities and amounts owing to joint ventures, non-controlling shareholder of subsidiaries less cash and cash equivalents and short-term deposits.

The Group and the Company have observed its covenant obligations, including maintaining capital ratios since the inception of the borrowings (Note 24).

There were no changes in the Group's and Company's approach to capital management during the financial year ended 31 January 2021.

The Group and the Company are not subject to externally imposed capital requirements, other than as disclosed in Note 24.

47 Events after end of reporting period

The Company has entered into Option to Purchase ("OTP") on 20 April 2021 to sell four office units located at 60 Paya Lebar Road, Paya Lebar Square, Singapore to two unrelated third parties for total purchase consideration of $22,776,258. The target completion date is 29 June 2021.

STATISTICS OF **SHAREHOLDINGS**

As at 16 April 2021

SHARE CAPITAL INFORMATION

Issued and Fully Paid-Up Capital	:	S$162,151,305
Number of Issued Shares	:	738,816,000
Number of Treasury Shares	:	Nil
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

Size of shareholdings	No of shareholders	%	No of shares	%
1 - 99	13	0.50	431	0.00
100 - 1,000	68	2.62	40,221	0.01
1,001 - 10,000	1,031	39.81	6,416,981	0.87
10,001 - 1,000,000	1,447	55.87	97,047,503	13.13
1,000,001 and above	31	1.20	635,310,864	85.99
TOTAL	**2,590**	**100.00**	**738,816,000**	**100.00**

TOP 20 LARGEST SHAREHOLDERS AS AT 16 APRIL 2021

No	Name	No of shares	%
1	UNITED OVERSEAS BANK NOMINEES P L	396,877,745	53.72
2	EST OF LOW KENG HOO	52,889,946	7.16
3	LOW KENG BOON @ LAU BOON SEN	52,773,806	7.14
4	LAU CHOY LAY	23,000,000	3.11
5	RAFFLES NOMINEES (PTE) LIMITED	13,400,800	1.81
6	LOW CHIN HAN	10,000,000	1.35
7	DBS NOMINEES PTE LTD	9,706,800	1.31
8	CITIBANK NOMS SPORE PTE LTD	8,133,900	1.10
9	ANGELA LOW SEOK FUN	7,000,000	0.95
10	LOW SEOK LING MONICA	7,000,000	0.95
11	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	5,921,467	0.80
12	PHILLIP SECURITIES PTE LTD	5,190,100	0.70
13	LIM AND TAN SECURITIES PTE LTD	4,131,200	0.56
14	LEE CHO SENG @ LEE CHOO SEONG	4,109,000	0.56
15	DBS VICKERS SECURITIES (S) PTE LTD	3,943,000	0.53
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,509,800	0.48
17	LIM BOK HOO	3,406,600	0.46
18	CHIAM HOCK POH	2,643,800	0.36
19	OCBC SECURITIES PRIVATE LTD	2,586,800	0.35
20	OW-YONG SIM HIAN MABEL	2,310,000	0.31
	TOTAL	**618,534,764**	**83.71**

SUBSTANTIAL SHAREHOLDERS AS AT 16 APRIL 2021

Name of Substantial Shareholder	No. of shares fully paid Direct Interest	Deemed Interest	Total
Consistent Record Sdn Bhd	–	395,194,345	395,194,345
Seah Soh Seng	–	395,194,345	395,194,345
Dato’ Marco Low Peng Kiat	300,000	399,945,345	400,245,345
Low Keng Boon @ Lau Boon Sen	52,773,806	23,000,000	75,773,806
Estate of Low Keng Hoo	52,889,946	–	52,889,946

Seah Soh Seng is deemed to be interested in the 395,194,345 shares held by United Overseas Bank Nominees (Private) Limited (“UOBNPL”) for account Consistent Record Sdn Bhd (“CRSB”) as trustee for her minor grandsons.

