Aspial

ANNUAL REPORT 2020

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CHIEF EXECUTIVE OFFICER'S MESSAGE

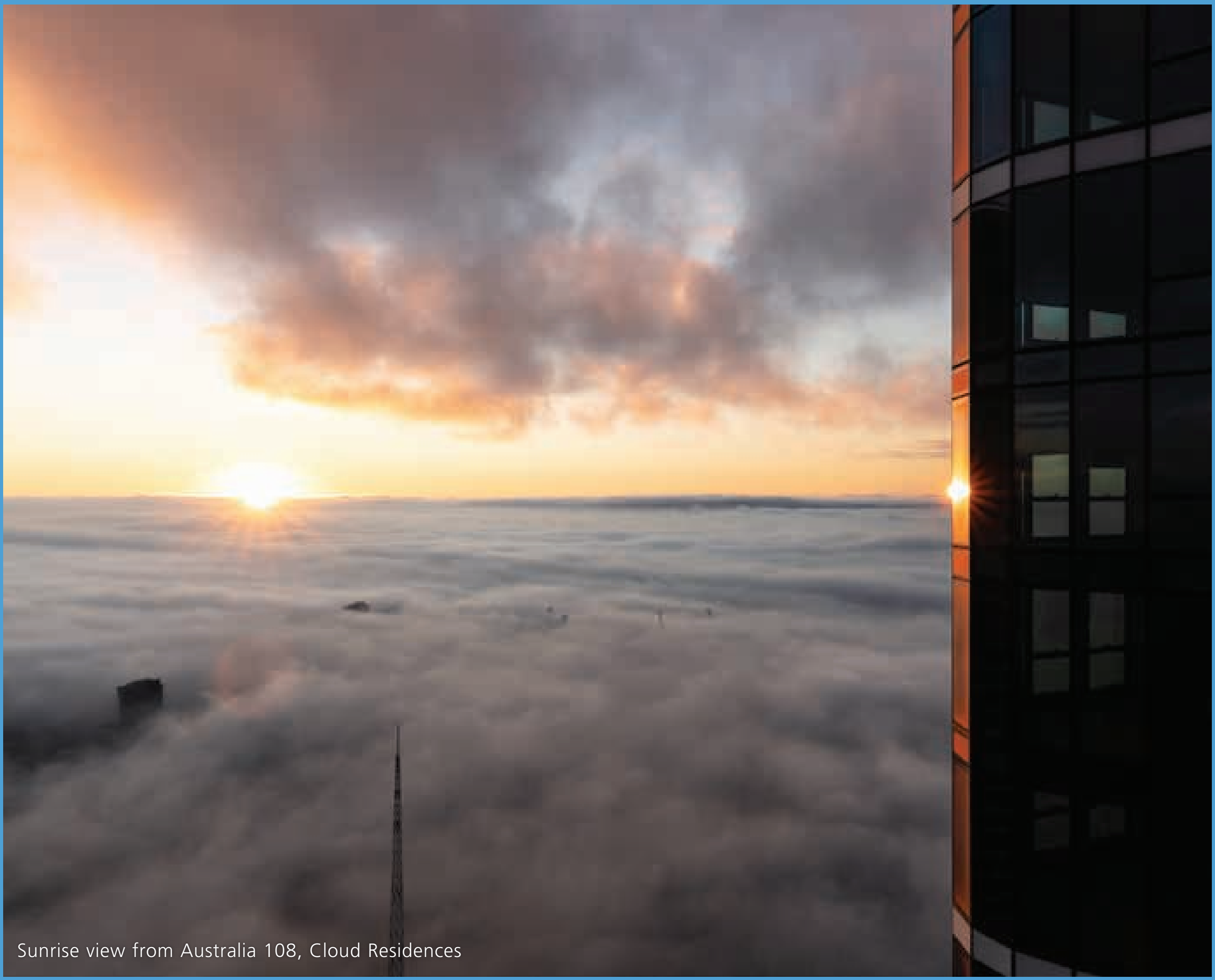
DEAR SHAREHOLDERS,

2020 was an extraordinary year filled with exceptional challenges that were first of its kind with the outbreak of the COVID-19 pandemic. Society had to conform to new norms and safe management measures, which were imposed by governments across the globe to control the spread of the pandemic. This greatly impacted the Group's operations during the year. Notwithstanding this, we have managed to adapt effectively to the circumstances, and together with various government support, tide through this difficult period.

The year ahead remains challenging amid the global and domestic economic uncertainties ensuing from the pandemic, while recovery is slow and uneven. We will continue to focus on our fundamentals, strengthen our core competencies and competitive edge, so as to grow and emerge stronger out of this crisis.

As we cautiously thread on the recovery path progressively, we will continue to explore new business opportunities, transform and consolidate our existing businesses to improve effectiveness and efficiency, and synergise and optimise resources across all our various business units.

On 12 March 2021, the Company and its subsidiary, World Class Global Limited (the "**WCG**") announced a proposed acquisition by the Company of all the issued ordinary shares in the capital of WCG (other than the WCG shares held by the Company), by way of a scheme of arrangement. The proposed privatisation of WCG is consistent with Group's strategy to simplify and optimise the Group's structure and reduce organisational complexity. Privatising WCG will also enhance the Group's flexibility, enabling it to mobilise and optimise resources across its businesses.



Sunrise view from Australia 108, Cloud Residences

REAL ESTATE BUSINESS

Since 2018, we have achieved completion of 2 high-rise residential towers in Melbourne, Australia and refurbished more than 7 sites comprising clusters of UNESCO heritage shophouses in Penang, Malaysia. We have also successfully completed many projects in Singapore in the last few years, including CityGate, The Hillford, Urban Vista and Waterfront@Faber.

In FY2020, we completed a significant project in Australia – Australia 108, a freehold, iconic tower in Melbourne. Recognised as the tallest residences in the Southern Hemisphere at 319-metres tall, Australia 108 was fully completed in October 2020. In Singapore, the Group will continue to market the commercial units in our portfolio for rent and sale.

With the recovery of the real estate market and completion of our Australia 108 project, the Group will look out for opportunities to consolidate and rationalise its existing assets and to acquire new real estate for development and investment.

FINANCIAL SERVICE BUSINESS

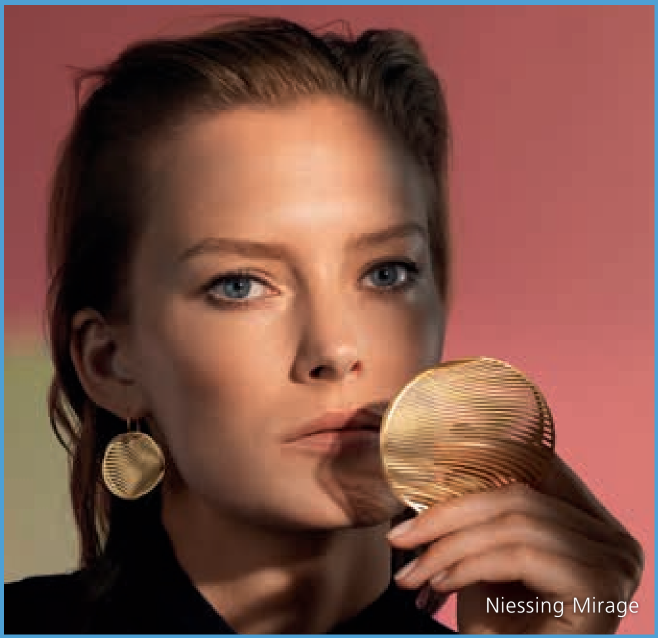
Our Financial Service Business constitutes 3 key segments – pawnbroking, retail and trading of jewellery and branded merchandise, and provision of secured lending.

Marketing ourselves as a leading innovator of the industry, we tap on the underbanked consumer market by offering contemporary alternative lending services to this group of customers. With a network of 46 outlets island wide, we have an established presence in Singapore. We have also expanded our regional footprint in the last two years.

In the face of the ongoing COVID-19 pandemic and resulting economic uncertainties, our pawnbroking business has been and continues to be impacted by employment conditions and consumer sentiments in the various countries in which we operate. Our retail and trading of jewellery operations have been impacted by the volatile gold price, supply chain disruption and various movement control measures. Nevertheless, the business is relatively stable and recession-proof, as we have experienced during the COVID-19 pandemic.

Goldheart Celestial

Niessing, Zürich



Niessing Mirage

CHIEF EXECUTIVE OFFICER'S MESSAGE

In view of this, we will continue to leverage on our branding, store network, innovation and staff training to enhance the effectiveness and efficiency of the delivery of our business.

JEWELLERY BUSINESS

Our Jewellery Business segment comprises of internationally renowned German jewellery line, Niessing; accessible luxury and mass-market labels, Lee Hwa and Goldheart; and gold bullion dealing business.

While our Lee Hwa and Goldheart jewellery lines are targeted at the local accessible luxury and mass-market consumer segment, our Niessing brand identifies with the luxury markets in our global retail network comprising Germany, Switzerland, Hong Kong, Japan, Australia and Singapore.

As with our other business segments, the Group expects consumer sentiments to remain uncertain in light of the ongoing pandemic. Going forward, we will focus on improving the operational effectiveness and efficiency of our Jewellery Business.

OTHER INVESTMENTS

Our other investment is held through our associate, AF Global Limited, and has a hospitality portfolio that includes the Holiday Inn Resort Phuket in Thailand, Cityview Apartments and Commercial Centre in Ho Chi Minh City, Vietnam as well as Somerset Vientiane in Vientiane, Laos. We are also the majority shareholder of Knight Frank, Singapore.

Our portfolio has performed well in the previous year before the onset of the COVID-19 pandemic outbreak. As the pandemic rages on, we expect the hospitality market to remain challenging in the near term as international travel restrictions remain in place across most countries. We will continue to monitor the evolving pandemic situation closely, while managing our costs prudently to mitigate the financial impact on the Group.

In China, the Xuzhou Gulou Square case is still undergoing court proceedings. We will update accordingly when there is any material development.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to give recognition to our management and staff for their hard work and contribution towards the Group. I would also like to thank our Board of Directors for their invaluable insights during this challenging period. Finally, I would like to express our deepest appreciation towards our business partners, customers and shareholders for the unwavering support and staunch belief that they have placed in us. I believe that we will be able to weather this storm together to scale new heights and look forward to journeying on with you in the coming years and beyond.

Koh Wee Seng
Chief Executive Officer


Goldheart 999 Gold Si Dian Jin


Niessing Spannring® Color Limited Edition

Maxi-Cash new experiential store concept at NEX


LuxeSTYLE by Maxi-Cash


Forevermark Avaanti™ Collection, exclusively at Lee Hwa Jewellery

BUSINESS REVIEW

OVERVIEW

Despite the extensive impact of the COVID-19 pandemic, the Group's core businesses remained profitable with the exception of our hospitality business through the Group's investment in AF Global Limited ("**AFG**"). In line with the adverse sentiments experienced by the overall tourism industry, our hospitality segment performance had been affected by the closure and low occupancy of our Phuket hotel in Thailand.

The Group reported a 5.2% dip in revenue to S$531.2 million during the year mainly due to lower contribution from the Real Estate Business and Jewellery Business, which was partially offset by higher revenue from the Financial Service Business. In spite of this, the Group managed to deliver a 63.2% higher pre-tax profit of S$49.6 million in FY2020 as compared to the S$30.4 million recorded in FY2019. This was mainly attributed to a hike in other income from S$8.5 million in FY2019 to S$49.0 million in FY2020, which mainly comprised fair value gain on investment properties, COVID-19-related rent concessions and government grants for wages under the Jobs Support Scheme.

REAL ESTATE BUSINESS

Our Real Estate Business segment recorded a 19.3% revenue decline from S$210.9 million in FY2019 to S$170.3 million in FY2020. Revenue for the year was mainly attributed to Australia 108 as it achieved full completion in October 2020.

As a result, pre-tax profit for the Real Estate Business decreased 12.3% to S$13.6 million during the year in review from S$15.5 million a year ago.

FINANCIAL SERVICE BUSINESS

Our Financial Service Business segment's revenue surged by 20.3% to S$262.8 million in FY2020 as a result of higher revenue contribution from the retail and trading of jewellery and branded merchandise in Singapore. This was partially offset by lower revenue from the pawnbroking and secured lending businesses.

Consequently, pre-tax profit for the Financial Service Business soared by 63.1% to S$29.3 million during the year in review led by increased profit contribution from the retail and trading of jewellery and branded merchandise and pawnbroking business, as well as lower operating costs due to support from a number of grants and rebates. This was partially offset by reduced profit contribution from the secured lending business.

JEWELLERY BUSINESS

The Jewellery Business segment reported a 28.2% dip in revenue to S$100.4 million in FY2020 as compared to S$139.8 million in FY2019 as a consequence of the closure of retail outlets in Singapore during the circuit breaker period last year.

Despite the lower revenue, our Jewellery Business recorded a pre-tax profit of S$10.4 million against a pre-tax loss of S$0.4 million in FY2019. The higher pre-tax profit was contributed by our Singapore and overseas jewellery businesses, and gold bullion business. The Singapore jewellery business was also supported by grants and rebates relating to staff and rental expense which helped to defray some of the operating costs and loss of revenue due to the closure of retail outlets during the circuit breaker period.

OTHER INVESTMENTS

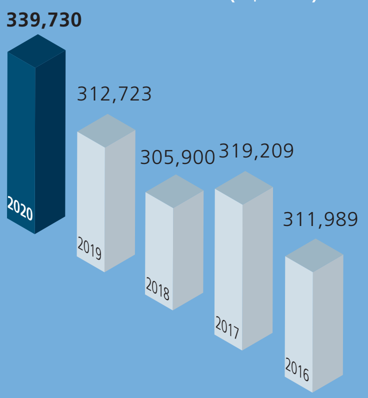
The share of results of associates and joint ventures decreased by 88.5% from S$12.2 million in FY2019 to S$1.4 million during the year mainly due to the absence of one-time gain on sale of Crowne Plaza London Kensington realised in FY2019 and the weaker performance of our AFG hospitality business. AFG was adversely affected by the unforeseen event of the COVID-19 pandemic that disrupted business operations, thereby leading to an overall loss in the entity in FY2020.

Holiday Inn Resort Phuket by AF Global

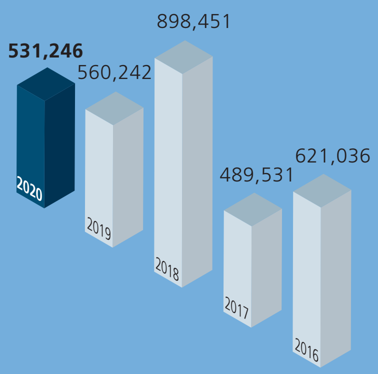
Rebecca Lim, Mediacorp Artiste & Goldheart Brand Ambassador in Mode Gold 916

FINANCIAL HIGHLIGHTS

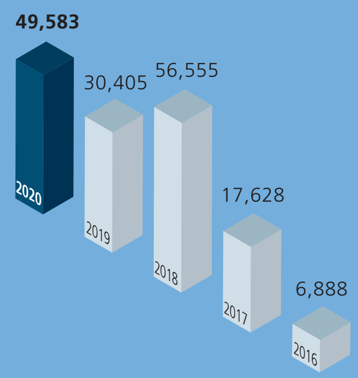
NET ASSET VALUE (S$'000)



TOTAL TURNOVER (S$'000)



PROFIT BEFORE TAX (S$'000)



GROUP'S 5-YEAR FINANCIAL HIGHLIGHTS

(S$)	2020 ('000)	2019 ('000)	2018 ('000)	2017 ('000)	2016 ('000)
Total Turnover	531,246	560,242	898,451	489,531	621,036
Profit Before Tax	49,583	30,405	56,555	17,628	6,888
Profit After Tax	29,456	18,560	37,106	8,654	4,810
Paid-up Capital	226,930	226,930	226,930	226,930	226,152
Total Equity	446,941	410,448	406,563	408,659	376,870
Net Asset Value	339,730	312,723	305,900	319,209	311,989
Earnings Per Share (cents)	0.92	0.66	1.46	0.25	0.06

Hutton Central in Penang, by World Class Global

CORPORATE INFORMATION

DIRECTORS

Koh Wee Seng
Chief Executive Officer

Koh Lee Hwee
Executive Director

Ko Lee Meng
Non-Executive and Non-Independent Director

Wong Soon Yum
Lead Independent Director

Kau Jee Chu
Independent Non-Executive Director

Ng Bie Tjin @ Djuniarti Intan
Independent Non-Executive Director

COMPANY SECRETARY

Lim Swee Ann Felix
CPA, ACIS

REGISTERED OFFICE

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

SHARE REGISTRAR

B.A.C.S. Private Limited
8, Robinson Road #03-00
ASO Building
Singapore 048544

PRINCIPAL BANKERS

DBS Bank Ltd.

United Overseas Bank Limited

Oversea-Chinese Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited

Malayan Banking Berhad

CIMB Bank Berhad

RHB Bank Singapore

National Australia Bank

Hong Leong Finance Limited

AUDITOR

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

Partner-in-charge:
Max Loh Khum Whai
(Chartered Accountant,
a member of the Institute of
Singapore Chartered Accountants)
(Since financial year ended
31 December 2016)

BOARD OF DIRECTORS

KOH WEE SENG is our CEO and is responsible for the strategic planning, overall management and business development of the Group. Since late 1994, when the new management team, led by Mr Koh, took over the reins, the Group has overcome the challenges posed by changing consumer demand by implementing wide ranging and fundamental changes in its jewellery business. Mr Koh has also successfully led the Group's diversification into the real estate business, hospitality and financial service business. Mr Koh holds a Bachelor's degree in Business Administration from the National University of Singapore.

KOH LEE HWEE is our Executive Director. Ms Koh is currently heading World Class Land Pte. Ltd., a subsidiary of Aspial Corporation Limited. Prior to her appointment, Ms Koh was also the CEO for our subsidiary Maxi-Cash Financial Services Corporation Ltd. ("**Maxi-Cash**") which is listed on Catalist of SGX. She was responsible for the strategic planning, overall management and business development of Maxi-Cash group of companies. She has held the position of Vice President (Manufacturing) of the Group, where she oversaw and spearheaded the growth of our manufacturing division and was responsible for the overall production plans, technology, management and development. Ms Koh has more than 20 years of experience in the jewellery industry. Ms Koh holds a Bachelor's degree in Arts from the National University of Singapore.

KO LEE MENG is our Non-Executive Director and Non-Independent Director. On 1 October 2015, she relinquished her role as Executive Director and remains as the Non-Executive Director of the Group. Ms Ko has more than 25 years of experience in the jewellery industry and was previously the head of the Group's retail merchandising and manufacturing departments where she oversaw the management, manufacturing, replenishment and distribution of merchandise to our jewellery retail stores. Ms Ko holds a Bachelor's degree in Arts from the National University of Singapore.

WONG SOON YUM is our Lead Independent Director. Mr Wong is the Chairman of our Audit Committee. Mr Wong started his career in the banking industry in 1971 with The Chase Manhattan Bank, N.A. and retired from his position as a Senior Vice President of Oversea-Chinese Banking Corporation Limited at the end of 1998. Mr Wong holds a Professional Diploma in Accountancy from Singapore Polytechnic and completed the Management Programme of Stanford-National University of Singapore.

KAU JEE CHU is our Independent Non-Executive Director and Chairman of Nominating Committee. He has more than 35 years of working experience in areas of accounting, manufacturing, finance and securities. His past careers included serving as the Regional Accountant of Commonwealth Development Corporation, General Manager of Federal Chemical Industries (Singapore) Pte. Ltd., General Manager of Singapura Building Society Ltd., CEO/Executive Director of Overseas Union Trust Ltd. and Chairman of OUB Securities Pte. Ltd.. Mr Kau is an accountant by profession and is a fellow of the Association of the Chartered Certified Accountants, United Kingdom.

NG BIE TJIN @ DJUNIARTI INTAN is our Independent Non-Executive Director. Ms Ng is the Chairman of our Remuneration Committee and member of Audit Committee and Nominating Committee. Ms Ng was a director of Datapulse Technology Limited from 7 January 1994 to 30 November 2014, and during that time, was a member of the Nominating Committee. During the 20 years period, Ms Ng was the Finance Director. Apart from overseeing the daily operations of the finance functions including accounting, finance, treasury and capital management, she was responsible for administration and implementation of corporate finance strategies and policies, corporate governance and internal control policies and procedures, investor relations, and identification and evaluation of new business opportunities. She is also an independent director of SunMoon Food Company Limited from 31 August 2017 and is the Chairman of the Audit and Risk Committee and member of Remuneration and Nominating Committee. She is also a director of Uniseraya Holdings Pte. Ltd. from January 2015. Ms Ng holds a Masters in Business Administration from the University of Southern California.

