

GENTING SINGAPORE LIMITED
(Company Registration Number: 201818581G)
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 December 2021

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AND ITS SUBSIDIARIES

ANNUAL REPORT

For the financial year ended 31 December 2021

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**GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The Directors present their statement to the members together with the audited financial statements of Genting Singapore Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2021.

In the opinion of the Directors,

- (a) the financial statements set out on pages 7 to 67 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, the financial performance and cash flows of the Group, and the changes in equity of the Group and of the Company, for the financial year ended on that date; 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.

Directors

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

Tan Sri Lim Kok Thay	(Executive Chairman)
Mr Tan Hee Teck	(President and Chief Operating Officer)
Ms Chan Swee Liang Carolina	
Mr Tan Wah Yeow	
Mr Jonathan Asherson	
Mr Hauw Sze Shiung Winston	

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose 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 any other body corporate, except for performance shares granted under the Genting Singapore Performance Share Scheme.

**GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings, none of the Directors holding 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		Holdings in which the Director is deemed to have an interest	
	At 31.12.2021	At 1.1.2021	At 31.12.2021	At 1.1.2021
<u>Genting Singapore Limited</u>				
(Ordinary shares)				
Tan Sri Lim Kok Thay	14,945,063	14,945,063	6,353,828,069	6,353,828,069
Tan Hee Teck	16,500,000	16,500,000	9,600	9,600
Chan Swee Liang Carolina	125,000	125,000	-	-
Tan Wah Yeow	250,000	250,000	-	-
Jonathan Asherson	250,000	250,000	-	-
Hauw Sze Shiung Winston	243,000*	243,000*	43,200	43,200
(Performance shares)				
Tan Sri Lim Kok Thay	750,000	750,000	-	-
Tan Hee Teck	27,250,000	28,750,000	-	-
Chan Swee Liang Carolina	625,000	625,000	-	-
Tan Wah Yeow	625,000	625,000	-	-
Jonathan Asherson	625,000	625,000	-	-
Hauw Sze Shiung Winston	125,000	-	-	-
<u>Genting Berhad</u>				
(Ordinary shares)				
Tan Sri Lim Kok Thay	68,119,980	68,119,980	1,655,936,110	1,655,936,110
<u>Genting Malaysia Berhad</u>				
(Ordinary shares)				
Tan Sri Lim Kok Thay	29,057,883	24,973,544	2,798,979,977	2,798,368,043
Tan Hee Teck	-	-	80,000	80,000
(Long Term Incentive Plan)				
Restricted Share Plan				
Tan Sri Lim Kok Thay	3,870,869	3,870,869	1,251,800	1,251,800
Performance Share Plan				
Tan Sri Lim Kok Thay	2,447,058	6,531,397	1,140,414	3,748,416
<u>Genting Plantations Berhad</u>				
(Ordinary shares)				
Tan Sri Lim Kok Thay	442,800	442,800	496,972,800	488,406,000

* 233,000 ordinary shares are jointly held by Mr Hauw Sze Shiung Winston and his spouse.

**GENTING SINGAPORE LIMITED
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DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Directors' interests in shares or debentures (Continued)

By virtue of Section 7 of the Companies Act 1967 (the "Act"), Tan Sri Lim Kok Thay is deemed to have interests in shares of the subsidiaries held by the Company.

There were no changes in any of the above-mentioned interests in the Company between the end of financial year and 21 January 2022.

Genting Singapore Performance Share Scheme ("PSS")

On 8 August 2007, the shareholders of the Company approved the PSS for eligible Group executives, Group executive directors and non-executive directors, for an initial period of up to 7 August 2017 (the "Initial Period"). Under the PSS, the Company will deliver shares granted under a performance share award by issuing new shares and/or transferring treasury shares to the participants. The performance share awards represent the right of a participant to receive fully-paid shares free of charge, upon the participant satisfying the criteria set out in the PSS and upon satisfying such criteria as may be imposed. During the Initial Period, the total number of shares which may be awarded pursuant to performance share awards granted under the PSS on any date shall not exceed 208,853,893 shares and when added to the number of shares issued and/or issuable under such other share-based incentives schemes of the Company, shall not exceed 5% of the total number of shares of the Company (excluding treasury shares) from time to time.

On 21 April 2016, the shareholders of the Company approved amendments to the rules of the PSS and the extension of the duration of the PSS for a further period of 10 years, from 8 August 2017 to 7 August 2027 (both dates inclusive) (the "Extended Period"). During the Extended Period, the total number of shares which may be awarded pursuant to performance share awards granted under the PSS on any date shall not exceed 420,433,143 shares and when added to the number of shares issued and/or issuable under the PSS prior to the Extended Period and such other share-based incentives schemes of the Company, shall not exceed 5% of the total number of shares of the Company (excluding treasury shares) from time to time.

The Company operates short-term and long-term performance share awards. The use of both types of performance share awards ensures that there is equal emphasis on short and longer term performance horizons.

Performance share awards are accorded to employees who contribute towards achieving the strategic goals and profitability of the Group. The performance share awards are provisional in nature, and will vest subject to meeting various vesting conditions approved by the Remuneration Committee. Such vesting conditions include individual performance conditions and service conditions, such as continued employment with the Group and satisfactory performance throughout the relevant period. Under specific circumstances, the terms of the performance share awards allow for the forfeiture of unvested performance share awards or clawback of vested performance share awards.

**GENTING SINGAPORE LIMITED
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DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Genting Singapore Performance Share Scheme ("PSS") (Continued)

The vesting of performance shares granted under the PSS is subject to the achieving of pre-agreed service and/or performance conditions over the performance period. The PSS is administered by the Remuneration Committee.

During the financial year, the number of performance shares granted, vested and lapsed under the PSS are as follows:

Date of Grant	Number of Performance Shares				At 31.12.2021
	At 1.1.2021	Granted	Vested	Lapsed	
22.02.2019	1,500,000	-	-	(1,500,000)	-
01.03.2019	2,900,000	-	-	(2,900,000)	-
12.02.2020	3,375,000	-	-	(1,875,000)	1,500,000
02.03.2020	43,386,000	-	-	(5,748,500)	37,637,500
01.03.2021	-	7,765,000	-	(362,500)	7,402,500
Total	51,161,000	7,765,000	-	(12,386,000)	46,540,000

The summary of the total number of performance shares granted, vested, lapsed and outstanding as at 31 December 2021 are as follows:

	Performance shares granted during financial year ended 31.12.2021	Aggregate performance shares granted since the commencement of the PSS to 31.12.2021*	Aggregate performance shares vested since the commencement of the PSS to 31.12.2021*	Aggregate performance shares lapsed since the commencement of the PSS to 31.12.2021*	Aggregate performance shares outstanding as at 31.12.2021
Directors					
Tan Sri Lim Kok Thay	750,000	10,500,000	(8,760,000)	(990,000)	750,000
Tan Hee Teck	750,000	65,630,000	(33,969,100)	(4,410,900)	27,250,000
Chan Swee Liang Carolina	125,000	875,000	(125,000)	(125,000)	625,000
Tan Wah Yeow	125,000	1,000,000	(250,000)	(125,000)	625,000
Jonathan Asherson	125,000	1,000,000	(250,000)	(125,000)	625,000
Hauw Sze Shiung Winston	125,000	125,000	-	-	125,000
Other participants	5,765,000	152,037,500	(94,109,290)	(41,388,210)	16,540,000
	7,765,000	231,167,500	(137,463,390)	(47,164,110)	46,540,000

* Aggregate of the performance shares granted/vested/lapsed (as the case may be) in respect of the Initial Period and Extended Period.

**GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Share options

During the financial year, there were:

- (a) no options granted to take up unissued shares of the Company; and
- (b) no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

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

Audit and Risk Committee

At the date of this statement, the Audit and Risk Committee comprises the following members, all of whom are non-executive and independent Directors:

Mr Tan Wah Yeow (Chairman)
Ms Chan Swee Liang Carolina
Mr Hauw Sze Shiung Winston

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Act, the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance 2018.

In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, their audit plans, the results of their examination and their evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed, *inter alia*, the following:

- assistance provided by the Company's officers to the external auditor;
- half year and full year consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company prior to their submission to the Directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Rules of the SGX-ST).

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

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

**GENTING SINGAPORE LIMITED
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DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Auditor

The auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors,

TAN SRI LIM KOK THAY
Executive Chairman

MR TAN HEE TECK
Director/President and
Chief Operating Officer

Singapore
17 February 2022

**GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

		<u>Group</u>	
	Note	2021 \$'000	2020 \$'000
Revenue	4	1,067,296	1,063,749
Cost of sales [^]		(740,434)	(831,893)
Gross profit		326,862	231,856
Other operating income		29,892	12,204
Interest income		17,536	45,546
Administrative expenses		(118,724)	(131,075)
Selling and distribution expenses		(16,420)	(17,155)
Other operating expenses		(11,321)	(25,597)
Operating profit		227,825	115,779
Finance costs	5	(3,369)	(4,047)
Share of results of joint venture		1,854	1,244
Profit before taxation	6	226,310	112,976
Taxation	7	(42,965)	(43,735)
Net profit for the financial year		183,345	69,241
Net profit attributable to ordinary shareholders of the Company		183,345	69,241
Other comprehensive income/(loss), may be reclassified subsequently to profit or loss:			
Foreign currency exchange differences		2,405	(781)
Other comprehensive income/(loss) for the financial year, net of tax		2,405	(781)
Total comprehensive income for the financial year		185,750	68,460
Total comprehensive income attributable to ordinary shareholders of the Company		185,750	68,460
		<u>Group</u>	
		2021	2020
Earnings per share attributable to ordinary shareholders of the Company			
Basic earnings per share (cents)	8	1.52	0.57
Diluted earnings per share (cents)	8	1.51	0.57

[^] Included in cost of sales for the year ended 31 December 2021 is net reversal of impairment on trade receivables (Note 6) amounting to \$36,231,000 (2020: \$22,820,000).