Dato’ Marco Low Peng Kiat and a trust for his minor sons jointly hold all the shares in CRSB. He is deemed to be interested in the 395,194,345 shares held by UOBNPL for account of CRSB. He is deemed to be interested in 2,751,000 shares held by Maybank Kim Eng Secs Pte. Ltd. and 2,000,000 shares held by Raffles Nominees (Pte) Limited for his own account.

Low Keng Boon @ Lau Boon Sen is deemed to be interested in the 23,000,000 shares held by his spouse.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on information available to the Company as at 16 April 2021, approximately 23.54% of the issued ordinary shares of the Company are held in the hands of the public. This in in compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF FIFTY-TWO
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Two Annual General Meeting of Low Keng Huat (Singapore) Limited (the "Company") will be held by electronic means on Monday, 31 May 2021 at 11.00 a.m., for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 January 2021 together with the statements of the Directors and report of the Auditors thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one-tier) dividend of 2.5 cents per ordinary share for the financial year ended 31 January 2021. **(Resolution 2)**

3. To re-elect Dato' Marco Low Peng Kiat, a Director retiring under Regulation 88 of the Constitution of the Company. **(Resolution 3)** ***(See Explanatory Note 1)***

4. To re-elect Mr Jimmy Yim Wing Kuen, a Director retiring under Regulation 88 of the Constitution of the Company. **(Resolution 4)** ***(See Explanatory Note 2)***

5. To re-elect Mr Michael Leong Choon Fai, a Director retiring under Regulation 88 of the Constitution the Company. **(Resolution 5)** ***(See Explanatory Note 3)***

6. To re-elect Mr Alvin Teo Poh Kheng, a Director retiring under Regulation 87 of the Constitution of the Company. **(Resolution 6)** ***(See Explanatory Note 4)***

7. To approve the Directors' fee of $215,000 for the financial year ended 31 January 2021 (2019: $244,932). **(Resolution 7)**

8. To re-appoint Foo Kon Tan LLP, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions:-

9. Authority to issue shares

    (a) That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company at any time upon such terms and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, to:

        (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

        (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

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

provided always that

(i) 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% of the Company's total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings shall be the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares,

and adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 9)**
(See Explanatory Note 5)

10. Approval for the continue appointment of Mr Jimmy Yim Wing Kuen, as Independent Director

(A) That, subject to and contingent upon the passing of Resolution 4, the continue appointment of Mr Jimmy Yim Wing Kuen, as Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved by shareholders of the Company; and the authority conferred by this Resolution shall continue in force until the earlier of (i) his retirement or resignation as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution. **(Resolution 10(A))**
(See Explanatory Note 6)

(B) That, subject to and contingent upon the passing of Resolution 4 and Resolution 10(A), the continue appointment of Mr Jimmy Yim Wing Kuen, as Independent Director, for purposes of the Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved by shareholders of the Company excluding the Directors and the Managing Director of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST); and the authority conferred by this Resolution shall continue in force until the earlier of (i) his retirement or resignation as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution. **(Resolution 10(B))**
(See Explanatory Note 6)

ANY OTHER BUSINESS

11. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Chin Yeok Yuen
Company Secretary
Singapore, 14 May 2021

Explanatory notes:

1. Dato' Marco Low Peng Kiat will, upon being re-elected as a Director of the Company, remain as Managing Director and member of the Nominating Committee and Remuneration Committee. Detailed information on Dato' Marco Low Peng Kiat can be found under "Additional Information on Directors Seeking Re-election" section in the Company's Annual Report 2020/2021.

2. Mr Jimmy Yim Wing Kuen will, upon being re-elected as a Director of the Company, remain as Lead Independent Director, Chairman of Audit Committee and member of Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Mr Jimmy Yim Wing Kuen can be found under "Additional Information on Directors Seeking Re-election" section in the Company's Annual Report 2020/2021.