KEY MANAGEMENT

LIM SWEE ANN, FELIX currently serves as the Chief Financial Officer of our Group. Before joining the Group, he worked for two listed companies, one each in Singapore and Malaysia. He has more than 20 years of experience working in the finance organisation of various industries including ship building, manufacturing, retail and property development. He holds a Bachelor's degree in Commerce and Administration from Victoria University of Wellington in New Zealand and a Master of Business from Victoria University of Technology (Australia). He is a member of CPA Australia and a member of The Singapore Association of the Institute of Chartered Secretaries and Administrators.

NG KEAN SEEN is our Group's Senior Director for jewellery business. He oversees the Group's jewellery retail business and manages the Group's investments in Niessing jewellery, bullion and safe keeping businesses. He is currently spearheading Niessing's expansion into key Asia Pacific cities. Mr. Ng has more than 20 years' experience in the jewellery trade. Prior to joining the Group, he was working in engineering and construction, automobile and financial services sectors. He graduated with a Bachelor of Engineering with Management (Hons) from University of Leeds (UK) and obtained a Master of Science in Marketing from City University of New York (US). He has also attended Chicago Business School and ESSEC Business School.

CHAN GEK CHING, JOCELYN is currently our Human Resource Director and manages all aspects of the human resource functions. Her key priority is to work together with the leadership team to inspire and achieve organisational effectiveness through business partnerships, attract and develop the best talents, and build a culture of collaboration and innovation. Jocelyn has more than 15 years of HR experience from the retail and tourism industries, and is a certified IHRP-Senior Professional. She holds a Master of Business from Nanyang Technological University and a Master of Science in Advanced Leadership Practise from University of Edinburgh Napier.

LIM JULIE is currently our Group's Corporate Information Technology Director and manages all aspects of the IT functions ranging from infrastructure, hardware to applications. She has spent majority of her career in the IT industry and has more than 25 years of experience, and out of which 17 years in the IT project management and planning. Julie is a certified Project Manager from both the Project Management Institution (PMI) and Infocomm Development Authority of Singapore (IDA) as well as a certified Enterprise Architecture (TOGAF). Before joining the Group, she was in IT consulting and banking arena. She holds a Honors Degree in Computing and Information System from University of London and Degree in Psychology from University of Singapore Institute of Management.

Aspial One, external facade

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**" or the "**Directors**") of Aspial Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") recognises the importance of corporate governance and is committed to ensuring the practices recommended in the Code of Corporate Governance 2018 (the "**Code**") are practiced throughout the Group.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2020 ("**FY2020**"), with specific references made to the principles and provisions of the Code and accompanying practice guidance (the "**Practice Guidance**"), which forms part of the continuing obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Board is pleased to confirm that for FY2020, the Company has complied with the principles and provisions as set out in the Code and the Practice Guidance, where applicable. In areas where the Company's practices vary from any of the provisions of the Code and the Practice Guidance, the Company has stated herein the provision of the Code and the Practice Guidance (as applicable) from which it has varied, and appropriate explanations are provided for the variations, and how the practices the Company had adopted are consistent with the intent, aim and philosophy of the relevant principles of the Code and the Practice Guidance. The Company will continue to assess its needs and implement appropriate practices accordingly.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Effective Board to lead and control the Company

The Board directs and leads the business affairs of the Group and is responsible for setting the strategic direction and establishing goals for protection and enhancement of long-term value and returns for the shareholders. The Board works with the senior management team of the Company ("**Management**") to achieve these goals set for the Group. To ensure smooth operations, facilitate decision-making and ensure proper controls, the Board has delegated some of its powers to its committees and Management. The committees and Management remain accountable to the Board.

In addition to its statutory duties, the principal functions of the Board are to:

- provide entrepreneurial leadership, set strategic directions, and ensure the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enable risks to be assessed and managed, and to achieve an appropriate balance between risks and company performance;
- constructively challenge Management and review Management's performance;
- set the Group's corporate values and standards which include ethical standards and ensure that obligations to shareholders and others are understood and met;
- instil an ethical corporate culture and ensure that the Group's values, standards, policies and practices are consistent with the culture to ensure proper accountability within the Company and the Group; and
- ensure transparency and accountability to key stakeholder groups.

The Company has internal guidelines setting forth matters that require Board's approval. The material transactions that require Board's approval under such guidelines are as follows:

- approval of financial results announcements and financial statements;
- declaration of interim dividends and proposal for final dividends;
- convening of shareholders' meetings;
- authorisation of merger and acquisition transactions; and
- authorisation of major transactions.

BOARD MATTERS (CONTINUED)

THE BOARD'S CONDUCT OF AFFAIRS (Continued)

Principle 1: Effective Board to lead and control the Company (Continued)

All Directors objectively have discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board has, without abdicating its responsibilities, delegated certain matters to specialised committees of the Board, which include the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). The Board Committees assist the Board in carrying out and discharging its duties and responsibilities efficiently and objectively. The Board Committees function within clearly defined terms of reference setting out their compositions, authorities and duties, which include reporting back to the Board, and operating procedures. The effectiveness of the Board Committees is also reviewed by the Board on an annual basis. Information on the Board Committees and their respective terms of reference can be found in the subsequent sections of this report.

The Board meets on a quarterly basis as warranted. Ad-hoc meetings are held to address significant issues or transactions. The Board members also meet regularly with Management to discuss the business operations of the Group either formally or informally.

The Company's Constitution provides for the Board to convene meetings by way of telephone conference and/or by means of similar communication equipment where all Directors participating in the meetings are able to hear each other. Decisions of the Board and the Board Committees may also be obtained through circular resolutions.

The details of the number of the Board and the Board Committees meetings held in the calendar year and the attendance of each Director at those meetings are set out below:

Name of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended
Koh Wee Seng	4	4	2*	2*	1	1	1*	1*
Koh Lee Hwee	4	4	2*	2*	1*	1*	1*	1*
Ko Lee Meng	4	4	2	2	1*	1*	1	1
Wong Soon Yum	4	4	2	2	1	1	1	1
Kau Jee Chu	4	4	2	2	1	1	1	1
Ng Bie Tjin @ Djuniarti Intan	4	4	2	2	1	1	1	1

** By invitation*

A formal Letter of Appointment has been provided to the existing Non-Executive Directors which sets out the Directors' duties and responsibilities and the Board governance policies and practices. In line with the corporate governance best practices, a formal Letter of Appointment will be provided to new Directors, setting out their duties and responsibilities and obligations as a Director in respect of potential conflicts of interest, their interested person transactions and disclosure of Director's interests. All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. In any situation that involves a conflict of interest with the Group, the Directors will recuse themselves from participating in any discussions and decisions on the matter.

Newly appointed Directors are also given an orientation on the Group's businesses and strategic directions, so as to familiarise them with the Group's operations and encourage effective participation in Board discussion. All Directors are updated on major developments of the Group. Familiarisation visits are organised, if necessary, to facilitate a better understanding of the Group's business operations.

BOARD MATTERS (CONTINUED)

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Principle 1: Effective Board to lead and control the Company (Continued)

To enhance a Director's performance as a Board member or Board Committee member, all Directors will go through an induction and are encouraged to undergo continual professional development during the term of their appointment to develop and maintain their skills and knowledge. Professional development may relate to directors' duties and responsibilities, corporate governance, key changes in the relevant regulatory requirements, changes in financial reporting standards and industry related matters. Directors will also receive regular updates on changes in the relevant laws and regulations, changing commercial risks and business conditions to enable them to make well-informed decisions. All Directors were updated on the Code which applies to Annual Reports covering financial years commencing from 1 January 2020. The Directors are also provided with briefing and updates on the developments in financial reporting and governance standards by the Company's external auditors, Ernst & Young LLP. The Group's external auditors also provide regular updates and periodic briefing to the AC on changes or amendments to the accounting standards and their impact on the financial statements, if any.

As the ability to commit sufficient time and attention to the Group's affairs is essential for the individual Director's contribution and performance, the Board has considered the number of listed directorships each of its Directors can hold to ensure Directors give sufficient time and attention to the affairs of the Company. As a guide, Directors should not have more than six (6) listed company board representations. None of the Directors of the Company sits on the boards of more than six (6) listed companies. The NC determines annually whether a director with other listed company board representations is able to and has been adequately carrying out his or her duties as a director of the Company. In FY2020, the NC has reviewed and is satisfied that where Directors have other listed company board representations, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately carry out their duties as Directors of the Company.

To enable the Board to fulfil its responsibilities, Management provides the Board with management reports on a regular and timely basis, with relevant and adequate information prior to the Board meetings so that the Directors may better understand the matters and discussion may be focused on questions that the Directors may have. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions.

The Board also receives regular updates pertaining to the operational and financial performance of the Group from Management. Such updates enable the Directors to keep abreast of key issues and developments in the Group's core businesses as well as challenges and opportunities for the Group.

The Board also has separate and independent access to the Company Secretary and Management. In the Board meetings, the Chief Executive Officer ("**CEO**") will provide an update on the Group's business review and outlook. Furthermore, the Group Chief Financial Officer ("**CFO**") presents the financial highlights and performance. The Chairperson of each Board Committee will update the Board on any significant matters discussed at the Board Committees' meetings.

The Company Secretary attends all Board meetings and ensures that Board procedures are followed. The Company Secretary also ensures that the requirements under the Companies Act, Cap. 50 ("**Companies Act**") and all other regulations of the SGX-ST are complied with. The Company Secretary also advises the Board on corporate and administrative matters, works with various service providers to facilitate orientations and assists with professional development as required.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

Subject to the approval of the CEO, the Directors may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independence element on the Board

The Board exercises objective judgement on the corporate affairs of the Group independently from Management and its substantial shareholders. No individual or a small group of individuals dominate the decisions of the Board.

As at the date of this report, Non-Executive Directors make up a majority of the Board. The Board comprises two (2) Executive Directors, one (1) Non-Executive and Non-Independent Director and three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors make up half of the Board and the Company notes that this composition is not in compliance with the Code's requirement whereby the Chairman of the meeting is part of Management and is not independent.

However, the Board is of the opinion that based on the Group's current size and operations, it is not necessary nor cost effective to have Independent Directors make up a majority of the Board. The NC is of the view that the current Board is of an appropriate size, and comprises directors who as a group, provide the appropriate balance and mix of skills, knowledge, experience, and are sufficiently diverse so as to avoid groupthink and foster constructive debate. Further, the Chairman of the meeting declared that he will abstain from exercising his casting vote as provided for in the Company's Constitution.

Executive Directors	
Koh Wee Seng	Chief Executive Officer
Koh Lee Hwee	Executive Director
Non-Executive Directors	
Wong Soon Yum	Lead Independent Director
Kau Jee Chu	Independent Non-Executive Director
Ng Bie Tjin @ Djuniarti Intan	Independent Non-Executive Director
Ko Lee Meng	Non-Executive and Non-Independent Director

The Board considers a Director as "independent" (as defined in Practice Guidance 2) if the Director has no relationship with the Company, the Company's related corporations, the five percent (5%) shareholders or the Company's officers, that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgement with a view to the best interests of the Company.

The independence of each Director is reviewed annually by the NC. The NC adopts the definition in the Code and Listing Manual of the SGX-ST of what constitutes an Independent Director in its review. The NC has reviewed and determined that Mr Wong Soon Yum, Mr Kau Jee Chu, and Ms Ng Bie Tjin @ Djuniarti Intan are independent. After taking into account the views of the NC, the Board is of the view that the Directors concerned remain independent of character and judgement and there were no relationships or circumstances which were likely to affect, or could appear to affect, the Directors' judgement.

For FY2020, the Independent Directors (namely Mr Wong Soon Yum, Mr Kau Jee Chu, and Ms Ng Bie Tjin @ Djuniarti Intan) have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its five percent (5%) shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 210(5)(d)(i) and (ii) of the Listing Manual of the SGX-ST.

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board. Nevertheless, when there are Directors who have served beyond nine (9) years from the date of their first appointment, the Board will rigorously review their continuing contributions and independence and decide if they should continue with the appointment.

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Principle 2: Strong and independence element on the Board (Continued)

The Board noted that prior to 1 January 2022, Guideline 2.4 of the Code of Corporate Governance 2012 (the "**2012 Code**") shall apply to directors who have served on the Board beyond nine (9) years from the date of his or her first appointment and the independence of any of the directors should be subject to particularly rigorous review.

As at the end of FY2020, Mr Wong Soon Yum and Mr Kau Jee Chu have served on the Board for more than nine (9) years from the date of their first appointment. The Board has subjected their independence to a particularly rigorous review by all the other fellow directors (with both Mr Wong and Mr Kau abstaining from the review), before deciding if they should continue with the appointment. The NC and the Board have assessed the independence of each of these two (2) Directors using a holistic approach and taking into account their respective contributions in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in their engagement with all relevant parties, rather than solely and arbitrarily on the basis of length of service alone.

After due consideration and with the concurrence of the NC, the Board is of the view that Mr Wong and Mr Kau have demonstrated strong independent character and judgement over the years in discharging their duties and responsibilities as independent directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. They have sought clarification and amplification as deemed necessary, including through direct access to the Management. Mr Wong and Mr Kau are serving in the respective Board Committees which require special skill sets and experience. Their vast experience enables them to provide the Board and the various Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making especially with the challenges faced in this ongoing COVID-19 pandemic. The NC has also conducted a review on the performance of Mr Wong and Mr Kau and considered that each of these two (2) Directors brings invaluable expertise, experience and knowledge to the Board and that they continue to contribute to the Board.

Taking into account the above, the Board concurred with the view of the NC and has affirmed the independence status of Mr Wong and Mr Kau given that their length of service does not in any way interfere with their ability to act in the best interests of the Company in exercising their independent judgement. Furthermore, they have fulfilled the definition of independent directors as required in the Code and Listing Manual of the SGX-ST. The Board has no doubt they will be able to continue to discharge their duties independently with integrity and competency. Therefore, the Board resolved that Mr Wong and Mr Kau continue to be considered Independent Directors, notwithstanding that they have served on the Board beyond nine (9) years from the date of their first appointment.

Nonetheless, in line with Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect on 1 January 2022, an Independent Director who has served on the Board for a cumulative period of nine (9) years from the date of their first appointment will no longer be eligible to be designated as an Independent Director unless approval is sought from the mandatory two-tier voting process in separate resolutions by (A) all shareholders; and (B) shareholders excluding Directors, CEO and their associates ("**Two-Tier Vote Resolutions**"), from shareholders present and voting at the annual general meeting ("**AGM**"). Such Two-Tier Vote Resolutions to remain in force until the earlier of (i) the retirement or resignation of the Director; or (ii) the conclusion of the third (3rd) AGM of the Company following the passing of the Two-Tier Vote Resolutions. Any of the Independent Director(s) who does not pass the Two-Tier Vote Resolutions at the forthcoming AGM will no longer be independent and shall continue as Non-Independent Director(s) of the Company.

The Board has accepted the NC's recommendation that the continued appointment of Mr Wong Soon Yum and Mr Kau Jee Chu, who have served on the Board for an aggregate period of more than nine (9) years, to be sought from the Two-Tier Vote Resolutions by shareholders present and voting at the forthcoming AGM of the Company.

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Principle 2: Strong and independence element on the Board (Continued)

Upon passing of the Two-Tier Vote Resolutions at the forthcoming AGM of the Company, the continued appointment of Mr Wong Soon Yum and Mr Kau Jee Chu as Independent Directors of the Company shall continue in force until the earlier of: (i) their retirement or resignation as the Independent Directors; or (ii) the conclusion of the third (3^{rd}) AGM of the Company following the passing of the Two-Tier Vote Resolutions.

Rule 210(5)(c) of the Listing Manual of the SGX-ST, which will come into effect on 1 January 2022, states that the number of Independent Directors must comprise at least one-third (1/3) of the Board at any time and Provision 2.2 of the Code provides that Independent Directors to make up a majority of the Board where the Chairman is not independent. In the event that the Two-Tier Vote Resolutions for the continued appointment of the Independent Director(s) is/are not passed at the forthcoming AGM which renders the Company unable to meet these requirements, the Company shall make the necessary arrangement to comply with the relevant listing rules of the Listing Manual of the SGX-ST and the Code.

The Board has a diversity policy which requires the NC to review the Board's diversity in skills, industry, business experience, gender, age, ethnicity and other attributes among the Directors, with the objective of bringing to the Board different perspectives, experiences and competencies. The Directors consider the Board's present size of six (6) members and composition appropriate to facilitate effective decision making, taking into account the nature and scope of the Group's operations, the wide spectrum of skills and knowledge of the Directors and gender diversity of the Board. The Directors on the current Board have professional expertise and competency in their respective fields in banking, finance, accounting and real estate. The Board is of the view that diversity is important to enhance the Board's effectiveness as it provides unique insights and more effective decision-making. Gender is an important aspect of diversity. The Board has an equal proportion of male and female directors, given that three (3) out of six (6) members are female.

The Independent Non-Executive Directors participate actively in the Board meetings. Their professional expertise and competency in their respective fields in banking, finance and accounting provide constructive advice and guidance for effective discharge by the Board of the Group's strategies and business affairs.

The Independent Non-Executive Directors would also constructively challenge and help develop proposals on the Group's business strategy and review the performance of Management in meeting agreed goals and objectives as well as monitoring the reporting of performance.

Where necessary, the Independent Non-Executive Directors meet and discuss the Group's affairs without the presence of Management. The Company would make available its premises for use by the Non-Executive Directors to meet without the presence of Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities and balance of power and authority

The Company currently does not have an independent Chairman to preside over the Board. All Board meetings are usually chaired by the Company's CEO, Mr Koh Wee Seng. The Board is of the opinion that the process of decision making by the Board has been independent and has been based on collective decisions without any individual exercising any considerable concentration of power or influence. All Directors ensure that they have collectively taken decisions in the interests of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)

Principle 3: Clear division of responsibilities and balance of power and authority (Continued)

As Chairman of the meeting, Mr Koh is responsible for:
- leading the Board to ensure its effectiveness;
- setting the agenda for Board meetings and to ensure adequate time for discussion;
- promoting openness and discussion during the Board meetings;
- ensuring that Directors receive complete, adequate and timely information;
- ensuring effective communication with the shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating effective contributions of all Directors; and
- promoting high standards of corporate governance.

As the CEO of the Company, he oversees the day-to-day management, leads and implements all major initiatives (such as expansion related strategies, acquisitions and capital investments of the Group), and plays an instrumental role in the sustainable development and growth of the Group's businesses.

In line with the Code's recommendation, the Board has appointed Mr Wong Soon Yum, an Independent Non-Executive Director, as the Lead Independent Director since the Chairman of the meeting and the CEO are the same person. Where the normal communication channels to the CEO or the CFO have failed, the Lead Independent Director makes himself available to shareholders to share their concerns or resolve such problems.

Where necessary, the Lead Independent Director shall lead the meetings among the Independent Non-Executive Directors without the presence of the other Directors, including situations where the Chairman of the meeting is conflicted. The Lead Independent Director shall provide feedback to the Chairman of the meeting after such meetings, where necessary.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for the appointment and re-appointment of Directors to the Board

The Chairman of the NC, Mr Kau Jee Chu, is an Independent Non-Executive Director who is neither a substantial shareholder nor directly associated with a substantial shareholder.