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

**GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current assets					
Property, plant and equipment	9	5,135,856	4,453,307	77	419
Intangible assets	10	107,575	131,293	-	-
Interests in joint venture	11	65,337	63,483	-	-
Interests in subsidiaries	12	-	-	3,995,664	3,215,005
Deferred tax assets	13	118	111	-	-
Financial assets at fair value through profit or loss	14	33,585	37,916	-	-
Trade and other receivables	15	7,246	7,431	126,318	388,896
		5,349,717	4,693,541	4,122,059	3,604,320
Current assets					
Inventories	16	43,195	43,784	-	-
Trade and other receivables	15	60,877	56,143	253,154	198,423
Financial assets at fair value through profit or loss	14	12,554	-	-	-
Cash and cash equivalents	17	3,325,582	3,994,084	2,074,179	2,406,853
		3,442,208	4,094,011	2,327,333	2,605,276
Less: Current liabilities					
Trade and other payables	18	353,640	343,130	388,160	120,922
Borrowings	19	242,145	3,977	237,232	325
Income tax liabilities		78,387	116,142	4,880	15,288
		674,172	463,249	630,272	136,535
Net current assets		2,768,036	3,630,762	1,697,061	2,468,741
Total assets less current liabilities		8,117,753	8,324,303	5,819,120	6,073,061
Equity					
Share capital	21	5,527,705	5,527,705	5,527,705	5,527,705
Treasury shares	21	(23,485)	(23,485)	(23,485)	(23,485)
Other reserves	22	16,095	19,217	8,736	12,051
Retained earnings		2,374,820	2,312,123	306,105	300,684
Attributable to ordinary shareholders		7,895,135	7,835,560	5,819,061	5,816,955
Non-controlling interests		2	2	-	-
Total equity		7,895,137	7,835,562	5,819,061	5,816,955
Non-current liabilities					
Deferred tax liabilities	13	209,379	225,525	-	-
Borrowings	19	5,519	262,792	2	256,049
Provision for retirement gratuities	23	205	205	57	57
Other payables	18	7,513	219	-	-
		222,616	488,741	59	256,106
Total equity and non-current liabilities		8,117,753	8,324,303	5,819,120	6,073,061

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

**GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

<u>Group</u>	Attributable to ordinary shareholders of the Company					Non-controlling interests \$'000	Total \$'000	
	Share capital \$'000	Treasury shares \$'000	Performance share reserve \$'000	Exchange translation reserve \$'000	Retained earnings \$'000			Subtotal \$'000
As at 1 January 2021	5,527,705	(23,485)	12,703	6,514	2,312,123	7,835,560	2	7,835,562
Total comprehensive income								
- Profit for the year	-	-	-	-	183,345	183,345	-	183,345
- Other comprehensive income	-	-	-	2,405	-	2,405	-	2,405
Transactions with owners:								
Performance share schemes:								
- Value of employee services	-	-	(5,527)	-	-	(5,527)	-	(5,527)
Dividends paid	-	-	-	-	(120,648)	(120,648)	-	(120,648)
Total transactions with owners	-	-	(5,527)	-	(120,648)	(126,175)	-	(126,175)
As at 31 December 2021	5,527,705	(23,485)	7,176	8,919	2,374,820	7,895,135	2	7,895,137

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

**GENTING SINGAPORE LIMITED
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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

<u>Group</u>	Attributable to ordinary shareholders of the Company					Non-controlling interests	Total	
	Share capital	Treasury shares	Performance share reserve	Exchange translation reserve	Retained earnings			Subtotal
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
As at 1 January 2020	5,527,705	(29,541)	9,479	7,295	2,542,651	8,057,589	2	8,057,591
Total comprehensive income/(loss)								
- Profit for the year	-	-	-	-	69,241	69,241	-	69,241
- Other comprehensive loss	-	-	-	(781)	-	(781)	-	(781)
Transactions with owners:								
Performance share schemes:								
- Value of employee services	-	-	11,131	-	-	11,131	-	11,131
- Treasury shares reissued	-	6,056	(7,907)	-	1,851	-	-	-
Dividends paid	-	-	-	-	(301,620)	(301,620)	-	(301,620)
Total transactions with owners	-	6,056	3,224	-	(299,769)	(290,489)	-	(290,489)
As at 31 December 2020	5,527,705	(23,485)	12,703	6,514	2,312,123	7,835,560	2	7,835,562

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

**GENTING SINGAPORE LIMITED
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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

<u>Company</u>	Attributable to ordinary shareholders of the Company					Total \$'000
	Share capital \$'000	Treasury shares \$'000	Performance share reserve \$'000	Exchange translation reserve \$'000	Retained earnings \$'000	
As at 1 January 2021	5,527,705	(23,485)	12,703	(652)	300,684	5,816,955
Total comprehensive income						
- Profit for the year	-	-	-	-	126,069	126,069
- Other comprehensive income	-	-	-	2,212	-	2,212
Transactions with owners:						
Performance share schemes:						
- Value of employee services	-	-	(5,527)	-	-	(5,527)
Dividends paid	-	-	-	-	(120,648)	(120,648)
Total transactions with owners	-	-	(5,527)	-	(120,648)	(126,175)
As at 31 December 2021	5,527,705	(23,485)	7,176	1,560	306,105	5,819,061

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

**GENTING SINGAPORE LIMITED
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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

<u>Company</u>	Attributable to ordinary shareholders of the Company					Total \$'000
	Share capital \$'000	Treasury shares \$'000	Performance share reserve \$'000	Exchange translation reserve \$'000	Retained earnings \$'000	
As at 1 January 2020	5,527,705	(29,541)	9,479	(4)	624,803	6,132,442
Total comprehensive loss						
- Loss for the year	-	-	-	-	(24,350)	(24,350)
- Other comprehensive loss	-	-	-	(648)	-	(648)
Transactions with owners:						
Performance share schemes:						
- Value of employee services	-	-	11,131	-	-	11,131
- Treasury shares reissued	-	6,056	(7,907)	-	1,851	-
Dividends paid	-	-	-	-	(301,620)	(301,620)
Total transactions with owners	-	6,056	3,224	-	(299,769)	(290,489)
As at 31 December 2020	5,527,705	(23,485)	12,703	(652)	300,684	5,816,955

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

**GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Group	
	2021	2020
	\$'000	\$'000
Profit before taxation for the financial year	226,310	112,976
Adjustments for:		
Property, plant and equipment:		
- Depreciation	245,046	276,384
- Net gain on disposals	(1,237)	(1,783)
- Written off	11,321	4,567
- Impairment	-	20,076
Amortisation of:		
- Intangible assets	26,526	26,027
- Borrowing costs	366	379
Net reversal of impairment on trade receivables	(36,231)	(22,820)
Fair value gain on financial assets at fair value through profit or loss	(26,229)	(8,273)
Share-based payment (write-back)/expense	(5,527)	11,131
Inventory write-down	1,544	3,417
Finance charges	3,003	3,668
Unrealised foreign exchange (gain)/loss	(3,093)	5,120
Interest income	(17,536)	(45,546)
Share of results of joint venture	(1,854)	(1,244)
Write-back of retirement gratuities	-	(59)
	196,099	271,044
Operating cash flows before movements in working capital	422,409	384,020
Changes in working capital:		
(Increase)/decrease in inventories	(955)	1,494
Decrease in trade and other receivables	32,864	77,166
Increase/(decrease) in trade and other payables	4,698	(138,579)
	36,607	(59,919)
Cash generated from operating activities	459,016	324,101
Interest received	15,561	65,599
Net taxation paid	(96,858)	(143,190)
Net cash generated from operating activities	377,719	246,510

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

**GENTING SINGAPORE LIMITED
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STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group	
		2021	2020
		\$'000	\$'000
Net cash generated from operating activities		377,719	246,510
Investing activities			
Property, plant and equipment:			
- Proceeds from disposals		5,189	1,381
- Purchases		(941,966)	(88,295)
Additions of intangible assets		(2,808)	(4,440)
Proceeds from disposal of financial assets at fair value through profit or loss		18,581	205,630
Net cash (used in)/generated from investing activities		(921,004)	114,276
Financing activities			
Interest paid		(2,435)	(3,056)
Dividends paid		(120,648)	(301,620)
Repayment of lease liabilities		(4,686)	(4,875)
Net cash used in financing activities		(127,769)	(309,551)
(Decrease)/increase in cash and cash equivalents		(671,054)	51,235
Beginning of financial year		3,994,084	3,947,250
Net (outflow)/inflow		(671,054)	51,235
Effects of exchange rate changes		2,552	(4,401)
End of financial year	17	3,325,582	3,994,084

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

**GENTING SINGAPORE LIMITED
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STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

Reconciliation of liabilities arising from financing activities

<u>Group</u>	<u>Lease liabilities</u>	<u>Bonds</u>	<u>Total</u>
<u>2021</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Beginning of financial year	10,779	255,990	266,769
Principal payments	(4,686)	-	(4,686)
<u>Non-cash changes</u>			
- Additions	5,760	-	5,760
- Disposals	(1,508)	-	(1,508)
- Foreign exchange movement	144	(19,181)	(19,037)
- Amortisation of borrowing costs	-	366	366
End of financial year	10,489	237,175	247,664
2020			
Beginning of financial year	13,859	246,786	260,645
Principal payments	(4,875)	-	(4,875)
<u>Non-cash changes</u>			
- Additions	3,495	-	3,495
- Disposals	(1,641)	-	(1,641)
- Foreign exchange movement	(59)	8,825	8,766
- Amortisation of borrowing costs	-	379	379
End of financial year	10,779	255,990	266,769

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

GENTING SINGAPORE LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. GENERAL

Genting Singapore Limited is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The address of the Company’s registered office is 10 Sentosa Gateway, Resorts World Sentosa, Singapore 098270.

The Company’s principal activity is that of an investment holding company. The principal activities of the Company’s subsidiaries include the construction, development and operation of integrated resort, operation of casinos, provision of sales and marketing support services to leisure and hospitality related businesses and investments.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I)s 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 3.

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Group and the Company have adopted the new or amended SFRS(I)s that are effective for financial year beginning on or after 1 January 2021. The adoption of the new SFRS(I)s did not result in any significant changes to the accounting policies and had no material effect on the amounts reported for the current or prior financial years.