3. Mr Michael Leong Choon Fai will, upon being re-elected as Independent Director of the Company and remain as Chairman of the Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Mr Michael Leong Choon Fai can be found under "Additional Information on Directors Seeking Re-election" section in the Company's Annual Report 2020/2021.

4. Mr Alvin Teo Poh Kheng will, upon being re-elected as a Director of the Company and remain as Executive Director. Detailed information on Mr Alvin Teo Poh Kheng can be found under "Additional Information on Directors Seeking Re-election" section in the Company's Annual Report 2020/2021.

5. The Ordinary Resolution 9 is to authorise the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares and subsidiary holdings of the Company for this purpose shall be the total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time this resolution is passed and any subsequent bonus issues, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

6. Resolutions 10(A) and 10(B) are proposed in anticipation of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022.

   With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST will provide that a Director will not be independent if he has been a Director for an aggregate period of more than nine years and his continue appointment as an independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the Managing Director of the Company and their respective associates. The authority conferred by the resolutions shall continue in force until the earlier of (i) the retirement or resignation of the Director; or (b) the conclusion of the third Annual General Meeting of the Company following the passing of the resolutions.

   Mr Jimmy Yim Wing Kuen is an Independent Director who has served for more than nine years. Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, Resolution 10(A) under a first-tier voting and Resolution10(B) under a second-tier voting are proposed for Mr Jimmy Yim Wing Kuen to continue in office as an Independent Director from 1 January 2022.

   The Nominating Committee has determined that Mr Yim continues to be independent. The Board accepts Nominating Committee's recommendation to seek shareholders' approval for Mr Yim to continue as an Independent Director from 1 January 2022. The Board considers it in the interest of the Company to have continuity of experience and to benefit from Mr Yim's experience and his insights into the Group gained over the years. Mr Yim has abstained from the Nominating Committee's and Board's deliberation in this respect.

   In compliance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the Directors and the Managing Director of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), shall abstain from voting on Resolution 10(B).

NOTICE OF FIFTY-TWO
ANNUAL GENERAL MEETING

Notes:

LIVE WEBCAST

1. This Annual General Meeting ("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. This Notice of AGM will be sent to members by electronic means via publication on the Company's website at https://www.lkhs.com.sg. This Notice will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

2. The Company will arrange for a live webcast of the AGM proceedings ("**Live AGM Webcast**"), which will take place on 31 May 2021 at 11.00 a.m. as specified in the Notice of AGM. The Live AGM Webcast will be fully virtual.

3. **For the safety and wellbeing of our shareholders and personnel, shareholders should refrain from attending the AGM in person. Shareholders will be able to watch the AGM proceedings through the Live AGM Webcast, and the Company will not accept any physical attendance by shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.**

4. Shareholders will be able to participate in the AGM in the following manner set out in the paragraphs below:-

   a.) Shareholders may watch the live webcast of the AGM proceedings through the Live AGM Webcast via mobile phones, tablets or computers. To do so, shareholders will need to register at https://online.meetings.vision/lowkenghuat-agm-registration (the "**Registration Link**") by 11.00 a.m. on 28 May 2021 (the "**Registration Deadline**") to enable the Company to verify their status.

   b.) After verification, authenticated shareholders will receive an email confirmation by 30 May 2021 by 11 a.m. a unique link to access the live webcast of the AGM proceedings. Only shareholders of the Company will be able to register to watch the live webcast.

   c.) Shareholders must not forward the unique link or telephone number to other persons who are not shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

   d.) Shareholders who register by the Registration Deadline but do not receive an email response by 30 May 2021 may contact our Share Registrar, KCK CorpServe Pte Ltd by emailing to lkhs-agm@kckcs.com.sg.

SUBMISSION OF PROXY FORMS TO VOTE

1 Shareholders who wish to vote for the resolutions, must appoint "Chairman of the Meeting" as their proxy by completing the proxy form, indicating how they wish to vote on each resolution. A softcopy of the proxy form is available at our website https://www.lkhs.com.sg.