The NC comprises the following four (4) members, three (3) of whom, including the Chairman, are Independent Non-Executive Directors:

Kau Jee Chu	Chairman	Independent Director
Wong Soon Yum	Member	Lead independent Director
Ng Bie Tjin @ Djuniarti Intan	Member	Independent Director
Koh Wee Seng	Member	Executive Director

The NC carries out its duties in accordance with a set of written terms of reference which includes, mainly, the following:
- reviewing, assessing, making recommendations to the Board on the appointment of all Directors, including making recommendations on the composition of the Board (taking into account Rule 210(5)(c) of the Listing Manual of the SGX-ST and Provisions 2.1 to 2.4 of the Code, progressive renewal of the Board, each Director's qualifications, competency, the number of other listed company board representations and whether he/she is independent);
- reviewing the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees (taking into account Rule 210(5)(c) of the Listing Manual of the SGX-ST and Provisions 2.1 to 2.4 of the Code). The NC shall make recommendations to the Board with regard to any adjustments that may be deemed necessary;

BOARD MEMBERSHIP (CONTINUED)

Principle 4: Formal and transparent process for the appointment and re-appointment of Directors to the Board (Continued)

- reviewing, assessing and recommending nominee(s) or candidate(s) for re-appointment or re-election to the Board and to consider his/her competencies, experience, knowledge, gender, age, skills in relation to the needs of the Board, commitment, contribution, performance and whether or not he/she is independent, will add diversity to the Board and will likely to have adequate time to discharge his/her duties;
- making plans for succession, in particular for the Chairman of the Board, the Directors, CEO and key management personnel ("**KMP**") of the Company;
- determining, on an annual basis, if a Director is independent bearing in mind the circumstances set forth in Rules 210(5)(d)(i), (ii), and (iii) of the Listing Manual of the SGX-ST and Provision 2.1 of the Code. If the NC determines that a Director, who has one or more relationships mentioned under Rules 210(5)(d)(i), (ii), and (iii) of the Listing Manual of the SGX-ST and Provision 2.1 of the Code, can be considered independent, the NC should provide its views to the Board for the Board's consideration. Conversely, the NC has the discretion to determine that a Director is non-independent even if the said Director does not fall under the circumstances set forth under Rules 210(5)(d)(i), (ii), and (iii) of the Listing Manual of the SGX-ST and Provision 2.1 of the Code. It shall also similarly provide its views to the Board for the Board's consideration;
- recommending Directors who are retiring by rotation to be put forward for re-election;
- deciding whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations, and/or other principal commitments;
- recommending to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards and the maximum number of listed company board representations which any Director may hold;
- assessing the effectiveness of the Board as a whole, and Board Committees and the contribution of each individual Director to the effectiveness of the Board;
- recommending to the Board the development of a performance evaluation framework and deciding how the performance of the Board may be evaluated and proposing objective performance criteria. The Chairman of the NC should act on the results of the performance evaluation, recommend areas that need improvement and, where appropriate, propose new members be appointed to the Board or seek the resignation of Directors, in consultation with the NC;
- recommending to the Board appropriate comprehensive induction training programmes for new Directors and to identify and develop training and professional development programmes for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks, and assist with similar programs for the Board Committees; and
- reviewing and ensuring that there is a clear division of responsibilities between the Chairman and CEO of the Company in place.

In its selection of new Directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. The Board conducts an initial assessment to review the candidate's qualifications, attributes and past experiences followed by interviewing short-listed candidates. The proposed candidate's independence, expertise, background and right skills will be considered before the Board makes its final decision on the appointment.

For re-appointment of Directors to the Board, the Board will take into consideration, amongst others, the Director's integrity, competencies, independence, commitment, contribution and performance (such as attendance, participation, preparedness and candour). Further information on the independence of the Directors can be found under "Board Composition and Guidance".

BOARD MEMBERSHIP (CONTINUED)

Principle 4: Formal and transparent process for the appointment and re-appointment of Directors to the Board (Continued)

The NC ensures that new directors are aware of their duties and obligations. Information in respect of the academic and professional qualification, major appointments, and present and past directorships is set out in the "Board of Directors" section of this report. For FY2020, the Board is of the view that all Directors have been able to and have adequately carried out their duties as Directors notwithstanding their other listed company board representations and other principal commitments. Having reviewed each Director's attendance, participation, contribution, expertise and competing time commitments, the Board (with the NC's concurrence) is of the view that none of the Directors holds a significant number of directorships and other principal commitments that may impede his/her ability to discharge his/her duties. The Board further notes that none of the Directors hold six (6) or more listed company directorships. Further information on multiple directorships can be found under "The Board's Conduct of Affairs".

BOARD PERFORMANCE

Principle 5: Formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board

The NC determines the criteria on which Board performance is to be evaluated and, subject to the approval of the Board, proposes objective performance criteria which address how the Board has enhanced long-term shareholders' value. The NC will continue to review formal assessment processes for evaluating Board performance, as well as the contribution of individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

For FY2020, the Directors participated in the evaluation by providing feedback to the NC in the form of completing a Board performance evaluation questionnaire which covers several parameters such as Board composition, conduct of meetings, Board process, Board accountability, risk management, measuring and monitoring performance as well as communication with shareholders. The assessment results are presented to the Board by the NC and follow-up actions are taken to address any areas for improvement.

The assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the intensity and quality of participation at meetings. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

The Company's Constitution requires at least one-third (1/3) of the Directors (apart from the CEO) to retire by rotation and be subject to re-election at every Annual General Meeting ("**AGM**") of the Company and Rule 720(5) of the Listing Manual of the SGX-ST requires all Directors to submit themselves for re-nomination and re-appointment at least once every three (3) years. The Board, with the recommendation of the NC, has nominated Mr Koh Wee Seng ("**Mr Koh**"), Ms Koh Lee Hwee ("**Ms Koh**") and Mr Kau Jee Chu ("**Mr Kau**"), who are retiring pursuant to Regulation 104 of the Company's Constitution and/or Rule 720(5) of the Listing Manual of the SGX-ST, for re-election as Directors at the forthcoming AGM of the Company. Mr Koh, Ms Koh and Mr Kau, being eligible for re-election, have offered themselves for re-election.

The Company has complied with Rule 720(6) of the Listing Manual of the SGX-ST as the information relating to the re-elected Directors is set out from pages 160 to 170 of this Annual Report.

The Company does not have any alternate Directors.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: Formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors

The RC comprises the following four (4) Directors who are all Non-Executive Directors and three (3) of whom, including the Chairman, are Independent Non-Executive Directors:

Ng Bie Tjin @ Djuniarti Intan	Chairman	Independent Director
Wong Soon Yum	Member	Lead Independent Director
Kau Jee Chu	Member	Independent Director
Ko Lee Meng	Member	Non-Executive Director

The RC carries out its duties in accordance with a set of written terms of reference which includes, mainly, the following:

- reviewing and submitting a general framework of remuneration for endorsement by the entire Board, which is used to determine the specific remuneration packages and terms of employment for each of the Directors (including the CEO), KMP and any other employees related to the Executive Directors and controlling shareholders of the Group which are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
- ensuring that a significant and appropriate proportion of Executive Directors' and KMP's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;
- reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;
- ensuring that the contractual terms and any termination payments are fair to the individual and the Company;
- setting performance measures and determining targets for any performance-related pay schemes, as necessary, that are operated by the Company;
- reviewing and submitting its recommendations for endorsement by the entire Board, share-based incentives or awards or any long term incentive schemes which may be set up from time to time, in particular, to review whether Directors and KMP should be eligible for such schemes and also to evaluate the costs and benefits of such schemes and to do all acts necessary in connection therewith; and
- reviewing the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind) and other benefit programmes (where appropriate).

As part of its review, the RC shall take into consideration:

- that the remuneration packages should be comparable within the industry and in comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Director's and KMP's performance. A significant and appropriate proportion of Executive Directors' and KMP's remuneration should be structured so as to link rewards to corporate and individual performance;
- that the remuneration packages of employees related to Executive Directors and substantial or controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility;
- that the level and structure of remuneration should be aligned with the long-term interests and risk policies of the Company and Provisions 7.1 to 7.3 of the Code; and
- that the Company's obligations arising in the event of termination of the Executive Directors' and KMP's contracts of service contain fair and reasonable termination clauses.

REMUNERATION MATTERS (CONTINUED)

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (CONTINUED)

Principle 6: Formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors (Continued)

The RC ensures that a formal and transparent procedure is in place for determining the remuneration packages of individual Directors and KMP. All aspects of remuneration including, but not limited to, Directors' fees, salaries, allowances, bonuses and other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. None of the members of the RC or any Director is involved in deciding his/her own remuneration package.

While none of the RC members specialises in the field of executive remuneration, they do possess general knowledge in this area. The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration consultant, if any, will not affect the independence and objectivity of the remuneration consultants.

The Company's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and KMP of the required experience and expertise.

Service agreements for Executive Directors are for a fixed appointment period and do not contain onerous removal clauses. The RC reviews the fairness and reasonableness of termination clauses of the service agreements of the Executive Directors and KMP to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance. There are no termination, retirement and post-employment benefits granted over and above what has been disclosed.

The Non-Executive Directors do not have service agreements with the Company.

The Company does not have any long-term incentive plans.

LEVEL AND MIX OF REMUNERATION

Principle 7: Level of remuneration of Directors should be appropriate but not excessive

The remuneration of employees related to Executive Directors and controlling shareholders of the Group will be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he/she will abstain from participating in the review.

The remuneration packages of the Executive Directors and the KMP comprise a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. The performance-related component of the remuneration package is designed to align the interests of the Executive Directors with those of the shareholders and link rewards to the Group's financial performance.

Directors' fees are set in accordance with a remuneration framework based on the level of responsibility and scope of work. The Non-Executive Directors are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities on the Board and the Board Committees. The Independent Non-Executive Directors have not been over-compensated to the extent that their independence is compromised. The fees to Independent Non-Executive Directors are subject to shareholders' approval at the AGMs of the Company. The Board has endorsed the remuneration framework.

The Company does not have contractual provisions to allow the Group to reclaim incentive components of remuneration from the Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Directors and KMP in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 8: Clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration

The Board has not included a separate annual remuneration report to shareholders in the Annual Report on the remuneration of Directors and the top five (5) KMP (who are not Directors or the CEO of the Company) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this report and in the financial statements of the Company.

The Board has reviewed the disclosure of the remuneration of the Directors and KMP (who are not Directors or the CEO of the Company) and has decided not to disclose the name and remuneration details of the KMP and remuneration of the Directors as the Board believes that such disclosure may be prejudicial to its businesses given the competitive business environment and bring about disadvantages in relation to staff retention.

In FY2020, there were no termination, retirement and post-employment benefits granted to the Directors, the CEO and the top five (5) KMP.

Notwithstanding that it is a variation from Provision 8.1 of the Code, the Company wishes to disclose the remuneration of the Directors in bands of S$250,000 for FY2020. The Company is of the view that the intent of Principle 8 was met, as the remuneration policies and the procedure for setting remuneration applicable to the Executive Director/CEO and the KMP are described above, and the level and mix of remuneration is disclosed in the table below.

Disclosure on Directors' Fees and Remuneration

A breakdown of the level and mix of the remuneration payable to each individual Director for FY2020 are as follows:

	FY2020				
Remuneration Band	**Director**	**Salary (including CPF)**	**Bonus, profit sharing**	**Fee**	**Other Benefits**
		%	%	%	%
S$1,250,000 to below S$1,500,000	Koh Wee Seng	11	87	2	–
S$500,000 to below S$750,000	Koh Lee Hwee	30	65	5	–
Below S$250,000	Wong Soon Yum	–	–	100	–
	Kau Jee Chu	–	–	100	–
	Ng Bie Tjin @ Djuniarti Intan	–	–	100	–
	Ko Lee Meng	–	–	100	–

Remuneration of KMP (who are not Directors or the CEO)

The remuneration of the top five (5) KMP comprises both fixed and variable components. Fixed component is in the form of fixed monthly salary whereas variable component is linked to the performance of the Group's businesses and individual performance.

DISCLOSURE ON REMUNERATION (CONTINUED)

Principle 8: Clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration (Continued)

Remuneration of KMP (who are not Directors or the CEO) (Continued)

A breakdown of the level and mix of the remuneration payable to each top five (5) KMP for FY2020 are as follows:

Remuneration Band	FY2020			
	No. of KMP	Salary (including CPF)	Bonus, profit sharing	Other Benefits
		%	%	%
S$750,000 to below S$1,000,000	2	45	55	–
S$250,000 to below S$500,000	2	61	39	–
Below S$250,000	1	76	24	–

The Board has reviewed the disclosure of the remuneration of the KMP and has decided not to disclose the names of KMP. In view of the confidentiality and sensitivity on remuneration matters as well as the competitive business environment the Company operates in, the Board believes that such disclosure may be prejudicial to its businesses and harm its commercial interests.

The total remuneration paid to the above five (5) KMP was S$2,618,776 for FY2020.

Mr Ng Sheng Tiong ("**Mr Ng**") is an Executive Director and Chief Executive Officer of World Class Global Limited ("**World Class Global**"), a subsidiary of the Company. He is the husband of Ms Koh Lee Hwee and brother in-law of Mr Koh Wee Seng. The remuneration of Mr Ng fell within the band of S$750,000 and S$1,000,000. The Company is not disclosing Mr Ng's remuneration in band no wider than S$100,000 to ensure that it is consistent with World Class Global's disclosure in its annual report. Save as disclosed, there are no other employees of the Group who are substantial shareholders of the Group, or are immediate family members of the Directors or the CEO or a substantial shareholder of the Group, and whose remuneration exceeds S$100,000 during FY2020.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. The Board has determined that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation. Accordingly, the Board believes that the existing practices adopted by the Company are consistent with the intent of Principle 8 of the Code.

Share-Based Incentive Plan

The Aspial Performance Share Plan (the "**Performance Share Plan**") was approved by the shareholders of the Company at the extraordinary general meeting held on 26 April 2017. The Performance Share Plan is administered by the RC. The names of the members of the RC are stated above.

DISCLOSURE ON REMUNERATION (CONTINUED)

Principle 8: Clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration (Continued)

Share-Based Incentive Plan (Continued)

The objectives of the Performance Share Plan are to give recognition to employees for their past contributions and services and to motivate them to contribute towards the Group's long-term growth and prosperity. Participation in the Performance Share Plan is open to all employees of the Group, including the Executive Directors and the Non-Executive Directors of the Company. Any awards that may be granted to any Non-Executive Directors would be intended as a token of the Company's appreciation.

During FY2020, performance share awards granted were based on the terms of the Performance Share Plan. A total of 1,850,000 shares were granted to its employees under the Performance Share Plan. No awards were granted to the Directors of the Group.

ACCOUNTABILITY AND AUDIT RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: Sound system of risk management and internal controls

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks of the Group. The Board determines the nature and extent of the material risks which the Board is willing to take in achieving its strategic objectives and value creation. The Company's Management recommends risk tolerance and strategy to the Board and where appropriate, reports and recommends to the Board for its determination on the nature and extent of significant risks which the Group may take in achieving its strategic objectives.

Management identifies and manages the risks of the Group. Management is responsible for the effective implementation of risk management strategy, policy and processes to ensure the achievement of business plans and goals within the risk tolerance established by the Board. The Board regularly reviews the Group's business and operational activities to identify areas of significant business risks. Appropriate measures are taken to assess, control and mitigate these risks. The process of risk management has been integrated into the Group's business planning and monitoring processes.

The internal audit function performs risk assessment and conducts the review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, information technology controls and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC.

The Company's internal control systems serve as the key in identifying and managing risks that are significant to the achievement of its business objectives. The internal controls in place maintained by the Company's Management throughout the year and up to the date of this report provide reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The AC reviews the Group's financial controls and risk management policies and processes, and based on its assessment and reports of the internal and external auditors, the AC and the Board are assured that adequate internal controls are in place.

ACCOUNTABILITY AND AUDIT RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Principle 9: Sound system of risk management and internal controls (Continued)

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, the various Board Committees and the Board, the Board, with the concurrence of the AC is of the opinion that the Group's internal controls addressing the financial, operational, compliance risks, information technology controls and risk management systems are adequate and effective to meet the needs of the Group for the type and volume of businesses conducted in the current business environment. The Company has complied with Rule 1207(10) of the Listing Manual of the SGX-ST.

The Board has received assurance from:

(a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and KMP who are responsible that they have evaluated the adequacy and effectiveness of the Group's risk management and internal controls and assessed the internal auditors' reports on the Group's operations and external auditors' reports on the financial statements and management letter and noted that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise or report financial information. The Group's risk management and internal controls systems (including financial, operational, compliance and information technology controls) are in place and are adequate and effective.

AUDIT COMMITTEE

Principle 10: Establishment of Audit Committee with written terms of reference

The AC comprises the following four (4) Directors who are all Non-Executive Directors and three (3) of whom, including the Chairman, are Independent Non-Executive Directors, who have accounting related or financial management experience:

Wong Soon Yum	Chairman	Lead Independent Director
Kau Jee Chu	Member	Independent Director
Ng Bie Tjin @ Djuniarti Intan	Member	Independent Director
Ko Lee Meng	Member	Non-Executive Director

The Board is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities. The Chairman of the AC, Mr Wong Soon Yum, and members Mr Kau Jee Chu and Ms Ng Bie Tjin @ Djuniarti Intan have accounting and financial management experience.

The Company has established an in-house Internal Audit Department which performs financial audits, implements operational and compliance controls, oversees risk management and audits of other management processes. The internal auditors have unfettered access to all company documents, records, properties, personnel and the AC and report findings and recommendations directly to the Chairman of the AC. The AC approves the appointment, termination, evaluation and remuneration of the head of internal audit function.

The internal audit function is independent of the activities it audits and carries out its activities in compliance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Board and the AC are of the opinion that the internal audit function is independent, effective and sufficiently resourced and has appropriate standing within the Company. Internal audits are performed by competent professional staff with relevant qualifications and experience. In order that their technical knowledge remains current and relevant, the Company identifies and provides training and development opportunities to the staff.

AUDIT COMMITTEE (CONTINUED)

Principle 10: Establishment of Audit Committee with written terms of reference (Continued)

The AC reviews the activities of the internal audit on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified. The AC reviews the adequacy and effectiveness of the internal audit function on an annual basis and is satisfied with its adequacy and effectiveness.

The AC meets on a semi-annual basis during the year. The AC carries out its duties in accordance with a set of written terms of reference which includes, mainly, the following:

- reviewing with the external auditors the audit plan and their evaluation of the system of internal accounting controls, their audit report, their management letter and Management's response;
- reviewing and reporting to the Board on the adequacy and effectiveness of the Company's internal controls and risk management systems in relation to financial reporting and other financial-related risk and controls (and to the extent delegated to it by the Board), and ensuring compliance with accounting standards, SGX-ST and statutory/regulatory requirements;
- ensuring that the Company has programmes and policies in place to identify and prevent fraud;
- overseeing the establishment and operation of the whistleblowing process in the Company;
- reviewing the financial reporting issues and judgements so as to ensure the integrity of periodic financial results and financial statements, and of announcements on the Company's financial performance and recommend changes, if any, to the Board;
- reviewing the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;
- meeting with external auditors and with the internal auditors without the presence of Management, at least annually, to discuss any issues and concerns they may have;
- reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors annually and recommending the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors. Where the auditors also supply non-audit services to the Company, the nature and extent of such services should be reviewed in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the auditors would not be affected;
- reviewing the internal audit programme and ensuring co-ordination between the internal and external auditors and Management;
- reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;
- evaluating the effectiveness of both the internal and external audit efforts through regular meetings;
- ensuring that internal or external auditors has direct and unrestricted access to the Chairman of the AC and the Chairman of the Board;
- reviewing and discussing with the external auditors any suspected fraud and irregularity, or suspected infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;
- reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- reviewing the interested person transactions falling within the scope of the Listing Manual of the SGX-ST including transactions that fall within the scope of Rule 912 (i.e. review and approval of proposed sale(s) of any units of property projects to the Company's interested persons and/or relatives of a Director, CEO or controlling shareholder) and related party transactions; and
- reviewing and approving the property development which are not meant for personal use for Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee[(1)].

Note:

*(1) This is following a review done by the Board in 2014 regarding the Group's procedures in relation to the conflict of interest. The Board resolved that Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng (collectively the "**Relevant Directors**") are allowed to purchase any property for investment and invest in any property companies so long as they are not the Directors of the property companies. However, for any property development which are not meant for personal use, the Relevant Directors must seek the AC's approval.*

AUDIT COMMITTEE (CONTINUED)

Principle 10: Establishment of Audit Committee with written terms of reference (Continued)

The AC has been given full access to Management and has reasonable resources to enable it to discharge its functions properly. The AC has full discretion to invite any Director or KMP to attend its meetings. The AC has full access to the external auditors and has met with them at least once during the calendar year without the presence of Management.

The AC has reviewed all the non-audit services provided by the external auditors and is satisfied that the provision of such services did not affect their independence.

The AC will undertake a review of the scope of services provided by the external auditors, the independence and the objectivity of the external auditors on an annual basis. Messrs Ernst & Young LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with the Accounting and Corporate Regulatory Authority and provided a confirmation of their independence to the AC. The AC had assessed the external auditors based on factors such as performance, adequacy of resources and experience of their audit engagement partner and audit team assigned to the Group's audit, given the size and complexity of the Group.

The Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in appointing the audit firms for the Group. No former partner or director of the Company's existing auditing firm is a member of the AC (a) within a period of two (2) years commencing on the date of their ceasing to be a partner or director of the audit firm; or (b) hold any financial interest in the audit firm.

The AC has recommended that Messrs Ernst & Young LLP be nominated for re-appointment as the Company's auditors at the forthcoming AGM of the Company. A breakdown of the audit and non-audit fees paid to the external auditors can be found on page 85 of this Annual Report.

The Company has put in place a whistleblowing policy, endorsed by the AC, where employees of the Company may in confidence, raise concerns about the wrongdoing or malpractice within the Group and ensure arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. All concerns would be kept confidential. There have been no incidents pertaining to whistleblowing in FY2020.

Any changes to accounting standards and issues which have a direct impact on the financial statements would be raised by the external auditors, keeping the AC members abreast of such changes.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholders rights, conduct of general meetings and assessment of Company's performance, position and prospects
Principle 12: Engagement with shareholders

The Company does not have an Investor Relations Policy in place. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Listing Manual of the SGX-ST and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

The Board is mindful of the obligation to provide timely and fair disclosure of material information. The Board is accountable to the shareholders while Management is accountable to the Board. The Board provides shareholders with an assessment of the Company's performance, position and prospects periodically via financial results announcements and other ad-hoc announcements as required by the SGX-ST.

SHAREHOLDERS RIGHTS AND ENGAGEMENT (CONTINUED)

Principle 11: Shareholders rights, conduct of general meetings and assessment of Company's performance, position and prospects (Continued)
Principle 12: Engagement with shareholders (Continued)

Results and other material information are released through SGXNet on a timely basis for the dissemination to shareholders and public in accordance with the requirements of the SGX-ST. To ensure the fairness and effectiveness of the market, there is no selective disclosure of unpublished price-sensitive information. When there is inadvertent disclosure made to a selected group on a rare occasion, the information will be released to the public via SGXNet as promptly as possible.

The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. Prior to the onset of the COVID-19 pandemic in early 2020, shareholders of the Company are informed of shareholders' meetings through notices published in the newspaper and/or via SGXNet, Reports or circulars are sent to all shareholders who opted for printed copies. Such reports and circulars are published in the Company's corporate website. At the shareholders' meetings, shareholders are given the opportunity to express their views and ask Directors or Management questions regarding the Company. The external auditors are also present to address the shareholders' queries about the conduct of the audit and the preparation and content of auditors' report.

Conduct of 2020 AGM

However, in view of the COVID-19 pandemic, the Singapore government issued an order on 24 March 2020 requiring all events and mass gatherings to be deferred. As Singapore companies were not allowed to hold general meetings by purely virtual means, an automatic extension of time was granted to the Company and the 2020 AGM was delayed.

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**COVID-19 Order**") which was gazetted on 13 April 2020, the Company is able to send the Notice of 2020 AGM and Annual Report 2020 to shareholders by way of electronic means and the 2020 AGM of the Company was held successfully on 12 June 2020 by way of electronic means.

Pursuant to the COVID-19 Order, shareholders are also informed to participate in the virtual general meetings by observing and/or listening to the general meetings proceedings via "live" audio-visual webcast or "live" audio-only stream.

Conduct of 2021 AGM

Based on the News Releases issued by the Singapore Exchange Regulation (the "**SGX RegCo**") on 1 October 2020, issuer and non-listed companies may continue to conduct their general meetings to be held on or before 30 June 2021 via electronic means in order to keep physical interactions and COVID-19 transmission risks to a minimum, even as safe distancing regulations are gradually and cautiously relaxed. In this regard, the Company will convene the forthcoming AGM wholly by electronic means pursuant to the COVID-19 Order.

The Company does not have a formal dividend policy. Dividends are declared based on the Group's financial performance, the consideration of the Group's future business plans, the position of the Group's revenue reserves, and other factors as the Board may deem appropriate. Any dividend payments are clearly communicated to shareholders via announcements on SGXNet. Pursuant to Rule 704(24) of the Listing Manual of the SGX-ST, in the event that the Board decides not to declare or recommend a dividend, the Company will expressly disclose the reason(s) for the decision together with the announcement of the financial statements.

Prior to the onset of the COVID-19 pandemic in early 2020, all shareholders receive notice of general meeting by post within the mandatory period. Notice of general meetings are released through SGXNet and/or published in the Business Times within the same period.

SHAREHOLDERS RIGHTS AND ENGAGEMENT (CONTINUED)

Principle 11: Shareholders rights, conduct of general meetings and assessment of Company's performance, position and prospects (Continued)
Principle 12: Engagement with shareholders (Continued)

All shareholders can provide feedback to the Company Secretary via the electronic mail address or registered address.

Prior to the onset of the COVID-19 pandemic in early 2020, all registered shareholders are encouraged to participate during the general meetings. The Company's Constitution allows a member of the Company to appoint not more than two (2) proxies to attend and vote in his/her stead at all general meetings. The Company also allows corporations which provide nominee or custodial services to appoint more than two (2) proxies, so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies. During the general meetings, shareholders are informed of the rules including voting procedures governing such meetings.

Pursuant to the COVID-19 Order, shareholders are encouraged to submit their questions relating to the agenda of the general meetings in advance prior to the general meeting to the designated email address and mailing address. Company's response to substantial and relevant questions from shareholders will be published via SGXNet and the Company's corporate website before the meeting. The Company will publish all minutes of the general meetings on SGXNet and the Company's corporate website within one (1) month from the general meetings. Shareholders are also advised to appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the general meetings since there are no remote voting available.

Matters which require shareholders' approval are presented and proposed as a separate resolution. The Company practises having separate resolutions at general meetings on each substantial issue and are not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications in the notice of meeting. Each item of special business in the notice of general meeting is accompanied by an explanatory note, where appropriate. Proxy form is also provided with the notice of general meetings to all shareholders.

Pursuant to the COVID-19 Order, proxy forms are to be published on SGXNet and the Company's corporate website together with the notice of general meeting. No physical copies of the proxy form will be sent to shareholders.

The Company Secretary prepares minutes of the general meetings which include substantial and relevant comments or queries from shareholders (if any) relating to the agendas of the meetings, and responses from the Board and Management, and to record these minutes. These minutes are subsequently approved by the Board and made available to shareholders during office hours at the registered office upon their written request. The minutes will be posted on the Company's corporate website as soon as practicable. All material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNet and is made available to everyone, including the shareholders.

Shareholders are given the opportunity to vote at general meetings. However, as the authentication of shareholder's identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

Pursuant to the COVID-19 Order, shareholders who wish to exercise their right to vote on any or all of the resolutions at the general meetings were required to appoint the Chairman of the meeting as their proxy by submitting the duly completed and signed proxy forms to designated email address and mailing address. Persons who hold shares through relevant intermediaries who wish to appoint the Chairman of the meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes.

SHAREHOLDERS RIGHTS AND ENGAGEMENT (CONTINUED)

Principle 11: Shareholders rights, conduct of general meetings and assessment of Company's performance, position and prospects (Continued)
Principle 12: Engagement with shareholders (Continued)

In support of greater transparency of the voting process and to enhance shareholders' participation, the Company puts all resolutions proposed at the general meetings to vote by poll. Prior to the onset of the COVID-19 pandemic, a scrutineer is appointed to count and validate the votes cast at the general meetings. The detailed results setting out the number of votes cast for and against each resolution and the respective percentage are announced via SGXNet after the general meetings. Shareholders who are present in person or represented by proxies will be entitled to one (1) vote for each share held.

Apart from the SGXNet announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website (www.aspial.com).

The Company prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) prescribed by the Accounting Standards Council. In presenting the annual financial statements and announcements of financial results, the Board ensures it has taken adequate steps to ensure compliance with the legislative and regulatory requirements including the Listing Manual of the SGX-ST. The Board also aims to provide shareholders with a balanced and understandable assessment of the Group's performance, financial position and prospect.

Management provides the Board with appropriate detailed management accounts of the Group's performance, position and prospect on a regular basis. The Board will update the shareholders on the financial positions and operations of the Company and the Group financial results announcements periodically as well as timely announcement of other matters required by the relevant rules and regulations.

MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with stakeholders

The Group takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. A sustainability governance structure and framework was put in place to identify, engage with, and manage material environment, social and governance factors which are important to stakeholders and to the Group.

The Group's sustainability efforts and performance will be discussed in more details in the seperate sustainability report. The Group will publish its sustainability report via SGXNet and the Company's corporate website.

The Group maintains a website at www.aspial.com to communicate and engage with stakeholders.

DEALING IN SECURITIES

The Company has adopted an internal Code of Best Practice to provide to the Directors and all employees of the Group with regard to dealing in the Company's securities pursuant to Rule 1207(19) of the Listing Manual of the SGX-ST. During the financial year, the Company issues memos to its Directors, officers and employees prohibiting dealing in its shares commencing one (1) month before the announcement of half year and full year financial results and ending on the date of the announcement of the relevant results. Directors and employees are also advised against dealing in the securities when they are in possession of any unpublished material price-sensitive information of the Group at all times.

In addition, the Company discourages the Directors, KMP and employees of the Group from dealing in the Company's securities on short term considerations. The Group confirmed that it adhered to its Code of Best Practice for FY2020.

The guidelines on share purchase in accordance with the Share Purchases Mandate which will be renewed at the forthcoming AGM of the Company also provides that the Company will not repurchase any shares during the period commencing one (1) month before the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the relevant results.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions ("**IPTs**"). All IPTs are subject to review by the AC when a potential conflict of interest arises and the Director concerned does not participate in discussions and refrained from exercising any influence over other members of the Board.

The aggregate value of IPTs above S$100,000 entered into during the financial year under review is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
	(S$'000)
Corporate charges	
Dynamic Project Management Services Pte. Ltd.[4]	537
Maxi-Cash Financial Services Corporation Ltd.[4]	2,577
AF Global Limited and its subsidiaries[5]	476
Provision of an interest free loan[7]	
Bayfront Ventures Pte. Ltd.[5]	1,400
Kensington Village Pte. Ltd.[5]	240
Aspial Capital (Ubi) Pte. Ltd.[4]	400
Subscription of 3-year 6.50 per cent. Notes due 2023 issued by the Company	
Mr Koh Wee Seng and his spouse[1]	4,387
Ms Koh Lee Hwee[1]	341
Ms Ko Lee Meng and her child[1]	585
Madam Tan Su Lan[2]	1,170
DN Global Pte. Ltd.[6]	488
AF Global Limited and its subsidiaries[5]	1,560
Subscription for 6.25 per cent. Notes due 2021 issued by Aspial Treasury Pte. Ltd. ("**ATPL**"), a wholly owned subsidiary of the Company	
Mr Koh Wee Seng[1]	380
Ms Koh Lee Hwee and her spouse[1]	235
Ms Ko Lee Meng[1]	91
Mr Koh Wee Meng[3]	3,984

INTERESTED PERSON TRANSACTIONS (CONTINUED)

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
	(S$'000)
Purchase of 6.25 per cent. Notes due 2021 issued by ATPL from Aspial Investment Holding Pte. Ltd.	
Mr Koh Wee Seng(1)	1,092
Lease of premises from Aspial Capital (Ubi) Pte. Ltd.(8)	
Dynamic Project Management Services Pte. Ltd.(4)	231
Maxi-Cash Financial Services Corporation Ltd.(4)	1,890
AF Global Limited and its subsidiaries(5)	246
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.(4)	1,696
Corporate guarantee provided by the Company	
Kensington Village Pte. Ltd.(5)	1,800
Aspial Capital (Ubi) Pte. Ltd.(5)	22,500

Notes:

(1) *Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng are the Directors and controlling shareholders of the Company.*

(2) *Madam Tan Su Lan, the mother of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee.*

(3) *Mr Koh Wee Meng, the brother of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee.*

(4) *A company in which Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng have an interest of 30 per cent. or more.*

(5) *A company in which Mr Koh Wee Seng and Mr Koh Wee Meng have an interest of 30 per cent. or more.*

(6) *A company in which Ms Koh Lee Hwee have an interest of 30 per cent. or more.*

(7) *The variances between the provision of an interest free loan stated in the above table and the provision of an interest free loan reported in the announcement dated 29 July 2020 was due to the actual drawdown less than the forecast.*

(8) *The variances between the lease of premises values stated in the above table and the lease of premises values reported in the announcement dated 29 July 2020 was due to the COVID-19-related rent concessions received by the entities.*

For the purposes of Rules 905(2) and 906(1)(b) of the Listing Manual of the SGX-ST, the interested persons are treated as the same interested person and the transactions entered into between the Group and such interested persons are aggregated in determining whether the designated financial thresholds under Rules 905(2) and 906(1)(b) of the Listing Manual of the SGX-ST are triggered.

No IPT were conducted under the Company's IPT mandate for the year ended 31 December 2020.

MATERIAL CONTRACTS

Saved as disclosed above in the section entitled "Interested Person Transactions" and in the financial statements of the Company, there were no material contracts of the Group involving the interest of the CEO, Directors or controlling shareholders subsisting at the end of FY2020 or have been entered into since the end of the previous financial year.

BOARD OF DIRECTORS

Mr Koh Wee Seng
Group Chief Executive Officer

Date of first appointment as a director	:	9 October 1989
Date of last re-election as a director	:	N.A.
Length of service as a director (as at 31 December 2020)	:	31 years 3 months

Board Committee(s) served on:
- Nominating Committee (member)

Academic & professional qualification(s):
- Bachelor of Business Administration, National University of Singapore

Present Directorship in listed companies
- Maxi-Cash Financial Services Corporation Ltd.
- World Class Global Limited
- AF Global Limited

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2018 to 31 December 2020)
- Nil

Ms Koh Lee Hwee
Executive Director

Date of first appointment as a director	:	15 August 1988
Date of last re-election as a director	:	26 April 2018
Length of service as a director (as at 31 December 2020)	:	32 years 5 months

Board Committee(s) served on:
- Nil

Academic & professional qualification(s):
- Bachelor of Arts, National University of Singapore

Present Directorship in listed companies
- Maxi-Cash Financial Services Corporation Ltd.
- World Class Global Limited

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2018 to 31 December 2020)
- Nil

BOARD OF DIRECTORS (CONTINUED)

Ms Ko Lee Meng
Non-Executive Director and Non-Independent Director

Date of first appointment as a director	:	1 May 1987
Date of last re-election as a director	:	12 June 2020
Length of service as a director (as at 31 December 2020)	:	33 years 8 months

Board Committee(s) served on:
- Audit Committee (member)
- Remuneration Committee (member)

Academic & professional qualification(s):
- Bachelor of Arts, National University of Singapore

Present Directorship in listed companies
- Maxi-Cash Financial Services Corporation Ltd.

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2018 to 31 December 2020)
- Nil

Mr Wong Soon Yum
Lead Independent and Non-Executive Director

Date of first appointment as a director	:	27 May 1999
Date of last re-appointment as a director	:	12 June 2020
Length of service as a director (as at 31 December 2020)	:	21 years 8 months

Board Committee(s) served on:
- Audit Committee (Chairman)
- Nominating Committee (member)
- Remuneration Committee (member)

Academic & professional qualification(s):
- Professional Diploma in Accountancy, Singapore Polytechnic; Executive Programme, Stanford-National University of Singapore

Present Directorship in listed companies
- Nil

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2018 to 31 December 2020)
- Nil

BOARD OF DIRECTORS (CONTINUED)

Mr Kau Jee Chu
Independent Non-Executive Director

Date of first appointment as a director	:	1 November 2002
Date of last re-appointment as a director	:	26 April 2018
Length of service as a director (as at 31 December 2020)	:	18 years 2 months

Board Committee(s) served on:
- Nominating Committee (Chairman)
- Audit Committee (member)
- Remuneration Committee (member)

Academic & professional qualification(s):
- Bachelor in Accountancy, National University of Singapore

Present Directorship in listed companies
- Nil

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2018 to 31 December 2020)
- Nil

Ms Ng Bie Tjin @ Djuniarti Intan
Independent Non-Executive Director

Date of first appointment as a director	:	20 January 2014
Date of last re-election as a director	:	26 April 2019
Length of service as a director (as at 31 December 2020)	:	6 years 11 months

Board Committee(s) served on:
- Remuneration Committee (Chairman)
- Audit Committee (member)
- Nominating Committee (member)

Academic & professional qualification(s):
- Masters in Business Administration, University of Southern California

Present Directorship in listed companies
- SunMoon Food Company Limited

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 January 2018 to 31 December 2020)
- Nil

FINANCIAL REPORT

Aspial One, Courtyard

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Aspial Corporation Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, and

(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:

Koh Wee Seng
Koh Lee Hwee
Ko Lee Meng
Wong Soon Yum
Kau Jee Chu
Ng Bie Tjin @ Djuniarti Intan

In accordance with Regulation 104 of the Company's Constitution, and/or Rule 720(5) of the Listing manual of the Singapore Exchange Securities Trading Limited, Koh Wee Seng, Koh Lee Hwee and Kau Jee Chu retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares or debentures

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

DIRECTORS' STATEMENT

Directors' interest in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest held by directors			Other shareholdings in which directors are deemed to have an interest		
	1 January 2020	**31 December 2020**	**21 January 2021**	**1 January 2020**	**31 December 2020**	**21 January 2021**
The Company						
Aspial Corporation Limited						
Ordinary shares						
Koh Wee Seng	373,463,357	373,463,357	373,463,357	1,142,907,178	1,143,219,554	1,143,219,554
Koh Lee Hwee	30,890,888	30,890,888	30,890,888	1,156,999,571	1,156,999,571	1,156,999,571
Ko Lee Meng	33,639,865	33,639,865	33,639,865	1,138,979,974	1,138,979,974	1,138,979,974
Holding company						
MLHS Holdings Pte. Ltd.						
Ordinary shares						
Koh Wee Seng	1,410,000	1,410,000	1,410,000	–	–	–
Koh Lee Hwee	727,500	727,500	727,500	–	–	–
Ko Lee Meng	772,500	772,500	772,500	–	–	–
Subsidiaries						
World Class Global Limited						
Ordinary shares						
Koh Wee Seng	22,750,000	22,750,000	22,750,000	742,828,700	742,828,700	742,828,700
Koh Lee Hwee	–	–	–	742,828,700	742,828,700	742,828,700
Ko Lee Meng	–	–	–	742,828,700	742,828,700	742,828,700
Ng Bie Tjin @ Djuniarti Intan	1,000,000	1,000,000	1,000,000	–	–	–
WCL (QLD) Margaret St Pty. Ltd.						
Ordinary shares						
Koh Wee Seng	5,100,000	5,100,000	5,100,000	16,575,000	16,575,000	16,575,000
Koh Lee Hwee	–	–	–	19,125,000	19,125,000	19,125,000
Ko Lee Meng	1,275,000	1,275,000	1,275,000	16,575,000	16,575,000	16,575,000
Maxi-Cash Financial Services Corporation Ltd.						
Ordinary shares						
Koh Wee Seng	96,181,017	121,198,396	121,198,396	727,571,074	670,219,420	670,219,420
Koh Lee Hwee	14,288,888	28,196,664	28,196,664	734,687,805	677,336,151	677,336,151
Ko Lee Meng	2,813,326	17,581,376	17,581,376	728,765,805	671,414,151	671,414,151
Ng Bie Tjin @ Djuniarti Intan	332,710	332,710	332,710	–	–	–
World Class Land Pte. Ltd.						
Ordinary shares						
Koh Wee Seng	250,000	250,000	250,000	4,500,000	4,500,000	4,500,000
Koh Lee Hwee	–	–	–	4,500,000	4,500,000	4,500,000
Ko Lee Meng	–	–	–	4,500,000	4,500,000	4,500,000
Associate						
AF Global Limited						
Ordinary shares						
Koh Wee Seng	–	8,629,075	8,629,075	440,691,785	441,857,365	441,857,365
Koh Lee Hwee	–	182,000	182,000	440,691,785	440,691,785	440,691,785
Ko Lee Meng	4,754,000	4,761,280	4,761,280	440,691,785	440,691,785	440,691,785

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are deemed to have an interest in the shares of all the subsidiaries to the extent held by the Company.