There are no other standards that are not yet effective that would be expected to have a material impact on the Group and the Company in the current or foreseeable future reporting periods.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between the Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Where necessary, accounting policies of the subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and the statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group. Under this method, the cost of an acquisition of a subsidiary or business is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The cost of acquisition also includes the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are 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 identifiable net assets.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(a) Subsidiaries (Continued)

(ii) Acquisitions (Continued)

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (see accounting policy note on intangible assets). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

(iii) 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 derecognised. The profit or loss on disposal 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), and the liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured 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.

(b) Joint venture

The Group's interests in joint venture is accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of joint venture in profit or loss and its share of post-acquisition movements within reserve is recognised in other comprehensive income. These post-acquisition movements and distributions are adjusted against the carrying amount of the investment.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturer. The Group does not recognise its share of profits or losses from joint venture that results from the purchase of assets by the Group from the joint venture, until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately in profit or loss.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of joint venture to ensure consistency of accounting policies with those of the Group.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(c) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue attributable to the award of benefits measured at fair value is deferred until they are utilised. Revenue is shown as net of goods and services tax, and discounts and after eliminating sales within the Group.

Gaming revenue represents net house takings, which is the aggregate of wins and losses arising from gaming play, and is reported after deduction of goods and services tax, commissions, discounts and loyalty points awarded to customers. Complimentary goods or services provided by the Group is allocated to the appropriate revenue type based on the goods and services provided, at the standalone selling price of each good and service.

Hotel room revenue is recognised at the time of room occupancy.

Attraction revenue is recognised when tickets are used. Revenue from annual passes is amortised over the period of their validity.

Food and beverage, retail sales and other hospitality and support services are recognised when goods are delivered or services are rendered to the customers.

Rental income from retail outlets, net of any incentives given to the lessee, is recognised on a straight-line basis over the period of the respective lease terms.

2.4 Interest income

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

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

All property, plant and equipment except for freehold land is initially recognised at cost and is subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs and realised gains or losses on qualifying cash flow hedges incurred specifically for the construction or development of the asset. Depreciation is calculated using the straight-line method to allocate the depreciable amounts of property, plant and equipment less their estimated residual values over their estimated useful lives as follows:

	<u>Estimated useful lives</u>
Freehold properties and improvements	25 years
Leasehold land, properties and improvements	30-99 years
Machinery, computer equipment, fixtures, fittings and motor vehicles	2-5 years
Public attractions, theme park equipment, mechanical and electrical system	10-35 years
Exhibit animals	5-15 years

Freehold land is stated at cost and is not depreciated. Leasehold land is depreciated over the lease period of 45 to 99 years. Leasehold properties and improvements are depreciated over 30 to 60 years. Leasehold land, leasehold properties, machinery and motor vehicles are included as part of the carrying amount of right-of-use ("ROU") assets.

The depreciation of leasehold land is capitalised during the period of construction as part of construction-in-progress in property, plant and equipment until the construction is completed.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss during the financial year that they are incurred.

Construction-in-progress consists of assets and property under construction. Assets include acquired computer hardware, computer software licence and implementation cost incurred in bringing the computer system to use.

Construction-in-progress is stated at cost and is not depreciated. Costs include borrowing costs and other directly related expenditure incurred during the period of construction and up to the completion of the construction. Construction-in-progress relating to assets and property under construction is reclassified to the respective categories of property, plant and equipment upon completion of the project.

For major construction-in-progress, the cost is supported by qualified quantity surveyors' certification of work done.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

Where an indication of impairment exists, the recoverable amount of the asset is assessed and if it is estimated to be less than its carrying amount, the carrying amount of the assets is written down immediately to its recoverable amount (see accounting policy note on impairment of non-financial assets).

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in profit or loss.

2.6 Intangible assets

(a) Goodwill on acquisition

Goodwill on acquisition represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill on acquisition of subsidiaries is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Trademarks and tradenames

Trademarks and tradenames are initially recognised at cost and are subsequently carried at cost less any accumulated impairment losses. Trademarks and tradenames have an indefinite useful life as it is maintained through continuous marketing and upgrading. Trademarks and tradenames are tested annually for impairment. Where an indication of impairment exists, the carrying amount of trademarks and tradenames are assessed and written down immediately to its recoverable amount (see accounting policy note on impairment of non-financial assets).

(c) Licences

Casino and theme park licences are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Such cost is amortised using the straight-line method over 3 to 35 years, which is the shorter of its economic useful life and periods of contractual right. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Amortisation is recognised in profit or loss unless the amount can be capitalised as part of construction-in-progress. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(d) Computer software

Computer software that does not form an integral part of other related hardware is treated as an intangible asset. Costs that are directly associated with development and acquisition of computer software programmes by the Group are capitalised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful life of 10 years.

2.7 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the differences between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (see accounting policy note on impairment of non-financial assets).

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested at least annually for impairment. Assets that are subject to amortisation and depreciation, and investments in subsidiaries and joint venture are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment is charged to profit or loss. Impairment is reversed only to the extent that the reversal does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment been recognised in prior years for the same asset. The reversal is recognised in profit or loss. Impairment on goodwill is not reversed once recognised.

2.9 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following categories: amortised cost and fair value through profit or loss. 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.

(b) Recognition and derecognition

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 derecognised 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.

(c) 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.

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NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(d) Subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, quoted and unquoted debt securities.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are 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 derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in other gains and losses.

(e) 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 the level of credit risk, which is set out in Note 26(d). For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 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.

Approved government grants relating to qualifying expenditure are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate, unless they are directly attributable to the construction of an item of property, plant and equipment, in which case, they are set off against the asset.

Government grants relating to expenses are presented as a deduction of the related expense.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits held at call with banks and other short-term highly liquid investments with original maturities of 12 months or less.

2.13 Trade and other payables

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

2.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits include wages, salaries, bonus and paid annual leave. These benefits are recognised as an expense in profit or loss when incurred and are measured on an undiscounted basis, unless they can be capitalised as part of the cost of a self-constructed asset.

(b) Defined contribution plans

The Group contributes to defined contribution plans for some of its employees under which the Group pays fixed contributions into the employees provident funds in certain countries in which it operates on a mandatory, contractual or voluntary basis and will have no legal or constructive obligations to pay further contributions if those funds do not hold sufficient assets to pay all employees the benefits relating to services provided in the current and prior periods. The Group's contributions to such plans are recognised in profit or loss as employee benefits expense when they are due, unless they can be capitalised as part of the cost of a self-constructed asset.

(c) Long-term employee benefits

The Group provides retirement gratuities under a retirement gratuity scheme that was established in 1991 by the Board of Directors of the ultimate holding corporation for certain executives and executive directors of the Company and certain subsidiaries. The level of retirement gratuities payable is in relation to the past services rendered. The gratuity is calculated based on employees' basic salary for each completed year of service. Such benefits vest on the employees when they reach retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds or government bond which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of provision for retirement gratuities. The differences arising from the application of such discounting as well as any past service costs and the effects of any curtailments or settlements, if any, are recognised immediately in profit or loss. Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next 12 months.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits (Continued)

(d) Share-based compensation benefits

The Group operates equity-settled, share-based compensation plans, where shares are issued by the Company to eligible executives and directors of the Group. The value of the employee services received in exchange for the grant of the shares is recognised as an expense in profit or loss with a corresponding entry to reserves over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted at the grant date and the number of shares vested by vesting date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the estimates of the number of shares that are expected to become vested.

The fair value of services received from the employees of the Company and its subsidiaries in exchange for the grant of the shares are essentially services rendered in the past, are charged out to profit or loss immediately, unless they can be capitalised as part of the cost of a self-constructed asset. Before the end of the vesting period, at each reporting date, the Company will revise its estimates of the number of shares that are expected to be vested at the vesting date and it recognises the impact of this revision in profit or loss with a corresponding adjustment to equity. After the vesting date, no adjustment to profit or loss is made. For performance shares that are expected to be granted, due to services received before grant date, the total amount to be recognised over the vesting period is determined by reference to the fair value of the performance shares at the end of the reporting period, until the date of grant has been established. Upon vesting of shares, reserves relating to the vested shares will be transferred to retained earnings.

Where the terms of a share-based compensation plan are modified, the expense that has yet to be recognised for the award, is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the share due to the modification, as measured at the date of the modification.

(e) Termination benefits

Termination benefits are recognised as an expense in profit or loss at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs that is within the scope of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event. It is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Borrowings and borrowing costs

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

Borrowings are recognised initially at fair value (net of transaction costs) and subsequently stated 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.

Borrowing costs including commitment fees on credit facilities, amortisation of transaction costs and interest expenses are recognised in profit or loss unless they are directly attributable to the construction-in-progress, in which case, they are capitalised as part of the cost of the self-constructed asset during the construction period.

2.17 Leases

(a) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- **ROU assets**

The Group recognises a ROU asset and lease liability at the date which the underlying asset is available for use. ROU assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU assets.

These ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

ROU assets are presented within "Property, plant and equipment".

- **Lease liabilities**

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include fixed payment (including in-substance fixed payments), less any lease incentives receivables.

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NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (Continued)

(a) When the Group is the lessee (Continued)

- Lease liabilities (Continued)

Lease liability is measured at amortised cost using the effective interest method and shall be remeasured when:

- There is a change in future lease payments arising from changes in the lease's implicit rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

- Short-term and low value leases

Lease payments relating to short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements, are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Lease incentives are recognised as other receivables where such incentives are provided by the Group and recognised net of lease income in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

2.18 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it arises from a transaction or event which is recognised, in the same or different period, in other comprehensive income or directly in equity. Tax relating to transactions or events recognised in other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income tax (Continued)

(a) Current tax

Current tax is calculated according to the tax laws of each jurisdiction in which the Company and its subsidiaries operate and includes all taxes based upon the taxable income and is measured using the tax rates and tax laws which are applicable at the reporting date.

(b) Deferred tax

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled; and based on the tax consequences that will follow from the manner in which the Group expects, at the same reporting date, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Share capital and treasury shares

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The proceeds received net of any directly attributable transaction costs are credited to share capital.

When shares recognised as equity are acquired, the consideration paid, including any directly attributable transaction costs, are recorded in the treasury shares account.

When the Company purchases its own ordinary shares ("treasury shares"), they are presented as a deduction from total equity until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in equity.

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NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in the functional currency of the Company which is Singapore Dollars ("S\$").