2 Shareholder can either choose to submit the completed and signed proxy form by:-

   a.) Depositing it at or sending by post to the Registered Office of the Company at 80 Marine Parade Road, #18-05/09 Parkway Parade, Singapore 449269, or

   b.) Emailing it to proxyform@lkhs.com.sg

   not less than seventy-two (72) hours, by 11.00 a.m., 28 May 2021. Any incomplete and incorrect proxy forms will be rejected by the Company.

   CPF or SRS investors who wish to submit their votes should approach their respective CPF Agent Banks or SRS Operators to appoint the chairperson as their proxy and submit their votes at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 18 May 2021).

3 Shareholders must indicate how they wish to vote on each resolution in the submitted proxy forms. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

4 **Please note that shareholders will not be able to vote through the live webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

5 **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.**

SUBMISSION OF SHAREHOLDERS' QUESTIONS AND ANSWERS

1 Shareholders may submit any questions that are related to any resolutions to be tabled for approval at the AGM. Shareholders may send their queries before 20 May 2021, via email to our Chief Financial Officer at agm2021@lkhs.com.sg.

2 Please provide the following information in your email when submitting questions to the Company:

- your full name as it appears on your CDP/CPF/SRS/Scrip share records;
- your address;
- number of shares held; and
- the manner in which you hold shares in the Company (e.g., via CDP, CPF or SRS or Scrip based)

3 The Company will endeavour to address substantial and relevant questions at or before the AGM. The responses to such questions from shareholders, together with the minutes of the AGM, will be posted on the SGXNet and the Company's website within one month after the date of AGM.

4 All documents (including the Annual Report 2021, proxy form, this Notice of AGM and appendices 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 https://www.lkhs.com.sg. **Printed copies of the documents will not be despatched to members** as provided for under clause 7 First Schedule of COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Members and investors are advised to check SGXNet and/or the Company's website regularly for updates.

Personal data privacy: By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the Annual General Meeting 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warrant.

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Dato' Marco Low Peng Kiat	Jimmy Yim Wing Kuen
Date of appointment	7 November 2006	1 March 2009
Date of last re-appointment	29 May 2019	29 May 2019
Age	48	61
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria and the search and nomination process)	The re-election of Dato' Marco Low as a Director of the Company at the AGM 2021 was recommended by the Nominating Committee and approved by the Board after taking into consideration Dato' Marco Low's contributions, qualifications and past experiences.	The re-election of Mr Jimmy Yim Wing Kuen as a Director of the Company at the AGM 2021 was recommended by the Nominating Committee and approved by the Board after taking into consideration Mr Yim's background, qualifications, expertise and past experiences.
Whether the appointment is executive and if so, please state the area of responsibility	Yes, he makes key decisions on the management and operations of the Group and are responsible for the conduct of the business and affairs of the Group.	No, the appointment is non-executive.
Job title (e.g.Lead ID, AC Chairman, AC member, etc)	• Managing Director • Member of Remuneration Committee • Member of Nominating Committee	• Non-Executive Lead Independent Director • Chairman of Audit Committee • Member of Nominating Committee • Member of Remuneration Committee
Professional memberships/ qualifications	Bachelor of Science in Management & Systems from City University, England	• LL.B. (Hons), National University of Singapore • LL.M., National University of Singapore • Advocate & Solicitor, Singapore • Solicitor, England & Wales • Appointed Senior Counsel • Appointed Regional • Arbitrator by the Singapore International Arbitration Centre
Working experience and occupation(s) during the past 10 years	Dato' Marco Low Peng Kiat was appointed as a Non-Executive Director of LKHS in 2006 and joint Managing Director in 2011. He is also a director of Consistent Record Sdn. Bhd.	Professional Lawyer