Directors' interest in shares or debentures (Continued)

As at the beginning of the financial year, Koh Wee Seng, Koh Lee Hwee, Ko Lee Meng and Ng Bie Tjin @ Djuniarti Intan held term notes and bonds aggregating $20,250,000, $3,900,000, $8,347,000 and $1,000,000 respectively. As at the end of the financial year, Koh Wee Seng, Koh Lee Hwee, Ko Lee Meng and Ng Bie Tjin @ Djuniarti Intan held term notes aggregating $37,500,000, $5,500,000, $12,500,000 and $1,000,000 respectively. The bonds bear fixed interest rates of 5.25% and 5.30% per annum and are due in 2020 while the term notes bear fixed interest rates of 5.90%, 6.25%, 6.35% and 6.50% per annum and are due in 2021, 2021, 2022 and 2023 respectively. Except for Koh Wee Seng, who held term notes aggregating $37,000,000 as at 21 January 2021, there is no change in the term notes held by the other directors as at 21 January 2021.

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

Options

No options were issued by the Company during the financial year. As at 31 December 2020, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

Audit committee

The Audit Committee performed the functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Koh Wee Seng
Director

Koh Lee Hwee
Director

Singapore
29 March 2021

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aspial Corporation Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the statements of financial position of the Group and Company as at 31 December 2020, statements of changes in equity of the Group and Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Assessment of carrying values of development properties, properties held for sale and hotel properties included in property, plant and equipment

As at 31 December 2020, the Group's development properties, properties held for sale and hotel properties included in property, plant and equipment amounted to $216,505,000, $280,332,000 and $62,938,000 respectively, which in aggregate represented approximately 35.3% of the Group's total assets. The Group's development properties are located outside of Singapore, whilst its properties held for sale and hotel properties are located in and outside of Singapore.

For development properties located outside of Singapore, a significant proportion of these development properties relate to projects that are in planning phases and have not been launched or completed as at 31 December 2020. In ascertaining net realisable value ("**NRV**"), significant judgement is involved as management either needs to estimate the expected selling price (taking into account estimated costs to compete construction) based on the future property market and economic conditions in the respective markets, or use external appraisers to support its determination of market prices.

Key audit matters (Continued)

Assessment of carrying values of development properties, properties held for sale and hotel properties included in property, plant and equipment (Continued)

For properties held for sale, in ascertaining NRV, significant judgement is involved as management either needs to estimate the expected selling price based on the current property market and economic conditions in the respective markets, or use external appraisers to support its determination of market prices.

For hotel properties, the Group follows the guidance in SFRS(I) 1-36 *Impairment of Assets* in determining whether it is necessary to recognise any impairment. Management exercises significant judgement in determining whether there is any indication that the hotel properties may be impaired. If there is any indication of impairment, significant judgement is involved as management needs to estimate the recoverable amounts of these hotel properties based on the current property market and economic conditions in the respective markets, or use external appraisers to support its determination of market prices.

Given the magnitude of these assets and significant estimation uncertainty involved in determining the NRV and recoverable amounts, we have identified the assessment of carrying values of development properties, properties held for sale and hotel properties as a key audit matter.

To address the risk of material misstatement relating to the carrying values of development properties, properties held for sale and hotel properties, our audit procedures included, amongst others, inquiry of management and assessment of the existence of any indicators that the NRV is lower than their respective costs. We assessed the reasonableness of the estimated selling prices, taking into account market prices for similar properties in the respective markets, where applicable. We also performed sensitivity analysis on the NRV or recoverable value by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty in market and economic conditions brought on by the COVID-19 pandemic.

Where management used external appraisers to support its determination of estimated selling prices, we evaluated the objectivity, competence and capabilities of the appraisers. We also involved our internal real estate specialists in assessing the appropriateness of the valuation method and certain key assumptions used in the valuations.

In addition to the above procedures, in assessing the appropriateness of management's NRV assessment of the development properties and impairment assessment of the hotel properties, we performed procedures to evaluate the reasonableness of the estimated costs of completing the development properties and hotel properties under construction. We obtained an understanding of the Group's internal controls with respect to project budgeting and monitoring process and inquired with management on the development status of on-going and significant projects. We also examined documentation of the progress of material projects such as costs incurred to-date, estimated costs to complete and timing of completion.

Further, we assessed the adequacy of disclosures related to development properties, properties held for sale and hotel properties in Note 2.18 Development properties, Note 2.19 Properties held for sale, Note 2.10 Property, plant and equipment, Note 3.2(d) Estimation of net realisable value for development properties, Note 3.2(e) Estimation of net realisable value for properties held for sale, Note 3.2(h) Impairment of property, plant and equipment, Note 19 Development properties/properties held for sale and Note 10 Property, plant and equipment to the financial statements.

Allowance for expected credit losses on trade receivables of the Group's financial service business

Included in trade receivables of the Group's financial service business are pawnshop loans and interest receivables on pawnshop loans, which are significant to the Group. The collectability of trade receivables is a key element of the Group's working capital management.

Key audit matters (Continued)

Allowance for expected credit losses on trade receivables of the Group's financial service business (Continued)

The Group uses a provision matrix to estimate the allowance for expected credit losses ("**ECLs**") on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECLs model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of individual pawnshop outlets and estimated future non-redemption rate on open pledges taking into account the current economic environment. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default, estimating the expected realisable value of customers' pledges as well as considering any forward-looking economic information. Accordingly, we have identified the Group's ECLs assessment on pawnshop loans and interest receivables on pawnshop loans from the Group's financial service business as a key audit matter.

Our audit procedures include, amongst others, reviewing and assessing the reasonableness of the key inputs and assumptions used by the Group in the ECLs model which is largely dependent on the Group's historical loss experience and loan-to-valuation data. We reviewed and tested the overall process and key controls in relation to the collection of non-redemption data used in the ECLs model including checking the arithmetic accuracy of the probability of default. We also analysed the historical trend of expected realisable value of the customers' pledges and considered forward-looking macroeconomic factors, taking into consideration the economic environment and external information that may affect the recoverability of the pawnshop loans and related interest receivables. Furthermore, we assessed the adequacy of the disclosures related to trade receivables in Note 20 to the financial statements.

Existence of pledges, cash and inventories

We focused on pledges, cash and inventories as their total carrying amounts are material to the financial statements and there is a higher inherent risk of theft and pilferage.

As part of our audit of the financial service business, we obtained an understanding of the internal controls with respect to the physical safeguards over pledges, cash and inventories. We tested selected internal controls over cash receipts and disbursements and movement of inventories. We obtained bank confirmations including testing controls over bank reconciliation reviews and obtained an understanding of management's monitoring of cash balances, including monitoring of outlet cash float, physical transfer of cash between outlets and head office, and reconciliation of outlet cash flows to the pledges movement.

On a sample basis, we attended and observed surprise outlet audits on daily cash counts and inventory counts at selected outlets. We performed verification of pledges by taking a sample of pledges held on open pawn tickets and matched details of pledges to the physical pledges during our planned and surprise visits to the outlets. We also attended the year-end inventory count and cash count conducted at head office.

As part of our audit of the jewellery business, we obtained an understanding of the internal controls with respect to the physical safeguards over inventories. On a sample basis, we attended and observed surprise outlet audits (which include inventories count) and inventory cycle counts at selected outlets.

Furthermore, we assessed the adequacy of the disclosures related to total cash on hand, trade receivables of the Group's financial services business (which comprise mainly pawnshop loans related to pledges held as collateral) and inventories in Note 23 Cash and bank balances, Note 20 Trade and other receivables and Note 18 Inventories respectively to the financial statements.

Key audit matters (Continued)

Valuation of investment properties

As at 31 December 2020, the Group's investment properties are carried at fair value amounting to $160,653,000, which represented 10.1% of the Group's total assets.

Management has engaged independent external appraisers to assist the Group in determining the fair values of these investment properties. Given the magnitude of these assets and as disclosed in Note 3.2(i) *Key sources of estimation uncertainty,* the increase in the level of estimation uncertainty in determining the fair value of the investment properties as at 31 December 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic, we have identified the valuation of investment properties as a key audit matter.

To address the risk of material misstatement relating to the valuation of investment properties, our audit procedures included, amongst others, obtain an understanding of the process and key controls over the Group's valuation process. We reviewed management's valuation of the investment properties and assessed the appropriateness of the valuation methodology in accordance with the requirements of SFRS(I) 13 *Fair Value Measurement*, evaluated the objectivity and competency of the external appraisers and read the terms of engagement to determine whether there was any limitation in the scope of work or matters that might affect the objectivity of the external appraisers.

We inquired with the external appraisers and obtained information to support the selection of valuation method, valuation adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the indicative values of comparable properties. We involved our internal real estate specialists in assessing the reasonableness of the key valuation assumptions and inputs used by management as disclosed in Note 36(d) to the financial statements. We also performed sensitivity analysis on the fair values by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty due to the current market and economic conditions.

Further, we assessed the adequacy of disclosures related to investment properties in Note 2.11 Investment Properties, Note 3.2(i) Valuation of investment properties, in relation to the financial statements.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

Responsibilities of management and directors for the financial statements (Continued)

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 financial statements. We are responsible for the direction, supervision and performance of the 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.

Auditor's responsibilities for the audit of the financial statements (Continued)

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Max Loh Khum Whai.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 $'000	2019 $'000
Revenue	4	531,246	560,242
Materials and subcontract costs		(333,372)	(354,883)
Employee benefits	5	(60,199)	(62,661)
Depreciation and amortisation		(33,968)	(28,193)
Finance costs	6	(32,351)	(34,268)
Other operating expenses		(76,229)	(77,164)
Interest income		1,402	4,037
Rental income		2,592	2,560
Other income	7	49,035	8,502
Share of results of associates		1,224	40
Share of results of joint ventures		203	12,193
Profit before tax	8	49,583	30,405
Income tax expense	28(a)	(20,127)	(11,845)
Profit for the year		29,456	18,560
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net fair value changes on equity instruments at fair value through other comprehensive income ("**FVOCI**")		1,438	1,876
Share of other comprehensive income of an associate		(215)	–
Items that may be reclassified subsequently to profit or loss			
Net fair value changes on debt instruments at FVOCI		(83)	1,962
Foreign currency translation		16,578	(3,475)
Share of other comprehensive income of a joint venture		–	7,663
Share of other comprehensive income of associates		(162)	–
Other comprehensive income for the year, net of tax		17,556	8,026
Total comprehensive income for the year		47,012	26,586
Profit for the year attributable to:			
Owners of the Company		17,742	12,695
Non-controlling interests		11,714	5,865
		29,456	18,560
Total comprehensive income attributable to:			
Owners of the Company		31,597	21,186
Non-controlling interests		15,415	5,400
		47,012	26,586
Earnings per share (cent)			
Basic	9	0.92	0.66
Diluted	9	0.92	0.66

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current assets					
Property, plant and equipment	10	182,654	171,377	30	171
Investment properties	11	160,653	60,795	–	–
Intangible assets	12	8,886	9,599	229	1,233
Right-of-use assets	27(a)	78,745	96,972	–	–
Investment in subsidiaries	13	–	–	235,204	225,204
Investment in associates	14	124,733	124,070	76,529	76,529
Investment in joint ventures	15	476	75	–	75
Investment securities	17	10,525	11,872	–	–
Trade and other receivables	20	5,844	14,282	–	–
Prepayments		5	–	–	–
Deferred tax assets	28(c)	6,132	3,181	–	1,039
		578,653	492,223	311,992	304,251
Current assets					
Inventories	18	146,496	149,692	–	–
Development properties	19(a)	216,505	521,221	–	–
Properties held for sale	19(b)	280,332	64,237	–	–
Trade and other receivables	20	303,402	331,293	32	7,826
Prepayments		3,411	5,598	271	319
Due from subsidiaries (non-trade)	21	–	–	104,080	27,434
Due from associates	21	1,035	1,278	–	385
Due from a joint venture (non-trade)	21	1,670	1	–	1
Investment securities	17	1,786	9,718	–	425
Derivatives	22	–	2,033	–	–
Cash and bank balances	23	52,047	146,194	207	337
		1,006,684	1,231,265	104,590	36,727
Total assets		1,585,337	1,723,488	416,582	340,978
Current liabilities					
Trade and other payables	24	78,224	79,577	13,633	16,220
Due to immediate holding company (non-trade)	21	4,700	–	4,700	–
Due to subsidiaries (non-trade)	21	–	–	57,512	53,296
Due to an associate (non-trade)	21	2,960	1,508	–	–
Provision for taxation		18,034	19,720	82	–
Derivatives	22	7,868	–	–	–
Interest-bearing loans and borrowings	25	352,912	486,436	16,700	–
Lease liabilities	27(b)	21,373	22,591	–	–
Term notes and bonds	26	162,000	357,982	–	–
		648,071	967,814	92,627	69,516
Net current assets/(liabilities)		358,613	263,451	11,963	(32,789)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current liabilities					
Other payables	24	6,251	5,939	–	–
Interest-bearing loans and borrowings	25	288,458	104,991	–	–
Lease liabilities	27(b)	59,573	75,549	–	–
Term notes and bonds	26	95,000	142,000	50,000	–
Deferred tax liabilities	28(c)	41,043	16,747	39	–
		490,325	345,226	50,039	–
Total liabilities		1,138,396	1,313,040	142,666	69,516
Net assets		446,941	410,448	273,916	271,462
Equity attributable to owners of the Company					
Share capital	29(a)	226,930	226,930	226,930	226,930
Treasury shares	29(b)	(1,781)	(2,290)	(1,781)	(2,290)
Other reserves	29(c)	(4,009)	(17,622)	1,052	1,302
Revenue reserves		118,590	105,705	47,715	45,520
		339,730	312,723	273,916	271,462
Non-controlling interests		107,211	97,725	–	–
Total equity		446,941	410,448	273,916	271,462
Total equity and liabilities		1,585,337	1,723,488	416,582	340,978

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Attributable to owners of the Company						
		Share capital $'000	Treasury shares $'000	Other reserves $'000	Revenue reserves $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group								
At 1 January 2019		226,930	(2,589)	(27,776)	109,335	305,900	100,663	406,563
Profit for the year		–	–	–	12,695	12,695	5,865	18,560
Other comprehensive income								
Net fair value changes on debt instruments at FVOCI		–	–	1,806	–	1,806	156	1,962
Net fair value changes on equity instruments at FVOCI		–	–	1,690	–	1,690	186	1,876
Foreign currency translation		–	–	(2,668)	–	(2,668)	(807)	(3,475)
Share of other comprehensive income of an associate and a joint venture		–	–	7,663	–	7,663	–	7,663
Other comprehensive income for the year, net of tax		–	–	8,491	–	8,491	(465)	8,026
Total comprehensive income for the year		–	–	8,491	12,695	21,186	5,400	26,586
Contributions by and distributions to owners								
Dividend on ordinary shares – Cash dividends	30	–	–	–	(14,529)	(14,529)	–	(14,529)
Dividend paid to non-controlling interests of subsidiaries – Cash dividends		–	–	–	–	–	(8,495)	(8,495)
Treasury shares reissued pursuant to Aspial Performance Share Plan	29(b)	–	299	(111)	–	188	–	188
Capital contribution from non-controlling interests		–	–	–	–	–	115	115
Total contributions by and distributions to owners		–	299	(111)	(14,529)	(14,341)	(8,380)	(22,721)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the Company						
	Note	**Share capital $'000**	**Treasury shares $'000**	**Other reserves $'000**	**Revenue reserves $'000**	**Equity attributable to owners of the Company $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group								
Changes in ownership interests in subsidiaries								
Change in ownership interests in subsidiaries without a change in control		–	–	(23)	1	(22)	42	20
Total changes in ownership interests in subsidiaries		–	–	(23)	1	(22)	42	20
Total transactions with owners in their capacity as owners		–	299	(134)	(14,528)	(14,363)	(8,338)	(22,701)
Others								
Transfer at fair value reserves of equity instruments at FVOCI upon disposal		–	–	1,797	(1,797)	–	–	–
Total Others		–	–	1,797	(1,797)	–	–	–
At 31 December 2019		226,930	(2,290)	(17,622)	105,705	312,723	97,725	410,448

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the Company						
	Note	**Share capital $'000**	**Treasury shares $'000**	**Other reserves $'000**	**Revenue reserves $'000**	**Equity attributable to owners of the Company $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group								
At 1 January 2020		226,930	(2,290)	(17,622)	105,705	312,723	97,725	410,448
Profit for the year		–	–	–	17,742	17,742	11,714	29,456
Other comprehensive income								
Net fair value changes on debt instruments at FVOCI		–	–	(79)	–	(79)	(4)	(83)
Net fair value changes on equity instruments at FVOCI		–	–	1,455	–	1,455	(17)	1,438
Foreign currency translation		–	–	12,856	–	12,856	3,722	16,578
Share of other comprehensive income of associates		–	–	(377)	–	(377)	–	(377)
Other comprehensive income for the year, net of tax		–	–	13,855	–	13,855	3,701	17,556
Total comprehensive income for the year		–	–	13,855	17,742	31,597	15,415	47,012
Contributions by and distributions to owners								
Dividend on ordinary shares – Cash dividends	30	–	–	–	(4,849)	(4,849)	–	(4,849)
Dividend paid to non-controlling interests of subsidiaries – Cash dividends		–	–	–	–	–	(6,003)	(6,003)
Treasury shares reissued pursuant to Aspial Performance Share Plan	29(b)	–	509	(250)	–	259	–	259
Total contributions by and distributions to owners		–	509	(250)	(4,849)	(4,590)	(6,003)	(10,593)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the Company						
	Note	**Share capital $'000**	**Treasury shares $'000**	**Other reserves $'000**	**Revenue reserves $'000**	**Equity attributable to owners of the Company $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group								
Changes in ownership interests in subsidiaries								
Change in ownership interests in subsidiaries without a change in control		–	–	–	–	–	51	51
Change in ownership interests in subsidiaries with a change in control		–	–	–	–	–	23	23
Total changes in ownership interests in subsidiaries		–	–	–	–	–	74	74
Total transactions with owners in their capacity as owners		–	509	(250)	(4,849)	(4,590)	(5,929)	(10,519)
Others								
Transfer at fair value reserves of equity instruments at FVOCI upon disposal		–	–	8	(8)	–	–	–
Total Others		–	–	8	(8)	–	–	–
At 31 December 2020		226,930	(1,781)	(4,009)	118,590	339,730	107,211	446,941

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Revenue reserves $'000	Total equity $'000
Company						
At 1 January 2019		226,930	(2,589)	1,413	31,861	257,615
Profit for the year, representing total comprehensive income for the year		–	–	–	28,188	28,188
Contributions by and distributions to owners						
Dividends on ordinary shares						
– Cash dividends	30	–	–	–	(14,529)	(14,529)
Treasury shares reissued pursuant to Aspial Performance Share Plan	29(b)	–	299	(111)	–	188
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		–	299	(111)	(14,529)	(14,341)
At 31 December 2019		226,930	(2,290)	1,302	45,520	271,462
Company						
At 1 January 2020		226,930	(2,290)	1,302	45,520	271,462
Profit for the year, representing total comprehensive income for the year		–	–	–	7,044	7,044
Contributions by and distributions to owners						
Dividends on ordinary shares						
– Cash dividends	30	–	–	–	(4,849)	(4,849)
Treasury shares reissued pursuant to Aspial Performance Share Plan	29(b)	–	509	(250)	–	259
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		–	509	(250)	(4,849)	(4,590)
At 31 December 2020		226,930	(1,781)	1,052	47,715	273,916

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 $'000	2019 $'000
Operating activities			
Profit before tax		49,583	30,405
Adjustments for:			
Property, plant and equipment written-off		584	980
Impairment loss on intangible assets		–	99
Impairment loss on property, plant and equipment	10	4,407	4,156
Allowance for write-down of development properties and properties held for sale		7,625	1,502
(Gain)/loss on disposal of property, plant and equipment		(11)	1
Gain on termination of lease contracts		(101)	–
Net fair value loss/(gain) on derivatives		8,470	(974)
Fair value loss on investment securities		378	77
Net fair value (gain)/loss on investment properties	11	(23,223)	3,341
Interest receivable written-off		–	11
Impairment loss on investment securities		1,792	1,959
Depreciation of property, plant and equipment	10	7,507	5,832
Depreciation of right-of-use assets	27(a)	25,023	21,080
Employee Share Award Scheme expenses		259	188
Write-down/(write-back) of inventories	18	198	(400)
Allowance for doubtful receivables		47	209
Interest expense	6	30,806	31,688
Interest income		(1,402)	(4,037)
Amortisation of prepaid rent		3	4
Amortisation of intangible assets	12	1,435	1,277
Amortisation of prepaid commitment fees	6	1,561	2,637
Amortisation of premium on term notes	6	(16)	(57)
Net loss on disposal of investment securities		83	572
Loss on purchase and cancellation of term notes and bonds		104	3
Dividend income from equity instruments		(120)	(1,876)
Gain on disposal of a subsidiary	13	(137)	–
Loss on disposal of a joint venture		5	–
Share of results of associates		(1,224)	(40)
Share of results of joint ventures		(203)	(12,193)
Unrealised foreign exchange differences		(1,808)	149
Operating cash flows before changes in working capital		111,625	86,593
Changes in working capital			
Decrease/(increase) in inventories		3,384	(2,447)
Decrease in development properties, investment properties and properties held for sale		57,728	29,495
Decrease in contract assets, trade and other receivables		34,108	45,184
Decrease/(increase) in prepayments		1,153	(706)
Decrease/(increase) in restricted cash		7,180	(13,197)
Increase/(decrease) in trade and other payables		3,876	(2,583)
Total changes in working capital		107,429	55,746
Cash flows generated from operations		219,054	142,339
Interest paid		(38,647)	(33,741)
Income taxes paid		(2,914)	(7,285)
Net cash flows generated from operating activities		177,493	101,313