(b) Transactions and balances

Foreign currency transactions of each entity in the Group are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the closing rates at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing rate at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate at the reporting date.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved for payment.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, making strategic decisions and assessing performance of the operating segments has been identified as the Executive Chairman, and President and Chief Operating Officer of the Group and of the Company.

2.23 Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. When a change in the probability of an outflow of economic resources occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence where an inflow of economic benefits is probable, but not virtually certain. When an inflow of economic resources is virtually certain, the asset is recognised.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not necessarily equal the related actual results.

(a) Taxation

The Group is subject to income taxes in numerous jurisdictions in which the Group operates, mainly in Singapore. Significant judgement is required in determining the provision for income taxes that includes the estimate of the amount of the taxability of certain income and the deductibility of certain expenses.

Where the final tax outcome of tax liabilities is different from the amounts that were initially recorded, such differences will impact the income tax liabilities and deferred tax assets and liabilities (Notes 7 and 13), where applicable, in the period in which such determination is made.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Impairment of trade receivables

As at 31 December 2021, the Group's trade receivables (gross) amounted to \$217,663,000, majority of which are related to casino debtors. Trade receivables are grouped based on shared credit risk characteristics and days past due, with expected loss rates assessed based on the Group's historical credit loss experience.

The Group further evaluates the expected credit loss on customers on a case-by-case basis, which will be assessed based on indicators such as changes in financial capability of the debtor, and default or significant delay in payments.

The Group's credit risk exposure for trade receivables is set out in Note 26(d).

4. REVENUE

	Group	
	2021	2020
	\$'000	\$'000
Gaming	802,595	700,816
Non-gaming		
- Hotel rooms	110,309	112,879
- Attractions	74,127	104,537
- Other non-gaming	61,312	67,103
	245,748	284,519
Rental income	13,964	16,816
Hospitality and support services and others	4,989	61,598
	1,067,296	1,063,749

5. FINANCE COSTS

	Group	
	2021	2020
	\$'000	\$'000
Interest expense:		
- Bonds	1,646	1,724
- Lease liabilities	531	1,145
Amortisation of borrowing costs	366	379
Others	826	799
	3,369	4,047

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6. PROFIT BEFORE TAXATION

Included in the profit before taxation are the following expenses/(income) by nature:

	Group	
	2021	2020
	\$'000	\$'000
Directors' remuneration:		
- Fees and meeting allowances	1,246	1,235
- Other emoluments ⁽¹⁾	12,654	33,651
Employee benefits (excluding directors' remuneration) ⁽²⁾ :		
- Salaries and related costs	231,439	264,913
- Employer's contribution to defined contribution plan	30,858	33,308
- Write-back of retirement gratuities	-	(59)
- Share-based payment ⁽¹⁾	5,184	1,951
Auditors' remuneration:		
- PricewaterhouseCoopers LLP, Singapore	1,463	1,462
- Other auditors	56	62
Non-audit fees paid/payable to auditors	644	482
Duties and taxes ⁽³⁾	175,584	129,665
Depreciation of property, plant and equipment	245,046	276,384
Amortisation of intangible assets	26,526	26,027
Net reversal of impairment on trade receivables	(36,231)	(22,820)
Inventory write-down	1,544	3,417
Included in other operating income:		
- Gain on disposal of property, plant and equipment	(1,237)	(1,783)
- Fair value gain on financial assets at fair value through profit or loss	(26,229)	(8,273)
- Net foreign exchange gain	(2,387)	-
Included in other operating expenses:		
- Write-off of property, plant and equipment	11,321	4,567
- Impairment of property, plant and equipment	-	20,076
- Net foreign exchange loss	-	954
Rental expenses on operating leases	887	1,011
Advertising and promotion	16,626	26,164
Utilities	52,348	31,503
Legal, professional and management fees	16,433	17,365

⁽¹⁾ The 2020 figures included certain accruals of special incentive awards which were subject to achievement of pre-agreed service and/or performance conditions over the performance period. These accruals amounted to \$29.4 million made in the prior year were no longer needed and were reversed in 2021. For clarity, the 2021 figures do not include the reversal adjustments.

⁽²⁾ The Group has recognised grant income of \$47,223,000 (2020: \$76,354,000) relating mainly to the Jobs Support Scheme which had been set off against the qualifying employee compensation.

⁽³⁾ Includes property tax and casino tax that is levied on the casino's gross gaming revenue. In 2020, the Group recognised property tax rebates of \$26,748,000 which had been set off against property tax expenses.

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NOTES TO THE FINANCIAL STATEMENTS
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7. TAXATION

	Group	
	2021	2020
	\$'000	\$'000
Taxation for current financial year:		
- Current tax	65,147	56,586
- Deferred tax	(16,557)	(21,652)
	48,590	34,934
(Over)/under provision in prior financial years:		
- Current tax	(6,029)	(7,159)
- Deferred tax	404	15,960
	(5,625)	8,801
Total tax expense	42,965	43,735
Reconciliation of effective tax rate		
Profit before taxation	226,310	112,976
Share of results of joint venture, net of tax	(1,854)	(1,244)
Profit before taxation and share of results of joint venture	224,456	111,732
Tax calculated at tax rate of 17%	38,158	18,994
Tax effects of:		
- Expenses not deductible for tax purposes	24,346	29,516
- (Over)/under provision in prior financial years	(5,625)	8,801
- Different tax rates in other countries	(129)	(1,239)
- Tax incentives	(183)	(144)
- Income not subject to tax	(13,852)	(13,190)
- Deferred tax assets not recognised	243	315
- Withholding tax	7	682
Total tax expense	42,965	43,735

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8. EARNINGS PER SHARE

The basic and diluted earnings per ordinary share have been calculated based on Group's net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding.

	2021	Group	2020
	\$'000		\$'000
Net profit attributable to ordinary shareholders of the Company	183,345		69,241

	2021	Group	2020
	'000		'000
Weighted average number of ordinary shares of the Company	12,064,805		12,063,667
Adjustment for:			
- Share-based compensation plans	47,472		45,436
Adjusted weighted average number of ordinary shares of the Company	12,112,277		12,109,103

Earnings per share attributable to ordinary shareholders of the Company is as follows:

	2021	Group	2020
Basic earnings per share (cents)	1.52		0.57
Diluted earnings per share (cents)	1.51		0.57

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9. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>Freehold land</u>	<u>Freehold properties and improvements</u>	<u>Leasehold land, properties and improvements</u>	<u>Machinery, computer equipment, fixtures, fittings and motor vehicles</u>	<u>Public attractions, theme park equipment, mechanical and electrical system</u>	<u>Exhibit animals</u>	<u>Construction-in-progress</u>	<u>Total</u>
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
Beginning of financial year	132,445	18,742	3,902,576	1,075,379	2,480,711	25,131	160,743	7,795,727
Exchange differences	-	-	(118)	(22)	-	-	-	(140)
Additions	-	3	829,785	30,070	7,209	-	91,865	958,932
Disposals	-	-	(9,066)	(8,990)	(1,598)	-	-	(19,654)
Written off	-	-	(10,147)	(14,325)	(14,627)	(340)	(4,731)	(44,170)
Reclassification	-	3	27,046	2,563	(3)	-	(29,609)	-
Cost adjustment	-	-	(1,666)	910	18	-	-	(738)
End of financial year	132,445	18,748	4,738,410	1,085,585	2,471,710	24,791	218,268	8,689,957
Accumulated depreciation and impairment								
Beginning of financial year	-	7,094	952,341	972,133	1,395,267	15,585	-	3,342,420
Exchange differences	-	-	(69)	(116)	-	-	-	(185)
Depreciation	-	764	107,177	48,787	100,588	1,593	-	258,909
Disposals	-	-	(6,209)	(7,062)	(923)	-	-	(14,194)
Written off	-	-	(7,093)	(13,735)	(11,926)	(95)	-	(32,849)
End of financial year	-	7,858	1,046,147	1,000,007	1,483,006	17,083	-	3,554,101
Net book value								
End of financial year	132,445	10,890	3,692,263	85,578	988,704	7,708	218,268	5,135,856

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9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Group</u>	<u>Freehold land</u>	<u>Freehold properties and improvements</u>	<u>Leasehold land, properties and improvements</u>	<u>Machinery, computer equipment, fixtures, fittings and motor vehicles</u>	<u>Public attractions, theme park equipment, mechanical and electrical system</u>	<u>Exhibit animals</u>	<u>Construction-in-progress</u>	<u>Total</u>
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
Beginning of financial year	132,445	18,692	3,909,248	1,055,014	2,480,114	25,001	113,294	7,733,808
Exchange differences	-	-	(572)	7	-	-	-	(565)
Additions	-	50	3,506	15,604	5,066	216	61,197	85,639
Disposals	-	-	(6,891)	(3,767)	(1,289)	(2)	-	(11,949)
Written off	-	-	(2,810)	(6,618)	(3,433)	-	(1,750)	(14,611)
Reclassification	-	-	3	11,980	12	-	(11,995)	-
Cost adjustment	-	-	92	3,159	241	(84)	(3)	3,405
End of financial year	132,445	18,742	3,902,576	1,075,379	2,480,711	25,131	160,743	7,795,727
Accumulated depreciation and impairment								
Beginning of financial year	-	6,350	853,844	929,712	1,262,917	13,923	-	3,066,746
Exchange differences	-	-	(375)	-	-	-	-	(375)
Depreciation	-	744	94,637	50,187	129,153	1,663	-	276,384
Disposals	-	-	(6,857)	(2,220)	(1,289)	(1)	-	(10,367)
Written off	-	-	(1,870)	(6,467)	(1,707)	-	-	(10,044)
Impairment	-	-	12,962	921	6,193	-	-	20,076
End of financial year	-	7,094	952,341	972,133	1,395,267	15,585	-	3,342,420
Net book value								
End of financial year	132,445	11,648	2,950,235	103,246	1,085,444	9,546	160,743	4,453,307

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9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	<u>Leasehold property</u> \$'000	<u>Computer equipment, fixtures and fittings</u> \$'000	<u>Total</u> \$'000
2021			
Cost			
Beginning and end of financial year	1,016	444	1,460
Accumulated depreciation			
Beginning of financial year	643	398	1,041
Depreciation	319	23	342
End of financial year	962	421	1,383
Net book value			
End of financial year	54	23	77
2020			
Cost			
Beginning of financial year	379	438	817
Additions	637	12	649
Disposal	-	(6)	(6)
End of financial year	1,016	444	1,460
Accumulated depreciation			
Beginning of financial year	324	350	674
Depreciation	319	50	369
Disposal	-	(2)	(2)
End of financial year	643	398	1,041
Net book value			
End of financial year	373	46	419

ROU assets are recognised and included in leasehold land, leasehold properties, certain machinery and motor vehicles of the Group and of the Company. The details are set out in Note 20.