Name of Director	Dato' Marco Low Peng Kiat	Jimmy Yim Wing Kuen
Shareholding interest in the Company and its subsidiaries	Direct interest of 300,000 of shares, 0.04% Deemed interest of 399,945,345 of shares, 54.1%	Deemed interest of 320,000 of shares, 0.04%
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Mr Low Keng Boon @ Lau Boon Sen, Executive Chairman is uncle of Dato' Marco Low. Mr Low Poh Kuan, Executive Director is cousin of Dato' Marco Low.	None
Conflict of interest (including competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes
Other principal commitments1 including Directorships		
- Present	Various Subsidiaries of LKHS	● Singapore Medical Group Limited ● Drew & Napier LLC (Chairman) ● Vanda Global Capital Pte Ltd (Non-Executive Director)
- Past (for the last 5 years)	Nil	● ARA-CWT Trust Management (CACHE) Limited ● CWT Limited ● Celestial Life Limited
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative Confirmation	Negative Confirmation

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Michael Leong Choon Fai	Alvin Teo Poh Kheng
Date of appointment	7 December 2018	5 April 2021
Date of last re-appointment	29 May 2019	NA
Age	74	51
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria and the search and nomination process)	The re-election of Mr Michael Leong as a Director of the Company at the AGM 2021 was recommended by the Nominating Committee and approved by the Board after taking into consideration Mr Leong's contributions, qualifications and past experiences.	The re-election of Mr Alvin Teo Poh Kheng as a Director of the Company at the AGM 2021 was recommended by the Nominating Committee and approved by the Board after taking into consideration Mr Teo's contributions, qualifications and past experiences.
Whether the appointment is executive and if so, please state the area of responsibility	No, the appointment is non-executive.	The appointment is executive and Mr Alvin Teo Poh Kheng will be responsible for LKHS's Group property business in Singapore.
Job title (e.g.Lead ID, AC Chairman, AC member, etc)	• Non-Executive Independent Director • Chairman of Remuneration Committee	• Executive Director (Singapore Properties)
Professional memberships/ qualifications	• GCERT Property, University of Newcastle, Australia	• Bachelor of Science in Estate Management (Hons) from The National University of Singapore • Diploma in Marketing Management from Singapore Institute of Management • Postgraduate Diploma in Marketing from The Chartered Institute of Marketing • Member of Chartered Institute of Marketing • Member of Singapore Institute of Surveyors and Valuers

Name of Director	Michael Leong Choon Fai	Alvin Teo Poh Kheng
Working experience and occupation(s) during the past 10 years	● Chief Executive Officer of AsiaMalls Management Pte Ltd ● Director of Mount Faber Leisure Group Pte Ltd (Subsidiary of Sentosa Development Corporation) / Taimall Management Services Co. Ltd / Jurong Point Realty Limited / Starmall Property Management Pte Ltd / Keppel Land Retail Consultancy Pte Ltd / Guthrie GTS Limited / Heartland Retail Holdings Pte Ltd ● Consultant of Keppel Land International Ltd	● Managing Director of Sun Venture Pte Ltd and group of companies / subsidiaries / associates of Sun Venture Group Limited
Shareholding interest in the Company and its subsidiaries	Direct interest of 100,000 of shares, 0.01%	Deemed interest of 3,290,000 of shares, 0.45%
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	None	None
Conflict of interest (including competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes
Other principal commitments including Directorships		
- Present	● Mount Faber Leisure Group Pte Ltd (Subsidiary of Sentosa Development Corporation) ● Jurong Point Realty Limited ● Starmall Property Management Pte Ltd	● Chairman of MCST 4311, Paya Lebar Square ● Member of School Management Committee, Assumption English School