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 $'000	2019 $'000
Investing activities			
Net cash outflow on disposal of a subsidiary	13	(849)	–
Purchase of property, plant and equipment	10	(35,444)	(29,487)
Acquisition of intangible assets	12	(306)	(868)
Proceeds from sale of property, plant and equipment		112	–
Interest received		4,494	5,639
Purchase of investment securities		–	(2)
Dividend income from equity instruments		120	1,876
Dividend income from associates		253	576
Proceeds from disposal of investment securities		8,351	83,792
Due to/(from) associates, net		1,984	(2,098)
Due to a joint venture (non-trade), net		1	10,088
Net cash flows (used in)/generated from investing activities		(21,284)	69,516
Financing activities			
Dividends paid to shareholders of the Company		(9,688)	(9,682)
Dividends paid to non-controlling interests of subsidiaries		(7,305)	(4,500)
Proceeds from issuance of ordinary shares by subsidiaries to non-controlling interests		51	115
Proceeds from issuance of term notes		115,000	23,500
Repayment of term notes and bonds		(358,086)	(111,393)
Purchase of treasury shares of a subsidiary		–	(116)
Proceeds from term loans		277,800	207,349
Repayment of term loans		(247,850)	(134,893)
Proceeds from/(repayment of) short-term bank borrowings, net		6,812	(43,934)
Repayment of principal portion of lease liabilities	27(b)	(26,456)	(22,374)
Term notes and bonds commitment fees paid		(563)	(756)
Due to immediate holding company (non-trade)		4,700	–
Net cash flows used in financing activities		(245,585)	(96,684)
Net (decrease)/increase in cash and cash equivalents		(89,376)	74,145
Effect of exchange rate changes on cash and cash equivalents		2,409	(168)
Cash and cash equivalents at beginning of year		132,997	59,020
Cash and cash equivalents at end of year	23	46,030*	132,997*

Note:

* An amount of $6,017,000 (2019: $13,197,000) has not been included in cash and cash equivalents of the Group as the amount relates to a reserve account held in escrow by a third party which will only be released upon repayment of the loan and related interested liabilities owing to the third party.

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

1. CORPORATE INFORMATION

Aspial Corporation Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The immediate and ultimate holding company is MLHS Holdings Pte. Ltd., which is also incorporated in Singapore.

The address of the Company's registered office is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The address of its principal place of business is located at 55 Ubi Avenue 3, #01-01, Singapore 408864.

The principal activity of the Company is investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The financial statements are presented in Singapore Dollars ("**SGD**" or "**$**") and all values in the tables are rounded to the nearest thousand ("**$'000**"), except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2020. Except for the adoption of amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

Amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions*

The Group has early adopted the amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions* and has applied the practical expedient applicable in this amendment that is effective for annual periods beginning on or after 1 June 2020.

The standard allows the lessee to account for any COVID-19 related rent concessions received as a variable lease payment with the effect of the rent concession recognised directly in the statement of comprehensive income, rather than a lease modification, which generally requires a lessee to remeasure the lease liability by discounting the revised lease payments using a new discount rate under SFRS(I) 16 *Leases*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

Amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions* (Continued)

Accounting for any COVID-19-related rent concessions directly in the statement of comprehensive income is permissible provided the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

The amount of COVID-19-related rent concessions recognised directly in the statement of comprehensive income is disclosed in Note 7.

The amendment is applicable for annual reporting periods beginning on or after 1 June 2020 and earlier application is permitted. The Group has early adopted this amendment for the year ended 31 December 2020 and has applied the practical expedient available in the standard.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 3: Reference to Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment:* Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale of Contribution of Assets between and Investor and its Associate or Joint Venture	Date to be determined

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations

(a) *Basis of consolidation*

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

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

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

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

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

– derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– derecognises the carrying amount of any non-controlling interest;

– derecognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserves, as appropriate.

(b) *Business combinations and goodwill*

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(b) *Business combinations and goodwill* (Continued)

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

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

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

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

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

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

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

2.6 Subsidiaries

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Joint arrangements

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

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

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

(a) *Joint operations*

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

(a) its assets, including its share of any assets held jointly;

(b) its liabilities, including its share of any liabilities incurred jointly;

(c) its revenue from the sale of its share of the output arising from the joint operation;

(d) its share of the revenue from the sale of the output by the joint operation; and

(e) its expenses, including its share of any expenses incurred jointly.

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

(b) *Joint ventures*

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint ventures is set out in Note 2.8.

2.8 Associates and joint ventures

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Associates and joint ventures (Continued)

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

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

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

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

2.9 Foreign currency

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

(a) *Transactions and balances*

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment

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

Freehold land has an unlimited useful life and therefore is not depreciated. Work-in-progress is not depreciated until it is ready for its intended use.

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

Freehold properties	–	50 years
Leasehold properties	–	37 to 69 years
Renovations, electrical fittings, furniture and fittings	–	1 to 20 years
Air-conditioners, security equipment, office equipment and electrical equipment	–	2 to 12 years
Machinery, tools and equipment	–	2 to 10 years
Computers	–	3 to 5 years
Motor vehicles	–	3 to 7 years

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

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

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

2.11 Investment properties

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) *Brands*

The brands were acquired in business combinations. The useful lives of the brands are estimated to be 15 years and are amortised on a straight-line basis.

(ii) *Trademark*

Trademark acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful lives of trademarks are assessed as either finite or indefinite.

For trademarks with finite useful lives, the trademarks are amortised on a straight-line basis over its finite useful life of 15 years.

For trademarks with indefinite useful lives, the trademarks are estimated to have indefinite useful lives based on the current market share of these trademarks. Hence, management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows for the Group.

2.13 Impairment of non-financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of non-financial assets (Continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

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

2.14 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in debt instruments

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

(i) Amortised cost

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

(a) *Financial assets* (Continued)

Subsequent measurement (Continued)

Investments in debt instruments (Continued)

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

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

Investments in equity instruments

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

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

(b) *Financial liabilities*

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash on hand. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 Impairment of financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Impairment of financial assets (Continued)

The Group's estimation varies with respect to its various types of financial assets as follows:

Trade receivables from the Group's financial service business

(i) Pawnshop loans and interest receivables on pawnshop loans

The Group uses the general approach and estimates for lifetime ECLs on the financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contractual terms of the pawn tickets and all the cash flows that the Group expects to receive from the sale of collateral held or other credit enhancements that are integral to the contractual terms of the pawn tickets.

The Group considers the financial assets to be in default upon forfeiture of the collateral to the Group. When such default occurs, the Group has no reasonable expectations of recovering the interest receivable portion of the financial assets. Therefore, the Group writes off the interest receivable portion of the financial assets.

(ii) Secured lending receivables

The Group uses the general approach and estimates the 12-month expected credit losses when there is no indication of significant deterioration in credit risk. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

Trade receivables from the Group's jewellery and real estate businesses, and contract assets

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

Debt investment securities

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

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit rating of the debt instrument.

Due from subsidiaries, associates and joint ventures

The Group uses the general approach and estimates the 12-month expected credit losses when there is no indication of significant deterioration in credit risk based on the financial performance of its related entities. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Raw materials – purchase costs on a weighted average basis; and

Finished goods – cost of raw materials, labour and an attributable portion of overheads, determined on a specific identification basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

2.18 Development properties

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

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

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are capitalised and amortised to profit or loss as the Group expects to recognise the related revenue.

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

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

Development properties are transferred to properties held for sale upon the completion of construction or development.

2.19 Properties held for sale

Properties held for sale refer to properties where construction or development has been completed, or properties purchased, which are intended for sale in the ordinary course of business. Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

2.20 Borrowing costs

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

Employees' entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

(c) *Employees share award plan*

The Company's treasury shares can be awarded to certain employees and directors of the Group. Share award expense is recognised as an expense in the same period in which the related service is performed. The fair value of the share award expense is determined based on the market value of the shares at the distribution dates. Any difference between the weighted average cost of the treasury shares and the fair value of the share award expense is recorded in "Gain on reissuance of treasury shares" within equity.

2.22 Leases

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

(a) *As lessee*

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

Right-of-use assets

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

Leased properties	– 2 to 10 years
Motor vehicles	– 1 to 4 years
Machinery, tools and equipment	– 2 to 6 years
Security equipment	– 4 years
Computer software	– 4 to 5 years
Land	– 37 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Leases (Continued)

(a) *As lessee* (Continued)

Right-of-use assets (Continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.13.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue

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

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

(a) *Sales of goods*

<u>Revenue from sale of jewellery</u>

Revenue from sale of jewellery is recognised upon the transfer of goods to the customer, usually on delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected volume discounts payable to customers where consideration has been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the goods less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

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

The Group offers customers the option to separately purchase extended warranty that provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications. The Group accounts for a service-type warranty as a separate performance obligation to which the Group allocates a portion of the transaction price. The portion of the consideration allocated to the service-type warranty is initially recorded as a contract liability and recognised as revenue over the period when the warranty services are provided.

The Group has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue (Continued)

(a) *Sales of goods* (Continued)

Revenue from sale of completed development property

A development property is regarded as sold when the significant risks and returns have been transferred to the buyer at a point in time, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

Revenue from sale of development property under construction

Where a development property is under construction and agreement has been reached to sell such property when construction is completed, revenue is recognised at a point in time when the significant risks and rewards of ownership of the property have been transferred to the buyer (i.e. revenue is recognised at a point in time).

If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. The percentage of work completed is measured by reference to the survey of work performed by external architects.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

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

(b) *Interest income*

Interest income from loans to customers and quoted debt securities is recognised using the effective interest method.

(c) *Rental income from operating leases*

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

(d) *Dividend income*

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When government grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant relating to income are presented as part of profit or loss under "Other income".

2.25 Taxes

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

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

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Taxes (Continued)

(b) *Deferred tax* (Continued)

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

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

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

(c) *Sales tax*

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

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.26 Provisions

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

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

2.27 Share capital and share issuance expenses

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Treasury shares

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

2.29 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

2.30 Financial guarantees

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

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.16 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements in applying accounting policies

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

Classification and measurement of equity instruments as FVOCI

The Group intends to hold its equity instruments for an indefinite period and it may be sold in response to liquidity needs or in response to changes in the market conditions. Therefore, management has concluded that these equity instruments are not held for trading and can be classified and measured at FVOCI.

3.2 Key sources of estimation uncertainty

The Group, on its own or in reliance on third parties, also applied estimates, assumptions and judgements in the following areas. These estimates, assumptions and judgements are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements within the next financial year.

(a) *Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans*

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of individual pawnshop outlets. The Group has estimated the loss given default based on the expected realisable value of the customers' pledges. Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default well as considering any forward-looking economic information. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables which includes the pawnshop loans and interest receivables on pawnshop loans at the end of the financial year is disclosed in Note 20 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(b) *Allowance for inventory obsolescence*

The Group periodically assesses the allowance for inventory obsolescence. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an impairment against the inventory balance. To determine whether there is objective evidence of impairment, the Group estimates future demand for the product. Any possible changes in these estimates could result in revision to the valuation of inventory. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 18 to the financial statements.

(c) *Revenue recognition on development properties*

The Group recognises revenues and costs of certain types of development properties under construction using the percentage of completion method for contracts where the legal terms are such that the construction represents the continuous transfer of work in progress to the purchaser. The stage of completion is measured by reference to the survey of work performed by external architects. Revenue is recognised over time based on project progression and billings to customers based on completion of certain milestones as indicated in contracts with customers.

Significant assumptions are required to estimate the total development costs which are recognised by reference to the stage of completion of a project at the end of the reporting period. In making these estimates, management has relied on costs actually paid or contracted for, and in respect of costs not paid or contracted for, management's estimates of the costs to be incurred taking into consideration historical trends of its project costs.

Management has reviewed the status of all its projects and is satisfied that the estimates are realistic, and the estimates of total project costs and sales proceeds indicate full project recovery. The carrying amounts of the development properties and accrued expenses relating to development properties are disclosed in Note 19(a) and Note 24 to the financial statements.

(d) *Estimation of net realisable value for development properties*

Development properties are stated at the lower of cost and net realisable value ("**NRV**").

As at 31 December 2020 and 2019, a proportion of the Group's development properties are in their planning phases, some of which the Group is in the process of obtaining the necessary development permits from the relevant authorities in the respective jurisdictions. NRV in respect of these development properties is assessed based on management's best estimates of expected selling price (taking into account estimated costs to complete construction) based on future property market and economic conditions in the respective markets, with the assumption that the required development permits will be obtained. Management has also made estimates of NRV with references to gross development values as assessed by external appraisers for certain development projects. The gross development value of a development property is derived from estimated sales proceeds less estimated construction costs.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(d) *Estimation of net realisable value for development properties* (Continued)

In terms of expected selling prices, management has made the estimates with reference to market prices at the reporting date for similar properties in the respective markets where applicable. Estimated construction costs or costs to complete construction take into account construction contracts entered into or input from project managers.

As at 31 December 2020 and 2019, the carrying amounts of development properties are disclosed in Note 19(a) to the financial statements.

(e) *Estimation of net realisable value for properties held for sale*

Properties held for sale are stated at the lower of cost and NRV.

Management has made estimates of the NRV with reference to selling prices of units sold as well as market prices at the reporting date for similar properties in the respective markets where applicable, or used external appraisers to support its determination of recoverable amounts. There was an increase in the level of estimation uncertainty in determining the recoverable value of the properties held for sale as at 31 December 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic. As at 31 December 2020 and 2019, the carrying amount of properties held for sale are disclosed in Note 19(b) to the financial statements.

(f) *Fair value of financial instruments*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select the appropriate valuation model and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The inputs to this model are derived from market data where possible, but where not feasible, a degree of judgement is required in establishing fair values. For details of the valuation method and key assumptions used, refer to Note 36(d).

(g) *Allowance for expected credit losses on quoted debt securities with fixed maturity*

Management has performed impairment assessment of these debt instruments and determined the expected credit loss as at 31 December 2020. The determination of ECLs requires significant management judgement and involved estimation uncertainty as the instruments are issued by corporations operating in various industries and countries, and management's impairment assessment requires consideration of the specific local market risks to which the corporations are subject to.

Management considers actual or expected significant changes in the financial instruments' external credit rating, actual or expected significant changes in the financial performance of the issuer or existing or forecasted adverse changes in the issuer's business, financial or economic conditions that are expected to cause a significant change in the issuer's ability to meet its debt obligations in the ECLs model. The carrying amount of the quoted debt securities with fixed maturity is disclosed in Note 17 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(h) *Impairment of property, plant and equipment*

As at 31 December 2020, the Group's property, plant and equipment amounted to $182,654,000 (31 December 2019: $171,377,000).

Where there are indicators of impairment, management has made estimates of the recoverable amounts based on the current property market and economic conditions in the respective markets, or used external appraisers to support its determination of recoverable amount. There was an increase in the level of estimation uncertainty in determining the recoverable value of the property, plant and equipment as at 31 December 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

Based on the recoverable amounts, an impairment loss of $4,407,000 (31 December 2019: $4,156,000) was recognised as at 31 December 2020.

(i) *Valuation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged external appraisers to assess the fair value as at 31 December 2020. There was an increase in the level of estimation uncertainty in determining valuation of the investment properties as at 31 December 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

The fair values of the investment properties are determined by external appraisers using the recognised valuation technique of Comparison Approach. The key assumptions used to determine the fair value of these investment properties are provided in Note 36(d). As at 31 December 2020, the investment properties amounted to $160,653,000 (2019: $60,795,000)

4. REVENUE

Disaggregation of revenue

Segments	Financial Services		Development properties		Jewellery		Total revenue	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Major product or service lines								
Interest income from pawnbroking services	41,997	43,224	–	–	–	–	41,997	43,224
Interest income and distribution income from secured lending	2,883	7,940	–	–	–	–	2,883	7,940
Sale of jewellery and branded merchandise	216,676	161,676	–	–	99,435	136,520	316,111	298,196
Sale of development properties	–	–	170,255	209,970	–	–	170,255	209,970
Service income	–	–	–	912	–	–	–	912
	261,556	212,840	170,255	210,882	99,435	136,520	531,246	560,242
Timing of transfer of goods or services								
At a point in time	216,676	161,676	169,539	205,440	99,435	136,520	485,650	503,636
Over time	44,880	51,164	716	5,442	–	–	45,596	56,606
	261,556	212,840	170,255	210,882	99,435	136,520	531,246	560,242

5. EMPLOYEE BENEFITS

	Group	
	2020 $'000	2019 $'000
Employee benefits expense (including executive directors):		
Salaries and bonuses	53,963	55,361
Central Provident Fund contributions	6,236	7,300
	60,199	62,661

6. FINANCE COSTS

	Group	
	2020 $'000	2019 $'000
Interest expense on:		
– Term loans/short-term borrowings	21,498	25,371
– Term notes and bonds	20,571	29,233
– Lease liabilities (Note 27(b))	2,402	2,073
– Amortisation of prepaid commitment fees	1,561	2,637
– Amortisation of premium on term notes	(16)	(57)
– Others	48	107
	46,064	59,364
Less: Interest expense capitalised in development properties	(13,713)	(25,096)
Total finance costs	32,351	34,268

7. OTHER INCOME

	Group	
	2020 $'000	2019 $'000
Administrative income	792	818
Corporate charges to an associate	476	360
Dividend income from equity instruments and associates	182	2,452
Forfeiture of option fees on sale of development properties	37	245
Foreign exchange gain	4,783	726
Net fair value gain on investment properties	23,223	–
Income from hotel operations	563	1,196
Other government grants and miscellaneous income	3,394	1,731
Jobs Support Scheme grant income	7,089	–
COVID-19-related rent concessions	7,457	–
Foreign worker levy rebate	454	–
Property tax rebates and government cash grant	585	–
Net fair value gain on derivatives	–	974
	49,035	8,502

7. OTHER INCOME (CONTINUED)

Jobs Support Scheme

The Jobs Support Scheme ("**JSS**") was introduced to provide wage support to employers to retain local employees during the period of economic uncertainty. Under the JSS, the Government co-funds the first $4,600 of gross monthly wages paid to each local employee.

Foreign worker levy rebate

Under the foreign worker levy rebate, foreign worker levy due in April 2020 were waived, and companies received a rebate of $750 in that month for each work permit or S-Pass holder, from levies paid for the month.

Property tax rebate and government cash grant

As part of the COVID-19 (Temporary Measures) Act, the Group received property tax rebates and government cash grant for its qualifying non-residential properties for the period from 1 January 2020 to 31 December 2020 of up to 100% on their property tax payable for the calendar year 2020. Government cash grant is provided based on 0.64 to 0.80 months annual value of the Annual Value of the properties for Year 2020. Owners of the qualifying properties are required to unconditionally and fully pass on to their tenants the property tax rebate that is attributable to the rented property based on the period it was rented out.

COVID-19-related rent concessions

The Group received rent concessions as part of the COVID-19 support under the Rental Relief Framework, which provides for mandated equitable co-sharing of rental obligations between the Government, landlords and tenants.

The Rental Relief Framework requires qualifying property owners which have received support via a government cash grant to in turn provide the necessary rental relief to their eligible Small and Medium Enterprises ("**SMEs**") and specified Non-Profit Organisations tenant-occupiers of the prescribed properties.

During the financial year ended 31 December 2020, the Group recognised COVID-19-related rent concessions to which the Group applied the practical expedient as disclosed in Note 2.2.