Depreciation charge on leasehold land of \$13,863,000 (2020: Nil) has been capitalised as part of construction-in-progress of the Group during the financial year.

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10. INTANGIBLE ASSETS

<u>Group</u>	<u>Trademarks and tradenames</u>	<u>Goodwill on acquisition</u>	<u>Licences</u>	<u>Computer software</u>	<u>Total</u>
<u>2021</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cost					
Beginning of financial year	1,057	83,049	87,162	28,801	200,069
Additions	-	-	-	2,808	2,808
End of financial year	<u>1,057</u>	<u>83,049</u>	<u>87,162</u>	<u>31,609</u>	<u>202,877</u>
Accumulated amortisation					
Beginning of financial year	-	-	52,995	15,781	68,776
Amortisation	-	-	24,404	2,122	26,526
End of financial year	<u>-</u>	<u>-</u>	<u>77,399</u>	<u>17,903</u>	<u>95,302</u>
Net book value					
End of financial year	<u>1,057</u>	<u>83,049</u>	<u>9,763</u>	<u>13,706</u>	<u>107,575</u>
2020					
Cost					
Beginning of financial year	1,057	83,049	87,162	24,361	195,629
Additions	-	-	-	4,440	4,440
End of financial year	<u>1,057</u>	<u>83,049</u>	<u>87,162</u>	<u>28,801</u>	<u>200,069</u>
Accumulated amortisation					
Beginning of financial year	-	-	28,591	14,158	42,749
Amortisation	-	-	24,404	1,623	26,027
End of financial year	<u>-</u>	<u>-</u>	<u>52,995</u>	<u>15,781</u>	<u>68,776</u>
Net book value					
End of financial year	<u>1,057</u>	<u>83,049</u>	<u>34,167</u>	<u>13,020</u>	<u>131,293</u>

Amortisation expense of \$26,526,000 (2020: \$26,027,000) has been included in cost of sales.

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10. INTANGIBLE ASSETS (CONTINUED)

Goodwill is allocated to the Group's CGUs identified according to geographical areas. A segment-level summary of the allocation of goodwill with indefinite useful life is as follows:

	Group	
	2021	2020
	\$'000	\$'000
Goodwill attributable to:		
Singapore	83,047	83,047
Malaysia	2	2
	83,049	83,049

The goodwill attributed to the Singapore CGU mainly arose from the acquisition of the remaining 25% equity interest in Resorts World at Sentosa Pte. Ltd. ("RWSPL") which developed the first integrated resort in Singapore. The impairment test for goodwill relating to the Singapore CGU was assessed using the value-in-use method. Cash flow projections used in this calculation were based on financial budgets approved by management. The cash flow projection covers a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGU operates.

Key assumptions used in the value-in-use calculation for 2021 include a growth rate and weighted average cost of capital ("WACC") of 2.0% and 12.1% (2020: 2.0%, 10.2%) respectively.

Based on the impairment test, no impairment is required for goodwill attributed to the Singapore CGU. A reasonably possible change in a key assumption on which management has based its determination of the CGU's recoverable amount would not cause its carrying amount to exceed its recoverable amount.

11. INTERESTS IN JOINT VENTURE

	Group	
	2021	2020
	\$'000	\$'000
Share of net assets of joint venture:		
DCP (Sentosa) Pte. Ltd.	65,337	63,483

On 15 April 2008, RWSPL entered into a joint venture with Sentosa Leisure Management Pte. Ltd. ("SLM") to build and operate a district cooling plant on Sentosa Island, Singapore, through the formation of DCP (Sentosa) Pte. Ltd. ("DCP"), a private company incorporated in Singapore. RWSPL and SLM own 80% and 20% of the share capital of DCP respectively. DCP is deemed to be a joint venture of the Group, as both RWSPL and SLM have contractually agreed to the sharing of control in DCP.

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11. INTERESTS IN JOINT VENTURE (CONTINUED)

The summarised financial information of DCP is as follows:

	2021	2020
	\$'000	\$'000
Non-current assets		
Intangible asset – leasehold land use right	4,878	4,986
Property, plant and equipment	58,890	62,414
Other receivables	46	47
	<u>63,814</u>	<u>67,447</u>
Current assets		
Trade and other receivables	36,349	15,928
Cash and cash equivalents	10,362	23,747
	<u>46,711</u>	<u>39,675</u>
Current liabilities		
Trade and other payables	(4,889)	(3,051)
Income tax liabilities	(1,009)	(1,151)
Lease liabilities	(174)	(169)
	<u>(6,072)</u>	<u>(4,371)</u>
Non-current liabilities		
Deferred tax liabilities	(5,988)	(6,429)
Lease liabilities	(16,794)	(16,968)
	<u>(22,782)</u>	<u>(23,397)</u>
Net assets	<u>81,671</u>	<u>79,354</u>
Revenue	<u>20,934</u>	<u>13,778</u>
(Expenses)/income include:		
- Depreciation and amortisation	(4,104)	(4,066)
- Interest income	16	107
- Interest expense	(519)	(528)
	<u>2,819</u>	<u>1,912</u>
Profit before taxation	<u>2,819</u>	<u>1,912</u>
Taxation	(502)	(357)
Profit after taxation and total comprehensive income	<u>2,317</u>	<u>1,555</u>

DCP does not have any contingent liabilities.

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11. INTERESTS IN JOINT VENTURE (CONTINUED)

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in DCP, is as follows:

	2021	2020
	\$'000	\$'000
Net assets		
Beginning of financial year	79,354	77,799
Profit after taxation and total comprehensive income	2,317	1,555
End of financial year	81,671	79,354
Carrying value of Group's interest in DCP	65,337	63,483

12. INTERESTS IN SUBSIDIARIES

	Company	
	2021	2020
	\$'000	\$'000
Unquoted shares - at cost	1,921,664	1,141,005
Amount due from subsidiary	2,074,000	2,074,000
Net investment in subsidiaries	3,995,664	3,215,005

In 2021, the Company increased its investment in wholly-owned subsidiaries by \$777,048,000 (2020: \$1,000,000,000).

The amount due from subsidiary is non-trade in nature, unsecured and interest-free. Repayments are not expected within the next 12 months. This amount is considered part of net investments in subsidiaries.

Details of the Company's significant subsidiary are as follows:

<u>Indirect subsidiary</u>	<u>Country of incorporation</u>	<u>Effective equity interest</u>		<u>Principal activities</u>
		2021	2020	
RWSPL	Singapore	100%	100%	Construction, development and operation of an Integrated Resort at Sentosa

The financial statements of this subsidiary are audited by PricewaterhouseCoopers LLP, Singapore.

The Group has complied with Rules 712 and 715 of the SGX-ST Listing Rules in relation to the appointment of its auditor.

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13. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined prior to offsetting, are shown in the statement of financial position:

	Group	
	2021	2020
	\$'000	\$'000
Deferred tax assets		
To be recovered after one year	118	111
Deferred tax liabilities		
To be settled after one year	(209,379)	(225,525)
Total deferred taxes	(209,261)	(225,414)

Details of deferred taxes prior to offsetting are as follows:

Group	Beginning of financial year	Credited/ (charged) to profit or loss	End of financial year
	\$'000	\$'000	\$'000
2021			
Deferred tax assets			
Provisions	621	678	1,299
Deferred tax liabilities			
Property, plant and equipment	(223,542)	15,635	(207,907)
Intangible assets	(2,493)	(160)	(2,653)
Total deferred taxes	(225,414)	16,153	(209,261)
2020			
Deferred tax assets			
Provisions	1,820	(1,199)	621
Deferred tax liabilities			
Property, plant and equipment	(230,912)	7,370	(223,542)
Intangible assets	(2,014)	(479)	(2,493)
Total deferred taxes	(231,106)	5,692	(225,414)

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>Group</u>	
	2021	2020
	\$'000	\$'000
Unquoted debt securities		
Current	12,554	-
Non-current	33,585	37,916
Total	<u>46,139</u>	<u>37,916</u>
Beginning of financial year	37,916	233,251
Fair value gain	26,229	8,273
Disposals	(18,581)	(205,630)
Exchange differences	575	2,022
End of financial year	<u>46,139</u>	<u>37,916</u>

The investments in unquoted debt securities represent unquoted investment in a foreign corporation and an investment fund. A portion of the unquoted debt securities have been reclassified to current as it is expected to mature within the next 12 months.

15. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	217,663	246,528	-	-
Amounts due from subsidiaries	-	-	147,986	120,016
Other receivables	10,009	23,876	4,826	4,063
Amounts due from subsidiaries of the ultimate holding corporation	1	1	-	-
Loan to a subsidiary	-	-	194,409	194,409
	<u>227,673</u>	270,405	<u>347,221</u>	318,488
Less: Impairment (Note 26(d))	<u>(182,580)</u>	(226,566)	<u>(94,380)</u>	(120,300)
	45,093	43,839	252,841	198,188
Deposits	8,321	3,710	-	1
Prepayments	7,463	8,594	313	234
	<u>60,877</u>	56,143	<u>253,154</u>	198,423
Non-current				
Amounts due from subsidiaries	-	-	127,176	127,176
Other receivables	185	367	-	-
Loan to a subsidiary	-	-	-	262,500
	<u>185</u>	367	<u>127,176</u>	389,676
Less: Impairment (Note 26(d))	<u>-</u>	-	<u>(858)</u>	(780)
	185	367	126,318	388,896
Prepayments	7,061	7,064	-	-
	<u>7,246</u>	7,431	<u>126,318</u>	388,896

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

The loans and amounts due from subsidiaries are mainly non-trade in nature, unsecured and interest-free except for \$194,409,000 (2020: \$456,909,000) which are interest bearing, and \$126,318,000 (2020: \$388,896,000) which repayments are not expected within the next 12 months. The current loan and amounts due from subsidiaries are repayable on demand. During the financial year, the Company capitalised loan and amount due from a subsidiary amounting to \$277,048,000.