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Name of Director	Michael Leong Choon Fai	Alvin Teo Poh Kheng
- Past (for the last 5 years)	• Mount Faber Leisure Group Pte Ltd (Subsidiary of Sentosa Development Corporation) • Keppel Land International Ltd • Taimall Management Services Co. Ltd • Jurong Point Realty Limited • Starmall Property Management Pte Ltd • Keppel Land Retail Consultancy Pte Ltd	• Sun Venture Developments Pte Ltd • Sun Venture (S) Investments Pte Ltd • Sun Venture Invesco Pte Ltd • Sun Venture Pte Ltd • Sun Venture Commercial Pte Ltd • Sun Venture Homes Pte Ltd • Sun Venture Realty Pte Ltd • Sun Venture Property Pte Ltd • SV Asset Management Pte Ltd • SV Robinson Pte Ltd • Legend Asset Management Pte Ltd • Nine Battery Pte Ltd • Paya Lebar Development Pte Ltd • Paya Lebar Square Pte Ltd • Westgate Commercial Pte Ltd • Westgate Tower Pte Ltd • Twenty Anson Pte Ltd • 71 Robinson Pte Ltd • CR-71 Robinson Road Singapore Pte Ltd • Acresland Pte Ltd • Grandwork SV Builders Pte Ltd • SL Investment Group Pte Ltd • Nexusguard Pte Ltd • Guthrie-SV Pte Ltd • Guthrie-SV BSQ5 Pte Ltd • Guthrie-SV BSQ9 Pte Ltd • Guthrie-SV BSQ11 Pte Ltd • Legend Invesco Limited • Legend Capital Limited • Legend Financial Limited • LYC Investment Limited • Metropolitan Hong Kong Group Limited • Nexusguard Limited • Nexusguard Holdings Limited • SV London Limited • SV New Oxford Limited
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative Confirmation	Negative Confirmation

LOW KENG HUAT (SINGAPORE) LIMITED

Company Registration No. 196900209G
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

This proxy form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

*I/We ______________________ (Name) ______________ (NRIC/Passport/ Co. Reg. No(s))

of ____ (Address)
being a *member/members of Low Keng Huat (Singapore) Limited (the "Company") hereby appoint the **Chairman of the Meeting** as *my/our *proxy to vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM") of the Company to be held by electronic means on , 31 May 2021 at 11.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote for or against or abstain from voting on the resolutions to be proposed at the AGM in the spaces provided hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Resolutions		No of Votes or indicate with a tick (√) or cross (x)**		
		For	Against	Abstain
Ordinary business				
1.	To receive and adopt the Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 January 2021.			
2.	To declare a first and final tax exempt (one-tier) dividend of 2.5 cents per ordinary share for the financial year ended 31 January 2021.			
3.	To re-elect Dato' Marco Low Peng Kiat as a Director.			
4.	To re-elect Mr Jimmy Yim Wing Kuen as a Director.			
5.	To re-elect Mr Michael Leong Choon Fai as a Director.			
6.	To re-elect Mr Alvin Teo Poh Kheng as a Director.			
7.	To approve Directors' fee of $215,000 for the financial year ended 31 January 2021.			
8.	To re-appoint Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration.			
Special business				
9.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.			
10(A).	Approval for the continue appointment of Mr Jimmy Yim Wing Kuen, as an independent director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			
10(B).	Approval for the continue appointment of Mr Jimmy Yim Wing Kuen, as an independent director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			

* Delete where applicable

** All resolutions would be put to vote by poll in accordance with listing rules of the Singapore Exchange Securities Limited.

Please tick (√) or cross (X) or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from the relevant resolution.

Dated this ________ day of ______________ 2021

Total number of shares held in:	Number of shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THE PROXY FORM

Notes:

1. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

2. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Regulations of the Constitution of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.

3. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must either be submitted by (a) mail to the registered office of the Company at 80 Marine Parade Road #18-05/09 Parkway Parade Singapore 449269; or (b) email to proxyform@lkhs.com.sg, not later than 72 hours before the time set for the AGM.

   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.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

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

6. Personal data privacy: By submitting an instrument appointing a proxy(ies) or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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LOW KENG HUAT
(SINGAPORE) LIMITED

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