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Note	Group 2020 $'000	Group 2019 $'000
Audit fees to:			
– Auditor of the Company		800	731
– Other auditors		66	115
Non-audit fees to:			
– Auditor of the Company		133	107
Amortisation of prepaid rent		3	4
Amortisation of intangible assets	12	1,435	1,277
Directors' fees		236	266
Depreciation of property, plant and equipment	10	7,507	5,832
Depreciation of right-of-use assets	27(a)	25,023	21,080
Fair value (gain)/loss on investment properties	11	(23,223)	3,341
Lease expense not capitalised in lease liabilities:			
– Expense relating to short-term leases and leases of low-value assets (Note 27(c))		466	6,330
– Variable lease payments (Note 27(c))		465	474
Allowance for write-down of development properties and properties held for sale		7,625	1,502
Property, plant and equipment written-off		1,097	980
Allowance for doubtful trade and other receivables, net		47	209
Write-down/(write-back) of inventories	18	198	(400)
Net loss on disposal of investment securities		83	572
Loss on purchase and cancellation of term notes and bonds		104	3
Net foreign exchange (gain)/loss		(4,640)	896
Financial losses on pledged items not fully covered by insurance		133	33
Impairment loss on investment securities		1,792	1,959
Impairment loss on intangible assets		–	99
Impairment loss on property, plant and equipment	10	4,407	4,156
Net fair value loss/(gain) on derivatives		16,770	(974)
Interest receivable on pawnshop loans written off		2,913	3,946
Non-refundable sales agent commission		8,101	12,923

9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of shares takes into account the weighted average effect of issue of bonus shares, bonus element in rights issue and changes in treasury shares transactions during the year. Comparatives have been adjusted accordingly, as applicable.

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

	Group	
	2020	**2019**
	$'000	**$'000**
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share	17,742	12,695
Weighted average number of ordinary shares ('000) (excluding treasury shares) for basic and diluted earnings per share computation	1,938,123	1,936,775
Earnings per share (cent)		
– basic	0.92	0.66
– diluted	0.92	0.66

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold properties $'000	Leasehold properties $'000	Renovations, electrical fittings, furniture and fittings $'000	Air-conditioners, security equipment, office equipment and electrical equipment $'000	Machinery, tools and equipment $'000	Computers $'000	Motor vehicles $'000	Work-in-progress $'000	Total $'000
Cost:									
At 1 January 2019	17,282	33,980	23,644	5,325	2,504	7,486	858	30,564	121,643
Additions	–	–	862	441	150	291	16	27,652	29,412
Disposals/write-off	–	–	(4,299)	(302)	(27)	(155)	–	(484)	(5,267)
Transfer in/(out)	–	46,384	8,134	1,255	38	226	–	(56,037)	–
Transferred to intangible assets	–	–	–	–	–	–	–	(8)	(8)
Transferred from development properties and investment properties	25,260	36,918	–	–	–	–	–	–	62,178
Transferred from/(to) right-of-use assets	–	116	–	–	(458)	–	(242)	75	(509)
Exchange differences	(1)	–*	(29)	(2)	(10)	(2)	–*	(4)	(48)
At 31 December 2019 and 1 January 2020	42,541	117,398	28,312	6,717	2,197	7,846	632	1,758	207,401
Additions	5,969	25,882	1,376	379	280	558	–	1,000	35,444
Disposal of a subsidiary	–	–	(404)	(24)	(3)	(13)	–	–	(444)
Disposals/write-off	–	–	(2,196)	(159)	(42)	(313)	–	(128)	(2,838)
Transfer in/(out)	–	–	508	30	5	200	–	(743)	–
Transferred to intangible assets	–	–	–	–	–	–	–	(382)	(382)
Transferred to investment properties	(5,969)	(5,425)	–	–	–	–	–	–	(11,394)
Transferred from right-of-use assets	–	–	–	–	–	–	120	–	120
Exchange differences	(105)	397	136	15	32	16	(1)	(24)	466
At 31 December 2020	42,436	138,252	27,732	6,958	2,469	8,294	751	1,481	228,373

* Less than $1,000

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold properties $'000	Leasehold properties $'000	Renovations, electrical fittings, furniture and fittings $'000	Air-conditioners, security equipment, office equipment and electrical equipment $'000	Machinery, tools and equipment $'000	Computers $'000	Motor vehicles $'000	Work-in-progress $'000	Total $'000
Accumulated depreciation and impairment:									
At 1 January 2019	423	1,363	16,101	4,068	1,581	6,525	427	–	30,488
Depreciation charge for the year	10	697	3,741	517	214	595	58	–	5,832
Impairment loss	300	3,636	213	4	3	–	–	–	4,156
Disposals/write-off	–	–	(3,862)	(273)	(25)	(126)	–	–	(4,286)
Transferred to right-of-use assets	–	–	–	–	(79)	–	(79)	–	(158)
Exchange differences	–	–*	(6)	–*	(2)	–*	–*	–	(8)
At 31 December 2019 and 1 January 2020	733	5,696	16,187	4,316	1,692	6,994	406	–	36,024
Depreciation charge for the year	23	2,225	3,764	603	214	586	92	–	7,507
Impairment loss/(reversal of impairment loss)	–	4,408	–	–	(1)	–	–	–	4,407
Disposals/write-off	–	–	(1,468)	(129)	(30)	(298)	–	–	(1,925)
Transferred to investment properties	(13)	(571)	–	–	–	–	–	–	(584)
Disposal of a subsidiary	–	–	(302)	(19)	(2)	(9)	–	–	(332)
Exchange differences	–	532	71	6	11	2	–*	–	622
At 31 December 2020	743	12,290	18,252	4,777	1,884	7,275	498	–	45,719
Net carrying amount:									
At 31 December 2019	41,808	111,702	12,125	2,401	505	852	226	1,758	171,377
At 31 December 2020	41,693	125,962	9,480	2,181	585	1,019	253	1,481	182,654

* Less than $1,000

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Renovations, electrical fittings, furniture and fittings $'000	Air-conditioners, security equipment, office equipment and electrical equipment $'000	Machinery, tools and equipment $'000	Computers $'000	Work-in-progress $'000	Total $'000
Cost:						
At 1 January 2019	789	422	78	4,020	35	5,344
Additions	–	7	–	140	–	147
Disposals	(6)	(7)	–	(4)	(27)	(44)
Transferred to intangible assets	–	–	–	–	(8)	(8)
At 31 December 2019 and 1 January 2020	783	422	78	4,156	–	5,439
Disposals	–	–	–	(105)	–	(105)
At 31 December 2020	783	422	78	4,051	–	5,334
Accumulated depreciation and impairment:						
At 1 January 2019	773	413	78	3,889	–	5,153
Depreciation charge for the year	14	6	–	110	–	130
Disposals	(5)	(6)	–	(4)	–	(15)
At 31 December 2019 and 1 January 2020	782	413	78	3,995	–	5,268
Depreciation charge for the year	–*	3	–	41	–	44
Disposals	–	–	–	(8)	–	(8)
At 31 December 2020	782	416	78	4,028	–	5,304
Net carrying amount:						
At 31 December 2019	1	9	–	161	–	171
At 31 December 2020	1	6	–	23	–	30

* Less than $1,000

Assets pledged as security

A floating charge has been placed on plant and equipment of certain subsidiaries with a carrying amount aggregating $3,099,000 (2019: $3,829,000) as security for bank borrowings (Note 25).

As at 31 December 2020, property, plant and equipment with a carrying value of $167,733,000 (2019: $153,618,000) are pledged to banks as security for bank borrowings (Note 25).

Impairment of assets

During the financial year, the Group undertook of assessment on the recoverable amounts of the property, plant and equipment. As a result of the assessment, the Group recorded impairment charges of $4,407,000 (2019: $4,156,000) in respect of the property, plant and equipment.

11. INVESTMENT PROPERTIES

	Group	
	2020	2019
	$'000	$'000
Statement of financial position:		
At 1 January	60,795	72,523
Enhancement work incurred during the year	–	1,864
Transferred from/(to) property, plant and equipment	10,810	(10,228)
Transferred from development properties	64,388	–
Net gain/(loss) from fair value adjustments recognised in profit or loss	23,223	(3,341)
Exchange difference	1,437	(23)
At 31 December	160,653	60,795
Statement of comprehensive income:		
Rental income from investment properties:		
– Minimum lease payments	1,076	955
– Contingent rent based on tenant's turnover	13	26
	1,089	981
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	625	991

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2020 and 31 December 2019. The valuations were performed by external appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of the valuation technique and inputs used are disclosed in Note 36.

Properties pledged as security

As at 31 December 2020, investment properties with a carrying value of $153,546,000 (2019: $53,706,000) are pledged as security for bank borrowings (Note 25).

11. INVESTMENT PROPERTIES (CONTINUED)

The investment properties held by the Group are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
World Class Development (Bedok) Pte. Ltd.			
#01-08, #01-47, #01-48, #01-49, #01-64, #01-65, #01-67, #01-68 East Village, Bedok Road, Singapore	Retail	Freehold	–
World Class Development (North) Pte. Ltd.			
#01-52 and #01-67 The Hillford, Jalan Jurong Kechil, Singapore	Retail	Leasehold	53 years
World Class Land (Georgetown) Sdn. Bhd.			
41, 43 & 51 Gat Jalan Prangin, Penang, Malaysia	Commercial	Freehold	–
WCL (Macallum) Sdn. Bhd.			
206 Jalan C.Y. Choy, Penang, Malaysia	Commercial	Freehold	–
55 Lebuh Cecil, Penang, Malaysia	Commercial	Freehold	–
81 Lebuh Macallum, Penang, Malaysia	Commercial	Freehold	–
WCL (Noordin St) Sdn. Bhd.			
68 Lebuh Presgrave, Penang, Malaysia	Commercial	Freehold	–
69 & 71 Lebuh Presgrave, Penang, Malaysia	Commercial	Freehold	–
95, 97 & 99 Lebuh Noordin, Penang, Malaysia	Commercial	Freehold	–
15 Lebuh Tye Sin, Penang, Malaysia	Commercial	Freehold	–
80 & 82 Lebuh Tye Sin, Penang, Malaysia	Commercial	Freehold	–
34, 36, 38, 38-A, 38-B & 38-C Lebuh Tye Sin, Penang, Malaysia and Lot 711 Seksyen 11W, Bandar Georgetown, Daerah Timur Laut, Penang, Malaysia	Mixed use development	Freehold	–
WCL-Southbank (VIC) Pty. Ltd.			
Australia 108 68-82 Southbank Boulevard, Southbank, Melbourne, Victoria, Australia	Residential	Freehold	–
Maxi-Cash Property Pte. Ltd.			
40 Changi Road, Singapore	Retail	Freehold	–
Aspial Property Investment Pte. Ltd.			
709 Ang Mo Kio Avenue 8 #01-2593, Singapore	Retail	Leasehold	64 years

12. INTANGIBLE ASSETS

Group	Brands $'000	Trademark $'000	Goodwill $'000	Computer software and internet domain $'000	Club membership $'000	Industrial rights $'000	Work-in-progress $'000	Total $'000
Cost:								
At 1 January 2019	8,421	4,725	5,093	2,641	49	8	304	21,241
Additions	–	–	–	454	–	–	414	868
Write-off	–	–	–	–	–	–	(162)	(162)
Transferred in/(out)	–	–	–	359	–	–	(359)	–
Transferred from property, plant and equipment	–	–	–	8	–	–	–	8
Exchange differences	–	(131)	–	(3)	–	–*	(10)	(144)
At 31 December 2019 and 1 January 2020	8,421	4,594	5,093	3,459	49	8	187	21,811
Additions	–	–	–	52	–	–	254	306
Write-off	–	–	–	(335)	–	–	–	(335)
Transferred in/(out)	–	–	–	13	–	–	(13)	–
Transferred from property, plant and equipment	–	–	–	382	–	–	–	382
Exchange differences	–	287	–	30	–	–*	5	322
At 31 December 2020	8,421	4,881	5,093	3,601	49	8	433	22,486
Accumulated amortisation and impairment:								
At 1 January 2019	7,496	723	1,773	986	14	5	–	10,997
Amortisation	462	–	–	812	–	3	–	1,277
Impairment loss	–	–	99	–	–	–	–	99
Write-off	–	–	–	(160)	–	–	–	(160)
Exchange differences	–	–	–	(1)	–	–*	–	(1)
At 31 December 2019 and 1 January 2020	7,958	723	1,872	1,637	14	8	–	12,212
Amortisation	463	–	–	972	–	–	–	1,435
Write-off	–	–	–	(49)	–	–	–	(49)
Exchange differences	–	–	–	2	–	–*	–	2
At 31 December 2020	8,421	723	1,872	2,562	14	8	–	13,600
Net carrying amount:								
At 31 December 2019	463	3,871	3,221	1,822	35	–	187	9,599
At 31 December 2020	–	4,158	3,221	1,039	35	–	433	8,886

* Less than $1,000

12. INTANGIBLE ASSETS (CONTINUED)

Company	Computer software $'000	Club membership $'000	Work-in-progress $'000	Total $'000
Cost:				
At 1 January 2019	1,424	49	–	1,473
Additions	393	–	264	657
Transferred from property, plant and equipment	8	–	–	8
At 31 December 2019 and 1 January 2020	1,825	49	264	2,138
Additions	–	–	34	34
Disposals	(335)	–	(298)	(633)
At 31 December 2020	1,490	49	–	1,539
Accumulated amortisation and impairment:				
At 1 January 2019	405	14	–	419
Amortisation	486	–	–	486
At 31 December 2019 and 1 January 2020	891	14	–	905
Amortisation	453	–	–	453
Disposals	(48)	–	–	(48)
At 31 December 2020	1,296	14	–	1,310
Net carrying amount:				
At 31 December 2019	934	35	264	1,233
At 31 December 2020	194	35	–	229

Amortisation expense

Except for the trademark related to "Niessing" (acquired in 2018) which useful life is estimated to be indefinite, the brands and trademark acquired are amortised on a straight-line basis over their estimated economic useful lives of 15 years. The remaining amortisation period for the brands are 1 year (2019: 2 years).

Impairment testing of goodwill

Goodwill is tested for impairment by comparing the carrying amount of goodwill with its recoverable amount.

The recoverable amount of goodwill was determined based on value in use calculations using cash flow projections from financial budgets of the business unit approved by management covering a five-year period. Management has considered and determined the factors applied in these financial budgets which include average growth rates derived based on management's judgement. The growth rate applied ranges from 1.1% to 1.2% (2019: 1.1% to 1.2%) and the pre-tax discount rate applied in the cash flow projections is 9.5% (2019: 11.0%), which reflects management's estimation of the risks specific to the segment.

Impairment loss recognised

In 2019, an impairment loss was recognised to write-down the carrying amount of the goodwill attributable to the jewellery segment. The impairment loss of $99,000 has been recognised in profit or loss in other operating expenses for the financial year ended 31 December 2019.

13. INVESTMENT IN SUBSIDIARIES

	Company 31 December 2020 $'000	Company 31 December 2019 $'000
Shares, at cost	225,204	227,204
Acquisition/subscription of shares issued by subsidiaries during the year	10,000	–
Disposal of shares during the year	–	(2,000)
	235,204	225,204

Composition of the Group

The Group has the following material investment in subsidiaries:

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	Proportion of ownership interest 2019 %
	Held by the Company				
(a)	Aspial International Pte. Ltd.	Singapore	Jewellery wholesaling	100	100
(a)	World Class Land Pte. Ltd.	Singapore	Property development	90	90
(a)	World Class Global Limited ("**WCG**")	Singapore	Investment holding and provision of management services	81.11	81.11
(a)	Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	Singapore	Jewellery manufacturing	100	100
(a)	Maxi-Cash Financial Services Corporation Ltd. ("**Maxi-Cash**")	Singapore	Investment holding and provision of management services	64.72	64.72
(a)	Aspial Investment Holding Pte. Ltd.	Singapore	Investment holding	100	100
(a)	Aspial Treasury Pte. Ltd.	Singapore	Provision of financial services	100	100
(a)	Aspial Corporate Services Pte. Ltd.	Singapore	Provision of management services	100	100

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held through subsidiaries Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.				
(a)	Aspial-Lee Hwa Jewellery Pte. Ltd.	Singapore	Jewellery retailing	100	100
(a)	Goldheart Jewelry Pte. Ltd.	Singapore	Jewellery retailing	100	100
(a), (j)	Aspial Capital (Ubi) Pte. Ltd.	Singapore	Property leasing and management	82.36	82.36
	Aspial International Pte. Ltd.				
(a), (k)	Goldheart Bullion Pte. Ltd.	Singapore	Gold bullion brokers and dealers	51	70
(a)	Niessing Group Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
	Niessing Group Pte. Ltd.				
(a)	Niessing Asia Pacific Pte. Ltd.	Singapore	Jewellery retailing and regional sales office	100	100
(c)	Niessing Manufaktur GmbH & Co. KG	Germany	Jewellery trading and manufacturing	75	75
	Niessing Asia Pacific Pte. Ltd.				
(h)	Niessing (Hong Kong) Limited	Hong Kong	Jewellery retailing	100	100
(g)	Niessing (Australia) Pty. Ltd.	Australia	Jewellery retailing	100	100
	World Class Land Pte. Ltd.				
(d)	World Class Developments Pte. Ltd.	Singapore	Property development	100	100

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held through subsidiaries (Continued)				
	World Class Developments Pte. Ltd.				
(a)	World Class Developments (Bedok) Pte. Ltd.	Singapore	Property development	80	80
(a)	World Class Developments (North) Pte. Ltd.	Singapore	Property development	100	100
	World Class Global Limited				
(e)	World Class Land (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	100	100
(b)	World Class Land (Australia) Pty. Ltd.	Australia	Investment holding	100	100
	World Class Land (Malaysia) Sdn. Bhd.				
(e)	World Class Land (Penang) Sdn. Bhd.	Malaysia	Property development	100	100
	World Class Land (Penang) Sdn. Bhd.				
(e)	World Class Land (Georgetown) Holdings Sdn. Bhd.	Malaysia	Property development	95	95
	World Class Land (Georgetown) Holdings Sdn. Bhd.				
(b)	World Class Land (Georgetown) Sdn. Bhd.	Malaysia	Property development	100	100
(b)	WCL (Magazine) Sdn. Bhd.	Malaysia	Property development	100	100
(b)	WCL (Macallum) Sdn. Bhd.	Malaysia	Property development	100	100
(b)	WCL (Noordin St) Sdn. Bhd.	Malaysia	Property development	100	100

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held through subsidiaries (Continued) ***World Class Land (Georgetown) Holdings Sdn. Bhd.*** (Continued)				
(b)	WCL (Bertam R) Sdn. Bhd.	Malaysia	Property development	100	100
(b)	WCL (Bertam L) Sdn. Bhd.	Malaysia	Property development	100	100
(e)	PHC Hotels Sdn. Bhd.	Malaysia	Management and operation of hotels	100	100
	World Class Land (Australia) Pty. Ltd.				
(f), (i)	WCL-Cairns (QLD) Pty. Ltd.	Australia	Property development	100	100
(f), (i)	WCL-Central Park (QLD) Pty. Ltd.	Australia	Property development	100	100
(b)	WCL-Southbank (VIC) Pty. Ltd.	Australia	Property development	100	100
(b)	WCL-A Beckett (VIC) Pty. Ltd.	Australia	Property development	100	100
(i)	WCL (QLD) Holdings Pty. Ltd.	Australia	Property development	100	100
(i)	SBD 102 Pty. Ltd.	Australia	Property development	100	100
	WCL-Cairns (QLD) Pty. Ltd.				
(i)	Dynamic Ideas Pty. Ltd.	Australia	Property development	100	100
(f), (i)	WCL (CNS) CBD Pty. Ltd.	Australia	Property development	100	100
	WCL (QLD) Holdings Pty. Ltd.				
(f), (i)	WCL (QLD) Albert St Pty. Ltd.	Australia	Property development	100	100
(f), (i)	WCL (QLD) Margaret St Pty. Ltd.	Australia	Property development	65	65