16. INVENTORIES

	Group	
	2021	2020
	\$'000	\$'000
Retail stocks	3,695	1,287
Food, beverage and hotel supplies	16,251	16,626
Stores and technical spares	23,249	25,871
	43,195	43,784

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$31,902,000 (2020: \$35,087,000).

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Short-term deposits with banks	2,860,703	3,002,133	1,853,019	2,166,008
Cash and bank balances	464,879	991,951	221,160	240,845
Cash and cash equivalents	3,325,582	3,994,084	2,074,179	2,406,853

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18. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables	873	668	20	11
Accrued operating liabilities	138,056	132,516	5,491	25,072
Accrued capital expenditure	6,193	9,588	-	-
Retention monies and deposits	4,875	4,167	-	-
Contract liabilities	133,405	137,858	-	-
Other payables	34,422	43,639	678	1,030
Amounts due to:				
- Ultimate holding corporation	64	66	-	-
- Immediate holding corporation	34	19	15	7
- Subsidiaries	-	-	381,956	94,802
- Joint venture	35,718	14,609	-	-
	353,640	343,130	388,160	120,922
Non-current				
Retention monies and deposits	1,818	219	-	-
Other payables	5,695	-	-	-
	7,513	219	-	-

Retention monies refer to amounts withheld from contractors' claim for work done in accordance with contractual rights, which are progressively released upon the completion of the project.

Contract liabilities represent performance obligations that are contracted for but whose revenue have not been recognised in the financial statements. They are expected to be recognised as revenue in the next financial year. The following table summarises the contract liabilities activity related to contracts with customers:

Group	Customer deposits		Deferred revenue		Other contract liabilities	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January	61,792	79,864	20,854	43,360	55,212	58,200
Balance as at 31 December	65,684	61,792	14,431	20,854	53,290	55,212
Increase/(decrease)	3,892	(18,072)	(6,423)	(22,506)	(1,922)	(2,988)

Customer deposits and deferred revenue represent cash received from customers for future gaming and non-gaming services provided by the Group. Other contract liabilities mainly include loyalty program liabilities and outstanding chips liabilities.

The amounts due to ultimate holding corporation, immediate holding corporation and subsidiaries are mainly non-trade in nature, unsecured, interest-free and are repayable on demand.

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19. BORROWINGS

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	4,970	3,977	57	325
Bonds [^]	237,175	-	237,175	-
	242,145	3,977	237,232	325
Non-current				
Lease liabilities	5,519	6,802	2	59
Bonds [^]	-	255,990	-	255,990
	5,519	262,792	2	256,049
Total borrowings	247,664	266,769	237,234	256,374

[^] On 24 October 2017, the Company issued an unsecured and unsubordinated Japanese Yen-denominated bonds with a principal amount of Japanese Yen 20,000,000,000 (approximately \$240,240,000) in Japan, acting through its Japan branch. The bonds have a coupon rate of 0.669% per annum and are due for repayment five years from the issue date. As at 31 December 2021, the carrying amount of bonds has been reclassified from non-current liabilities to current liabilities.

20. LEASES

(a) When the Group and the Company is a lessee

The Group and the Company leases land, leasehold properties, machinery and motor vehicles with varying terms and conditions. The lease agreements do not impose any covenants.

(i) Carrying amounts of ROU assets

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Leasehold land	1,556,805	736,334	-	-
Leasehold properties	2,048	1,369	53	372
Machinery and motor vehicles	7,583	8,873	4	6
	1,566,436	746,576	57	378

Additions to ROU assets during the financial year amounted to \$853,402,000 (2020: \$3,495,000) for the Group and nil (2020: \$643,000) for the Company.

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20. LEASES (CONTINUED)

(a) When the Group and the Company is a lessee (Continued)

(ii) Amounts recognised in the statement of comprehensive income

	Group	
	2021	2020
	\$'000	\$'000
Depreciation on ROU assets:		
Leasehold land	27,195	13,533
Leasehold properties	1,077	1,248
Machinery and motor vehicles	3,722	3,520
	31,994	18,301
	<hr/>	
Interest expense (included in finance costs)	531	1,145
	<hr/>	
Expenses relating to short-term leases (included in cost of sales, administrative expenses and selling and distribution expenses)	887	1,011
	<hr/>	

Depreciation charge on leasehold land of \$13,863,000 (2020: Nil) has been capitalised as part of construction-in-progress of the Group during the financial year (Note 9).

(iii) Total cash outflow for leases during the financial year is \$827,826,000 (2020: \$7,031,000).

(b) When the Group is a lessor

The Group leases out retail spaces and offices under operating leases, where the Group retains substantially all risks and rewards of ownership. The Group collects deposits from leases to manage credit risk.

The undiscounted lease receivables under operating leases are as follows:

	Group	
	2021	2020
	\$'000	\$'000
Not later than one year	7,606	12,685
One to two years	3,546	5,640
Two to three years	2,552	1,709
Three to four years	778	988
Four to five years	87	9
Later than five years	27	36
	14,596	21,067
	<hr/>	

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21. SHARE CAPITAL AND TREASURY SHARES

<u>Group and Company</u>	<u>Share capital</u>		<u>Treasury shares</u>	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
2021				
Beginning and end of financial year	12,094,027	5,527,705	(29,222)	(23,485)
2020				
Beginning of financial year	12,094,027	5,527,705	(36,792)	(29,541)
Treasury shares reissued	-	-	7,570	6,056
End of financial year	12,094,027	5,527,705	(29,222)	(23,485)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Treasury shares

At the Annual General Meeting (“AGM”) of the Company held on 15 April 2021, the shareholders of the Company approved the renewal of the authority for the Company to purchase or acquire its shares of up to 10% of the issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) at any point in time.

During the financial year, the Company did not purchase or acquire any of its shares through purchase or acquisition on the SGX-ST.

22. OTHER RESERVES

	<u>Group</u>		<u>Company</u>	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Performance share reserve (a)	7,176	12,703	7,176	12,703
Exchange translation reserve (b)	8,919	6,514	1,560	(652)
	16,095	19,217	8,736	12,051

(a) Performance share reserve

Performance share reserve comprise cumulative fair value of services received from employees measured at the date of grant for unvested equity-settled performance shares under the Genting Singapore Performance Share Scheme (“PSS”).

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22. OTHER RESERVES (CONTINUED)

(a) Performance share reserve (Continued)

On 8 August 2007, the shareholders of the Company approved the PSS for an initial period of up to 7 August 2017 (the "Initial Period"). The objective of the PSS is to attract and retain the Group's executives, executive directors and non-executive directors, who are in the position to drive the growth of the Company. The PSS gives the Company flexibility in relation to the Group's remuneration package for the Group's executives, executive directors and non-executive directors and allows the Group to manage its fixed overheads. On 21 April 2016, the shareholders of the Company approved amendments to the rules of the PSS and the extension of the duration of the PSS for a further period of 10 years, from 8 August 2017 to 7 August 2027 (both dates inclusive) (the "Extended Period").

Under the PSS, the Company may grant to participants performance share awards which represent the right of such participants to receive fully paid shares free of charge, upon such participants satisfying the criteria set out in the PSS and upon satisfying such criteria as may be imposed. The number of shares which are the subject of each performance share award shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account various criteria including those set out in the rules of the PSS. The Company will deliver shares to be received under a performance share award by issuing new shares and/or transferring treasury shares to the participants.

The total number of shares which may be awarded pursuant to performance share awards granted under the PSS during the Initial Period shall not exceed 208,853,893 shares, and when added to the number of shares issued and/or issuable under such other share-based incentives schemes of the Company, shall not exceed 5% of the total number of shares of the Company (excluding treasury shares) from time to time. The total number of shares which may be awarded pursuant to performance share awards granted under the PSS during the Extended Period shall not exceed 420,433,143 shares, and when added to the number of shares issued and/or issuable under such other share-based incentives schemes of the Company, shall not exceed 5% of the total number of shares of the Company (excluding treasury shares) from time to time. As at 31 December 2021, no participant other than Mr Tan Hee Teck, has received 5% or more of the total number of performance share awards available under the PSS.

The vesting of performance shares granted under the PSS is subject to the achieving of pre-agreed service and/or performance conditions over the performance period.

For performance share grants with pre-agreed service conditions, the fair value was determined based on the Company's closing market price at the date of grant. The weighted average fair value per share granted in 2021 was \$0.85 (2020: \$0.81).

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22. OTHER RESERVES (CONTINUED)

(a) Performance share reserve (Continued)

Movements in the number of performance shares outstanding are as follows:

	<u>Group and Company</u>	
	2021	2020
Beginning of financial year	51,161,000	12,215,000
Granted	7,765,000	48,874,000
Lapsed	(12,386,000)	(2,357,700)
Issued	-	(7,570,300)
End of financial year	46,540,000	51,161,000

(b) Exchange translation reserve

Exchange translation reserve comprise foreign exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from the presentation currency of the Group.

23. PROVISION FOR RETIREMENT GRATUITIES

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	205	263	57	57
Credited to profit or loss	-	(59)	-	-
Exchange differences	-	1	-	-
End of financial year	205	205	57	57

Retirement gratuities are payable to certain employees upon their retirement. The gratuities provided are factored for discount rates, based on interest rates available in the market for bonds with AA1 ratings, and attrition rates based on age bands.

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24. DIVIDENDS

	Group and Company	
	2021	2020
	\$'000	\$'000
Final dividends paid in respect of the previous financial year of 1 cent per ordinary share [^] (2020: 2.5 cents per ordinary share)	120,648	301,620

[^] On 15 April 2021, the shareholders approved the payment of the final dividend of 1 cent per ordinary share in respect of the financial year ended 31 December 2020. The dividend has been accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ended 31 December 2021.

The Directors proposed the payment of a final dividend of 1 cent per ordinary share, in respect of the financial year ended 31 December 2021, subject to the approval of shareholders at the next AGM of the Company. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2022, after it has been approved by shareholders at the AGM.

25. CAPITAL COMMITMENTS

	Group	
	2021	2020
	\$'000	\$'000
Authorised capital expenditure not provided for in the financial statements: Contracted - property, plant and equipment including capital expenditure committed in relation to expansion of integrated resort	3,556,420	4,419,224

RWSPL entered into a second supplemental agreement with Sentosa Development Corporation ("SDC") on 3 April 2019, in relation to the construction, development and establishment of an expanded integrated resort, and committed to invest approximately \$4.5 billion in a renewal and refresh of the integrated resort.

26. FINANCIAL RISK MANAGEMENT

The Group's overall financial risk management objective is to optimise value creation for shareholders. The Group seeks to minimise the potential adverse impact arising from fluctuations in foreign exchange and interest rates and the unpredictability of the financial markets on the Group's financial performance.

The Group operates within clearly defined guidelines that are approved by the Board of Directors. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

The main areas of financial risk faced by the Group are as follows:

(a) Foreign currency exchange risk

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The Group is exposed to foreign currency exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies. To manage these exposures, the Group takes advantage of any natural offsets of the Group's revenue and expenses denominated in foreign currencies and may from time to time enter into foreign exchange forward contracts for a portion of the remaining exposure relating to these forecast transactions when deemed appropriate.

The Group's and Company's principal net foreign currency exposures mainly relate to the United States Dollar ("USD").

The Group's and Company's currency exposures are as follows:

	<u>Group</u>		<u>Company</u>	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
USD				
Financial assets				
Financial assets at fair value through profit or loss	46,139	37,916	-	-
Trade and other receivables	261	787	247	163
Cash and cash equivalents	131,054	104,915	125,719	104,344
	177,454	143,618	125,966	104,507
Financial liabilities				
Trade and other payables	(2,748)	(3,862)	(106)	(514)
Lease liabilities	(7,917)	(9,207)	-	-
	(10,665)	(13,069)	(106)	(514)
Net currency exposures	166,789	130,549	125,860	103,993

If the USD changes against the Singapore Dollar ("SGD") by 1% (2020: 1%) with all other variables being held constant, the effects on profit before taxation will be as follows:

	<u>Increase/(decrease)</u>			
	<u>Group</u>		<u>Company</u>	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
USD against SGD				
- Strengthened	1,668	1,305	1,259	1,040
- Weakened	(1,668)	(1,305)	(1,259)	(1,040)

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Price risk

As at 31 December 2021, the Group is exposed to securities price risk arising from its debt securities classified as financial assets at fair value through profit or loss. If prices for debt securities increase/decrease by 1,000 basis points (2020: 1,000 basis points) with all other variables being held constant, the profit before taxation will be higher/lower by \$4,614,000 (2020: \$3,792,000) as a result of fair value gain/loss on these debt securities.

(c) Interest rate risk

The Group and the Company are not subject to material interest rate risk.

(d) Credit risk

Credit risk is the potential financial loss resulting from the failure of counterparties of the Group, to settle their financial and contractual obligation as and when they fall due.

The Group's main class of financial assets that are subject to credit risk are trade and other receivables, financial assets at fair value through profit or loss and cash and cash equivalents. The Group's financial assets except trade and other receivables are subject to immaterial credit loss.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

Trade receivables

In managing credit risk exposure from trade receivables, majority of which are related to casino debtors, the Group has established a credit committee and processes to evaluate the creditworthiness of its counterparties. The counterparty's payment profile and credit exposure are continuously monitored by the credit committee, together with the operational policies and guidelines. Credit exposure to an individual counterparty is restricted by the credit limits set by the credit committee based on the ongoing credit evaluation. The top 10 trade debtors of the Group represented 28% (2020: 28%) of trade receivables.

In measuring the lifetime expected credit losses, the Group uses the provision matrix method where trade receivables are grouped based on shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced. The Group has considered forward-looking information and determined that it does not significantly affect the historical credit losses.

The Group considers a trade receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

Trade receivables (Continued)

The movements in allowance for impairment on trade receivables are as follows:

	Group	
	2021	2020
	\$'000	\$'000
Beginning of financial year	226,566	312,389
Credited to profit or loss	(33,439)	(17,299)
Allowance utilised	(10,550)	(68,517)
Exchange differences	3	(7)
End of financial year	182,580	226,566

Trade receivables are written off when there is no reasonable expectation of recovery, with the case-by-case assessment performed based on indicators such as insolvency or demise. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables are as follows:

	Not past due	Past due less than 3 months	Past due 3 to 6 months	Past due more than 6 months	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Trade receivables	23,459	17,156	4,119	172,929	217,663
Allowance for impairment	(1,314)	(8,414)	(38)	(172,814)	(182,580)
Total	22,145	8,742	4,081	115	35,083
2020					
Trade receivables	18,082	3,440	5,198	219,808	246,528
Allowance for impairment	(1,412)	(2,723)	(3,847)	(218,584)	(226,566)
Total	16,670	717	1,351	1,224	19,962

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

Other receivables

The Group and the Company use the below internal credit risk categories for other receivables which are subject to expected credit losses approach permitted under SFRS(I) 9 *Financial Instruments*. The 4 categories reflect the respective credit risk and how the loss provision is determined for each of those categories as follows:

<u>Category</u>	<u>Description</u>	<u>Basis for recognition of expected credit losses</u>
• Performing	Low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses
• Under-performing	Significant increase in credit risk since initial recognition.	Lifetime expected credit losses
• Non-performing	Evidence indicating that the asset is impaired.	Lifetime expected credit losses
• Write-off	No reasonable expectation of recovery.	Amount is written off

Other than the Company's amounts due from subsidiaries and loan to a subsidiary (Note 15) which are under-performing, the Group and Company have no financial assets that are subject to more than immaterial credit losses.

The movements in allowance for impairment on other receivables are as follows:

	<u>Company</u>	
	2021	2020
	\$'000	\$'000
Beginning of financial year	121,080	100,253
(Credited)/charged to profit or loss	(25,655)	20,827
Allowance utilised	(2)	-
Exchange differences	(185)	-
End of financial year	95,238	121,080

(e) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (Continued)

Cash flow forecasting is performed in the operating entities of the Group and aggregated for Group purposes. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal ratio targets.

The table below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period as at reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than <u>1 year</u> \$'000	Between <u>1 and 2 years</u> \$'000	Between <u>2 and 5 years</u> \$'000	Over <u>5 years</u> \$'000
<u>Group</u>				
2021				
Trade and other payables*	220,235	-	1,818	-
Bonds	238,751	-	-	-
Lease liabilities	5,092	3,983	1,692	-
	464,078	3,983	3,510	-
2020				
Trade and other payables*	205,272	-	219	-
Bonds	1,717	258,076	-	-
Lease liabilities	4,863	3,783	4,007	-
	211,852	261,859	4,226	-
<u>Company</u>				
2021				
Trade and other payables*	388,160	-	-	-
Bonds	238,751	-	-	-
Lease liabilities	57	2	-	-
	626,968	2	-	-
2020				
Trade and other payables*	120,922	-	-	-
Bonds	1,717	258,076	-	-
Lease liabilities	332	57	2	-
	122,971	258,133	2	-

* Excludes contract liabilities

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back issued shares, take on new debt or sell assets to reduce debt.

Consistent with the industry, the Group monitors capital utilisation based on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings. Total capital is calculated as equity attributable to ordinary shareholders of the Company plus total debt.

The gearing ratios are as follows:

	Group	
	2021	2020
	\$'000	\$'000
Total debt	247,664	266,769
Total equity attributable to ordinary shareholders of the Company	7,895,135	7,835,560
Total capital	8,142,799	8,102,329
Gearing ratio	3%	3%

There were no changes in the Group's approach to capital management during the current financial year.

The Group is not subject to any externally imposed capital requirements.

(g) Fair value estimation

The following table presents the Group's assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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 2); and
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value estimation (Continued)

<u>Group</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2021</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Assets				
Financial assets at fair value through profit or loss (Note 14)	-	-	46,139	46,139
<hr/>				
2020				
Assets				
Financial assets at fair value through profit or loss (Note 14)	-	-	37,916	37,916
<hr/>				

There were no transfers between Level 1 and Level 2.

The fair value of financial instruments traded in active markets is based on closing quoted market prices on the last market day at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Changing one or more of the unobservable inputs in the valuation technique used for Level 3 instruments will not significantly impact the fair value of these instruments. The assessment of the fair value of unquoted debt securities is performed on a quarterly basis based on the latest available data such as underlying net asset value of the investee entity to approximate the fair value as at reporting date.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value estimation (Continued)

The following table presents the changes in Level 3 instruments:

	<u>Group</u>	
	2021	2020
	\$'000	\$'000
Beginning of financial year	37,916	37,844
Disposals	(18,581)	(7,043)
Fair value gain recognised in profit or loss	26,229	7,234
Exchange differences	575	(119)
End of financial year	46,139	37,916

The fair value of current and non-current financial assets and liabilities approximate their carrying amounts.

(h) Financial instruments by category

The aggregate carrying amounts of financial instruments are categorised as follows:

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Financial assets at amortised cost	3,379,181	4,042,000	2,453,338	2,993,938
Financial assets at fair value through profit or loss	46,139	37,916	-	-
Financial liabilities at amortised cost	475,412	472,260	625,394	377,296

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. RELATED PARTY DISCLOSURES

The Company's immediate holding corporation is Genting Overseas Holdings Limited, a company incorporated in the Isle of Man. The ultimate holding corporation is Genting Berhad, a company incorporated in Malaysia and whose shares are listed on the Bursa Malaysia Securities Berhad.

In addition to the information disclosed elsewhere in the consolidated financial statements, the following significant transactions took place between the Group and related parties:

	Group	
	2021	2020
	\$'000	\$'000
(i) Sales of goods and/or services to:		
- A joint venture	1,289	862
- Other related parties	836	1,159
	2,125	2,021
(ii) Purchases of goods and/or services from:		
- A joint venture	(20,934)	(13,778)
- Other related parties	-	(49)
	(20,934)	(13,827)

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. RELATED PARTY DISCLOSURES (CONTINUED)

Key management remuneration (including directors' remuneration):

Key management remuneration includes fees, salaries, bonus, commission and other emoluments computed based on the costs incurred by the Group, and where the Group did not incur any costs, the value of the benefit.

The remuneration of directors and the key management personnel are analysed as follows:

	Group	
	2021	2020
	\$'000	\$'000
Non-executive directors		
- Fees and meeting allowances	1,199	1,186
- Share-based payment [^]	425	550
	1,624	1,736
Executive directors		
- Fees and meeting allowances	47	49
- Salaries, bonus and other emoluments [^]	10,630	24,436
- Defined contribution plan	32	35
- Share-based payment [^]	1,567	8,630
	12,276	33,150
Total	13,900	34,886
Key management personnel (excluding directors' remuneration)		
- Salaries, bonus and other emoluments	4,831	3,658
- Defined contribution plan	128	150
- Share-based payment [^]	1,393	2,029
Total	6,352	5,837

[^] The 2020 figures included certain accruals of special incentive awards which were subject to achievement of pre-agreed service and/or performance conditions over the performance period. These accruals made in the prior year were no longer needed and were reversed in 2021. For clarity, the 2021 figures do not include the reversal adjustments. See Note 6.

**GENTING SINGAPORE LIMITED
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For the financial year ended 31 December 2021

28. SEGMENT INFORMATION

Management has determined the operating segments based on the reports that are used by the chief operating decision-maker to make strategic decisions.

The chief operating decision-maker considers the business from both business and geographic perspectives.

Business segment

The Singapore leisure and hospitality segment derives revenue from the development and operation of the integrated resort.

Under the Development Agreement signed between the SDC and the Group, the Group is required to construct, develop and operate a resort with a comprehensive range of integrated and synergised amenities for recreation, entertainment and lifestyle uses. This includes key attractions such as hotels, event facilities, retail, dining, entertainment shows, themed attractions and casino, which must be at all times operated and managed together. Each key attraction cannot be closed without prior written approval from SDC.

The investment business derives revenue from investing in assets to generate future income and cash flows.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA"). This measurement basis excludes the effects of gain/loss on disposal of assets and liabilities classified as held-for-sale, share-based payment, net exchange gain/loss relating to investments and other income/expenses which include impairment/write-off/gain/loss on disposal of property, plant and equipment, fair value gain/loss on financial assets at fair value through profit or loss, pre-opening/development expenses and other non-recurring adjustments.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, financial assets at fair value through profit or loss and cash and cash equivalents.

Segment liabilities comprise all liabilities other than current and deferred tax liabilities and borrowings.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28. SEGMENT INFORMATION (CONTINUED)

Group	Leisure and Hospitality		Investments	Total
	Singapore	Others*		
2021	\$'000	\$'000	\$'000	\$'000
Gaming	802,595	-	-	802,595
Non-gaming	245,748	-	-	245,748
Other revenue	12,436	4,284	5,040	21,760
Inter-segment revenue	-	-	(2,807)	(2,807)
External revenue	1,060,779	4,284	2,233	1,067,296
Adjusted EBITDA	472,887	(4,772)	(20,112)	448,003
Share of results of joint venture	1,854	-	-	1,854
Depreciation of property, plant and equipment	(243,370)	-	(1,676)	(245,046)
Amortisation of intangible assets	(26,526)	-	-	(26,526)
Assets				
Segment assets	6,355,811	8,329	2,362,330	8,726,470
Interests in joint venture	65,337	-	-	65,337
Deferred tax assets				118
Consolidated total assets				8,791,925
Segment assets include:				
Additions to:				
- Property, plant and equipment	958,923	-	9	958,932
- Intangible assets	2,808	-	-	2,808
Liabilities				
Segment liabilities	351,669	2,411	7,278	361,358
Borrowings				247,664
Income tax liabilities				78,387
Deferred tax liabilities				209,379
Consolidated total liabilities				896,788

* Other leisure and hospitality segment mainly represents other hospitality and support services.

**GENTING SINGAPORE LIMITED
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For the financial year ended 31 December 2021

28. SEGMENT INFORMATION (CONTINUED)

Group	Leisure and Hospitality		Investments	Total
	Singapore	Others*		
2020	\$'000	\$'000	\$'000	\$'000
Gaming	700,816	-	-	700,816
Non-gaming	284,519	-	-	284,519
Other revenue	14,910	61,225	6,133	82,268
Inter-segment revenue	-	-	(3,854)	(3,854)
External revenue	1,000,245	61,225	2,279	1,063,749
Adjusted EBITDA	445,690	(936)	(17,741)	427,013
Share of results of joint venture	1,244	-	-	1,244
Depreciation of property, plant and equipment	(274,973)	-	(1,411)	(276,384)
Amortisation of intangible assets	(26,027)	-	-	(26,027)
Assets				
Segment assets	5,989,622	46,687	2,687,649	8,723,958
Interests in joint venture	63,483	-	-	63,483
Deferred tax assets				111
Consolidated total assets				8,787,552
Segment assets include:				
Additions to:				
- Property, plant and equipment	83,638	-	2,001	85,639
- Intangible assets	4,440	-	-	4,440
Liabilities				
Segment liabilities	314,495	1,476	27,583	343,554
Borrowings				266,769
Income tax liabilities				116,142
Deferred tax liabilities				225,525
Consolidated total liabilities				951,990

* Other leisure and hospitality segment mainly represents other hospitality and support services.

**GENTING SINGAPORE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28. SEGMENT INFORMATION (CONTINUED)

A reconciliation of Adjusted EBITDA to profit before taxation is provided as follows:

	Group	
	2021	2020
	\$'000	\$'000
Adjusted EBITDA for reportable segments	448,003	427,013
Share-based payment write-back/(expense)	5,527	(11,131)
Net exchange gain/(loss) relating to investments	2,863	(1,398)
Depreciation and amortisation	(271,572)	(302,411)
Interest income	17,536	45,546
Finance costs	(3,369)	(4,047)
Share of results of joint venture	1,854	1,244
Other income/(expenses) (net)*	25,468	(41,840)
Profit before taxation	226,310	112,976

* Other income/(expenses) (net) include gain/(loss) on disposal/ impairment/ write-off of property, plant and equipment, fair value gain/(loss) on financial assets at fair value through profit or loss, pre-opening/ development expenses and other non-recurring adjustments.

Geographical information

The Group operates predominantly in Asia. The main business of the Group is in leisure and hospitality operations in Singapore where the development and operation of an integrated resort contributes most of its revenue. The operations in other geographical areas in the Asia Pacific (excluding Singapore) are sales and marketing services relating to the Group's leisure and hospitality related businesses and other investments.

Revenue is classified based on the location in which revenue is derived. Sales between segments are eliminated. Non-current assets exclude deferred tax assets and financial assets at fair value through profit or loss.

	Group	
	2021	2020
	\$'000	\$'000
Revenue		
Singapore	1,067,262	1,063,461
Asia Pacific (excluding Singapore)	34	288
	1,067,296	1,063,749
Non-current assets		
Singapore	5,315,053	4,651,272
Asia Pacific (excluding Singapore)	961	4,242
	5,316,014	4,655,514

There is no revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue.

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For the financial year ended 31 December 2021

29. IMPACT OF COVID-19

The Coronavirus Disease 2019 (COVID-19) has caused major disruptions to the travel and tourism industry, as the pandemic resulted in border closures and other measures imposed by the various governments. As the COVID-19 pandemic situation continues to evolve with the emergence of new variants, the Group continues to be affected by the measures taken by Singapore Government to combat the spread of the virus. The pandemic continued to have a negative impact on the Group's financial performance for 2021 as the Group's integrated resort was built predominantly for large scale international demand.

As the global COVID-19 situation remains very fluid as at the date on which these financial statements were authorised for issue, the Group is currently unable to estimate the financial impact to the Group's results for the financial year ending 31 December 2022. Notwithstanding this, the Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

30. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 17 February 2022.

INDEPENDENT AUDITOR'S REPORT

To the Members of Genting Singapore Limited

Report on the Audit of the Financial Statements

Our Opinion

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

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2021;
- the consolidated statement of financial position of the Group as at 31 December 2021;
- the statement of financial position of the Company as at 31 December 2021;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 for the financial year ended 31 December 2021. 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	How our audit addressed the Key Audit Matter
<p>1. Impairment of trade receivables</p> <p>See Note 3(b) of the financial statements for the related accounting policies, estimates and judgements and Note 26(d) for the credit risk exposure.</p> <p>The impairment of trade receivables, majority of which were related to casino debtors, was a key audit matter as significant judgement was involved in determining the expected credit losses. These significant judgements included:</p> <p>(i) grouping of trade receivables based on shared credit risk characteristics and days past due; (ii) expected loss rates based on historical credit loss experience; and (iii) identification of indicators of when trade receivables are credit impaired.</p> <p>As at 31 December 2021, allowance for impairment amounted to \$183 million and a net reversal of impairment charge of \$36 million was recognised for the year ended 31 December 2021.</p>	<p>We updated our understanding of the processes for credit assessment and approval, and impairment assessment of trade receivables. We tested the operating effectiveness of relevant controls including the following:</p> <ul style="list-style-type: none"> • checked on a sampling basis that credit assessment has been appropriately completed in accordance with the Group's standard operating procedures for credit granting; • checked on a sampling basis the authorisation of credit based on the Group's approval matrix for credit transactions; and • read the minutes of all the meetings of the credit committee (which is responsible for the monitoring of trade receivables and approval of impairment provisions) and checked that monitoring and credit risk assessment is performed. <p>We reviewed the credit evaluation and monitoring files relating to selected trade receivables. We held discussions with the chairperson of the credit committee about these trade receivables to understand the judgements exercised in assessing the expected credit loss of these trade receivables.</p> <p>We assessed the appropriateness of judgements made by management based on historical trend of collections and external data.</p> <p>Based on the above, we are satisfied that the judgements made by management are appropriate.</p>

Other Information

Management is responsible for the other information. The other information comprises the chairman's statement, 2021 highlights, board of directors, management & corporate information, corporate diary & financial highlights, RWS management team & awards and accolades, year in review, corporate social responsibility, sustainability, corporate governance, directors' statement and group offices (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 ("the 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 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 those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

- 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.

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 17 February 2022