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held through subsidiaries (Continued)				
	Maxi-Cash Financial Services Corporation Ltd.				
(a)	Maxi-Cash Group Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a)	Maxi-Cash Jewellery Group Pte. Ltd.	Singapore	Trading and retailing of jewellery and branded merchandise	100	100
(a)	Maxi-Cash Property Pte. Ltd.	Singapore	Real estate activities	100	100
(a)	Maxi-Cash Investment Holding Pte. Ltd.	Singapore	Investment holding	100	100
(a)	Maxi-Cash Capital Management Pte. Ltd.	Singapore	Secured lending and investment holding	100	100
(a)	Maxi-Cash International Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a), (l)	Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.)	Singapore	Jewellery retailing	100	100
(a), (m)	Aspial Property Investment Pte. Ltd.	Singapore	Real estate activities	100	100
	Maxi-Cash Group Pte. Ltd.				
(a)	Maxi-Cash (North) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (West) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Clementi) Pte. Ltd.	Singapore	Pawn brokerage	70	70
(a)	Maxi-Cash Capital Pte. Ltd.	Singapore	Pawn brokerage	100	100

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held through subsidiaries (Continued)				
	Maxi-Cash Group Pte. Ltd. (Continued)				
(a)	Maxi-Cash Assets Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash Ventures Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (North East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
	Maxi-Cash International Pte. Ltd.				
(b)	Maxi Cash (Malaysia) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
(g)	Maxi-Cash (Australia) Pty. Ltd.	Australia	Investment holding and provision of management services	100	100
(b)	Maxi-Cash (Hong Kong) Co. Ltd.	Hong Kong	Investment holding and provision of management services	100	100
	Maxi Cash (Malaysia) Sdn. Bhd.				
(b)	Maxi Cash (Southern) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
(b)	LuxeSTYLE (Malaysia) Sdn. Bhd.	Malaysia	Trading and retailing of jewellery and branded merchandise	100	100

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held through subsidiaries (Continued) ***Maxi Cash (Southern) Sdn. Bhd.***				
(b)	Maxi Cash (S1) Sdn. Bhd.	Malaysia	Pawn brokerage	99	99
(b)	Maxi Cash (S2) Sdn. Bhd.	Malaysia	Pawn brokerage	99	99
(b)	Maxi Cash (S3) Sdn. Bhd.	Malaysia	Pawn brokerage	99	99
	Maxi-Cash (Australia) Pty. Ltd.				
(g)	Maxi-Cash Melbourne (VIC) Pty. Ltd.	Australia	Pawn brokerage	100	100
(g)	LuxeSTYLE (Australia) Pty. Ltd.	Australia	Trading and retailing of jewellery and branded merchandise	100	100
	Maxi-Cash (Hong Kong) Co. Ltd.				
(b)	Maxi-Cash (HKI) Co. Ltd.	Hong Kong	Pawn brokerage	100	100
(b)	Maxi-Cash Retail (HKI) Co. Ltd.	Hong Kong	Trading and retailing of jewellery and branded merchandise	100	100

(a) Audited by Ernst & Young LLP, Singapore
(b) Audited by a member firm of EY Global
(c) Audited by Reviscon GmbH
(d) Audited by CG Alliance, Singapore
(e) Audited by Baker Tilly Monteiro Heng, Malaysia
(f) Audited by Ernst & Young LLP, Singapore for consolidation purposes
(g) Audited by The Field Group, Melbourne
(h) Audited by Tam, Hui, Tse & Ho CPA Limited, Hong Kong
(i) Exempted from statutory audit
(j) During the financial year ended 31 December 2016, Aspial Capital (Ubi) Pte. Ltd. was incorporated as a joint venture between Maxi-Cash Financial Services Corporation Ltd. and Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., each holding a 50% interest in the ownership and voting rights. The proportion of ownership interest of 82.36% represents the effective interest held by the Company.
(k) During the financial year ended 31 December 2020, Goldheart Bullion Pte. Ltd. became a joint venture of the Group (see Note 15) in which the Group's interest in the ownership decreased from 70% to 51%.
(l) During the financial year ended 31 December 2019, Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) and Gold N Gems Pte. Ltd. have amalgamated pursuant to Section 215A and Section 215D of the Companies Act (Chapter 50), with Maxi-Cash Retail Pte. Ltd. remaining as the amalgamated entity. The amalgamation took effect on 1 July 2019.
(m) During the financial year ended 31 December 2019, Aspial Property Investment Pte. Ltd. was transferred to Maxi-Cash Financial Services Corporation Ltd. from the Company.

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2020					
Financial service segment	Singapore	35.28%	10,450	56,456	5,478
Real estate segment	Singapore	10.00% – 18.89%	480	46,545	–
Niessing Manufaktur GmbH & Co. KG ("**NMK**")	Germany	25%	784	4,213	525
31 December 2019					
Financial service segment	Singapore	35.28%	5,335	51,503	4,931
Real estate segment	Singapore	10.00% – 18.89%	168	42,576	2,740
NMK	Germany	25%	393	3,673	429

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of financial position

	Financial service segment		Real estate segment		NMK	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current						
Assets	394,312	413,485	562,858	751,607	28,813	23,425
Liabilities	(227,729)	(274,656)	(365,077)	(642,449)	(10,666)	(11,723)
Net current assets	166,583	138,829	197,781	109,158	18,147	11,702
Non-current						
Assets	122,230	108,334	220,957	130,659	7,658	8,953
Liabilities	(136,204)	(108,270)	(231,075)	(64,471)	(7,235)	(6,377)
Net non-current assets/(liabilities)	(13,974)	64	(10,118)	66,188	423	2,576
Net assets	152,609	138,893	187,663	175,346	18,570	14,278

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Summarised financial information about subsidiaries with material NCI (Continued)

Summarised statement of comprehensive income

	Financial service segment		Real estate segment		NMK	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue	262,821	218,478	170,255	210,882	31,205	29,699
Profit before income tax	29,252	17,939	13,612	15,540	4,208	1,795
Income tax credit/(expense)	137	(3,003)	(16,868)	(9,119)	(1,072)	(216)
Profit/(loss) after tax	29,389	14,936	(3,256)	6,421	3,136	1,579
Other comprehensive income	(196)	981	15,573	(2,972)	1,125	(487)
Total comprehensive income	29,193	15,917	12,317	3,449	4,261	1,092

Other summarised information

	Financial service segment		Real estate segment		NMK	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Net cash flows generated from operations	72,768	8,469	52,584	10,226	3,327	2,816

Disposal of ownership interest in subsidiary, without loss of control

(a) Share buyback by a subsidiary

On 22 August 2019, 23 August 2019 and 26 August 2019, Maxi-Cash purchased an aggregate of 911,000 shares, which are held as treasury shares in Maxi-Cash.

On 30 August 2019, Maxi-Cash transferred 941,178 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

The Company's ownership interest in Maxi-Cash remains unchanged following the share buyback and share awards.

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal of ownership interest in subsidiary, with loss of control

On 1 January 2020, the Group entered into a sale agreement to dispose of 19% of its interest in its subsidiary, Goldheart Bullion Pte. Ltd. ("**GB**") at the consideration amount of S$1. The disposal consideration was fully settled in cash. The disposal was completed on 1 January 2020, on which date, control of GB passed to the acquirer.

The value of assets and liabilities of GB recorded in the consolidated financial statements as at 1 January 2020, and the effects of the disposal were:

	2020 **$'000**
Property, plant and equipment	112
Right of use assets	560
Trade and other receivables	547
Inventories	975
Cash and short-term deposits	849
	3,043
Trade and other payables	(2,333)
Lease liabilities	(569)
Carrying value of net assets	141
Cash consideration	–*
Cash and cash equivalents of the subsidiary	(849)
Net cash outflow on disposal of a subsidiary	(849)

Gain on disposal

	2020 **$'000**
Cash received	–*
Net assets derecognised	(141)
Fair value of retained interest	278
Gain on disposal	137

**Less than $1,000*

The gain on disposal attributable to measuring the retained interest amounted to $137,000 was included in other income in profit or loss.

14. INVESTMENT IN ASSOCIATES

The Group's investments in associates are summarised below:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Kensington Land Pte. Ltd.	1,743	1,997	–	–
Kensington Village Pte. Ltd.	6,107	6,390	–	–
Silver Bullion Pte. Ltd.	12,919	9,380	–	–
Niessing Schmuck-Kooperation GmbH & Co. KG	1,597	1,597	–	–
AF Global Limited	102,367	104,706	76,529	76,529
	124,733	124,070	76,529	76,529

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	Proportion of ownership interest 2019 %
	Held through subsidiaries				
i	Kensington Land Pte. Ltd.	Singapore	Property development	40	40
i	Kensington Village Pte. Ltd.	Singapore	Property development	40	40
ii	Silver Bullion Pte. Ltd.	Singapore	Sale and storage of investment precious metals	24.83	25.25
iii	Niessing Schmuck-Kooperation GmbH & Co. KG	Germany	Jewellery retailing	50	50
ii	AF Global Limited	Singapore	Investment holding and provision of the management services	41.75	41.75

i Audited by Deloitte & Touche LLP
ii Audited by Ernst & Young LLP, Singapore
iii Audited by Reuter Thoben

14. INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information in respect of Kensington Land Pte. Ltd. ("**KEL**"), Kensington Village Pte. Ltd. ("**KEV**"), Niessing Manufaktur GmbH & Co. KG ("**NMK**"), Silver Bullion Pte. Ltd. ("**SB**") and AF Global Limited ("**AFG**") based on their FRS financial statements and a reconciliation with the carrying amount of investments in the consolidated financial statements are as follows:

Summarised statement of financial position

	KEL		KEV		SB		AFG	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**
Current assets	5,352	5,399	53,321	51,227	52,834	25,576	84,929	83,966
Non-current assets	–	–	9,770	10,090	1,971	1,205	267,790	285,304
Total assets	5,352	5,399	63,091	61,317	54,805	26,781	352,719	369,270
Current liabilities	995	406	39,300	41,817	21,652	12,297	18,366	24,874
Non-current liabilities	–	–	8,524	3,525	249	231	40,612	34,237
Total liabilities	995	406	47,824	45,342	21,901	12,528	58,978	59,111
Net assets	4,357	4,993	15,267	15,975	32,904	14,253	293,741	310,159
Less: Non-controlling interest	–	–	–	–	(437)	(230)	(59,585)	(68,302)
Net assets excluding non-controlling interest	4,357	4,993	15,267	15,975	32,467	14,023	234,156	241,857
Proportion of Group's ownership	40%	40%	40%	40%	24.83%	25.25%	41.75%	41.75%
Group's share of net assets	1,743	1,997	6,107	6,390	8,062	3,541	97,760	100,963
Goodwill on acquisition	–	–	–	–	5,492	5,492	–	–
Consolidation adjustments relating to previous interest held indirectly via AF Corporation Pte. Ltd.	–	–	–	–	–	–	11,480#	11,480#
Effects of adopting SFRS(I) 1	–	–	–	–	–	–	(6,322)	(7,233)
Other adjustments	–	–	–	–	(635)	347	(551)	(504)
Carrying amount of the investment	1,743	1,997	6,107	6,390	12,919	9,380	102,367	104,706

On 20 December 2019, AF Corporation Pte. Ltd. ("**AFC**") transferred its equity interests held in AFG to the Company. This amount represents the cumulative consolidation adjustments relating to the Group's investment in AFG recorded up to the date of transfer.

14. INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised statement of comprehensive income

	KEL		KEV		SB		AFG	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue	–	–	745	674	293,879	137,028	10,689	28,266
(Loss)/profit after tax after NCI	(637)	(46)	(708)	(868)	16,163	5,098	(4,877)	18,949
Total comprehensive income after NCI	(637)	(46)	(708)	(868)	16,155	5,096	(7,949)	28,754

Distribution *in specie* of shares in AFG by AFC

During the financial year ended 31 December 2019, a distribution *in specie* (the "**AFC Distribution**") was undertaken to distribute substantially all of the 881,383,569 ordinary shares (the "**AFG Shares**") in the capital of AFG held by AFC to the Company and Fragrance Group Limited ("**Fragrance**") in proportion to their shareholdings in AFC. This was done by way of the following:

(a) AFC capitalising approximately S$47,928,452 of its total reserve by allotting and issuing 47,928,452 new ordinary shares in the capital of AFC, credited as fully paid, to the Company and Fragrance on a pro-rata basis (the "**AFC Capitalisation of Reserve**");

(b) Subsequent to the AFC Capitalisation of Reserve, AFC reducing its share capital by the sum of S$57,793,916, and such reduction will be effected by AFC distributing an aggregate of 242,796,136 AF Global Shares held by it to the Company and Fragrance in proportion to their shareholdings in AFC (the "**AFC Capital Reduction**");

(c) On or about the date on which the AFC Capital Reduction takes effect, AFC repaying the aggregate shareholders' loan of S$152,005,996 to the Company and Fragrance in equal proportion by transferring 638,587,432 AF Global Shares, free of encumbrances and together with all rights attaching thereto on and from the date of transfer, to the Company and Fragrance in equal proportion.

Following the completion of the AFC Distribution on 20 December 2019 and transfer of 1 AFG Share from AFC to the Company on 30 December 2019, the Company has ceased to hold a deemed interest in the 881,383,569 AFG Shares that were previously held by AFC and now holds a direct interest in 440,691,785 AFG Shares, representing approximately 41.75 per cent. of the total number of AFG Shares in issue; and there is no change to the Company's effective interest in AFG.

15. INVESTMENT IN JOINT VENTURES

The Group's investments in joint ventures are summarised below:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
AF Corporation Pte. Ltd.	–	75	–	75
Goldheart Bullion Pte. Ltd.	476	–	–	–
	476	75	–	75

15. INVESTMENT IN JOINT VENTURES (CONTINUED)

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held by the Company				
(a)	Goldheart Bullion Pte. Ltd. ("**GB**")	Singapore	Gold bullion brokers and dealers	51	70
(b)	AF Corporation Pte. Ltd. ("**AFC**")	Singapore	Investment holding	–	50

(a) Audited by Ernst & Young LLP, Singapore
(b) Voluntarily liquidated during the financial year ended 31 December 2020

All joint ventures are incorporated in Singapore and are strategic ventures of the business. The Group jointly controls the ventures with other partners under the respective contractual agreements which provide the Group with rights to the net assets of the joint ventures and requires unanimous consent for all major decisions over the relevant activities.

The reconciliation with the carrying amount of the investment in the Group's consolidated financial statements is as follows:

Summarised statement of financial position

	GB 2020 $'000
Current assets	2,615
Non-current assets	64
Total assets	2,679
Current liabilities	118
Non-current liabilities	2,021
Total liabilities	2,139
Net assets	540
Purchase price adjustments not taken up in consolidated financial statements	394
Adjusted net assets	934
Proportion of Group's ownership	51%
Group's share of net assets	476
Carrying amount of the investment	476

15. INVESTMENT IN JOINT VENTURES (CONTINUED)

Summarised statement of comprehensive income

	GB 2020 $'000
Revenue	21,032
Cost of sales	(20,107)
Operating expense	(526)
Profit before tax	399
Profit for the year, representing other comprehensive income	399
Proportion of Group's ownership	51%
Group's share of results of joint venture	203

16. INVESTMENT IN JOINT OPERATIONS

The Group has a 50% (2019: 50%) equity interest in the ownership and voting rights in two joint operations, Bayfront Ventures Pte. Ltd. and Bayfront Realty Pte. Ltd. that are held through a subsidiary, World Class Land Pte. Ltd..

All joint operations are incorporated in Singapore and are strategic ventures of the business. The Company jointly controls the joint operations with the other partner under the contractual agreements which provide the Company with rights to assets and obligations for the liabilities relating to the joint operations and requires unanimous consent for all major decisions over the relevant activities.

Details of the Group's material joint operations are as follows:

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2020 %	2019 %
	Held through a subsidiary				
(a)	Bayfront Ventures Pte. Ltd.	Singapore	Property development	50	50
(a)	Bayfront Realty Pte. Ltd.	Singapore	Property development	50	50

(a) Audited by Ernst & Young LLP, Singapore

17. INVESTMENT SECURITIES

Financial instruments as at 31 December 2020

	Group		Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Current:				
At FVOCI				
– Debt securities (quoted)	1,694	9,579	–	425
At FVPL				
– Equity securities (quoted)	92	139	–	–
	1,786	9,718	–	425
Add:				
Non-current:				
At FVOCI				
– Debt securities (quoted)	1,510	3,440	–	–
– Equity securities (quoted)	2,827	3,396	–	–
– Equity securities (unquoted)	5,993	4,510	–	–
	10,330	11,346	–	–
At FVPL				
– Equity securities (quoted)	144	224	–	–
– Equity securities (unquoted)	51	302	–	–
	10,525	11,872	–	–
Total investment securities measured at FVOCI and FVPL	12,311	21,590	–	425

Investments pledged as security

A floating charge has been placed on investment securities with a carrying value of $6,267,000 (2019: $16,778,000) as security for bank borrowings (Note 25).

17. INVESTMENT SECURITIES (CONTINUED)

Financial instruments as at 31 December 2020 (Continued)

Investments in equity instruments designated at FVOCI

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
At FVOCI		
– Equity securities (quoted)		
Frasers Property Treasury Pte. Ltd.	–	502
Lippo Malls Indonesia Retail Trust	2,827	2,894
	2,827	3,396
At FVOCI		
– Equity securities (unquoted)		
Trinity House UK Commercial Property Fund 1 IC ("**THUK**")	5,993	4,495
Others	–	15
	5,993	4,510

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

The fair value at the date of derecognition amounted to $500,000 (2019: $46,783,000). The cumulative loss arising from the disposal amounted to $8,000 (2019: $1,797,000) and was transferred from fair value adjustment reserve to revenue reserves.

The Group recognised a dividend of GBP Nil (equivalent to $Nil) (2019: GBP175,000 (equivalent to $304,000)) from THUK during the year.

18. INVENTORIES

	Group	
	2020	**2019**
	$'000	**$'000**
Consolidated statement of financial position:		
Finished goods, at cost or net realisable value	122,350	128,647
Raw materials, at cost	23,458	20,673
Packaging materials, at cost	688	372
Total inventories at lower of cost and net realisable value	146,496	149,692
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in profit or loss	221,386	206,690
Inclusive of the following charge:		
Write-down/(write-back) of inventories	198	(400)

A floating charge has been placed on inventories with a carrying value of $71,624,000 (2019: $71,141,000) as security for bank borrowings (Note 25).

In 2019, the reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts in 2019.

19. DEVELOPMENT PROPERTIES/PROPERTIES HELD FOR SALE

(a) Development properties

	Group	
	2020	**2019**
	$'000	**$'000**
Land costs	126,555	141,520
Development charges	98,087	381,203
	224,642	522,723
Allowance for write-down of development properties	(7,934)	(1,502)
Exchange differences	(203)	–
	216,505	521,221
Relating to development properties:		
– Located outside of Singapore	216,505	521,221

During the financial year ended 31 December 2020, borrowing costs amounting to $24,672,000 (2019: $28,573,000) arising from borrowings obtained specifically for the development properties were capitalised and included in development costs.

A weighted average interest capitalisation rate of 5.40% (2019: 6.66%) per annum was used, representing the actual borrowing cost of the loans used to finance the projects.

Development properties amounting to $156,086,000 (2019: $483,731,000) are pledged as security for bank borrowings (Note 25).

19. DEVELOPMENT PROPERTIES/PROPERTIES HELD FOR SALE (CONTINUED)

(a) Development properties (Continued)

Development properties amounting to $218,092,000, $64,388,000 and $Nil (2019: $Nil, $Nil and $51,950,000) were transferred to properties held for sale, investment properties and property, plant and equipment respectively during the financial year ended 31 December 2020.

During the financial year, the Group carried out a review of the recoverable amount of its development properties. The indicators of impairment include the weak performance of the market for development properties in Malaysia and Australia, which is mainly attributed to the COVID-19 pandemic. An impairment loss of $6,439,000 (2019: $1,502,000), representing the write-down of the development properties to their recoverable amounts, was recognised in "Other operating expenses" line item of profit or loss for the financial year ended 31 December 2020. The recoverable amount of the development properties was based on its price per square foot derived from the external appraisers' proprietary databases of prices of transactions for properties of similar nature, location and condition.

Details of development properties held by the Group are as follows:

Location	Description and use	Land area (in square metres)	Estimated gross floor area (in square metres)	Tenure	Stage of completion/ development
WCL-Central Park (QLD) Pty. Ltd.					
Nova City 81-83 Spence Street and 112-114 Bunda Street, Cairns, Queensland, Australia	Mixed use development	25,874	115,510	Freehold	Planning and designing
WCL (CNS) CBD Pty. Ltd.					
17 Hartley Street and 6 Kenny Street, Cairns, Queensland, Australia	Mixed use development	16,351	88,295	Freehold	Planning and designing
WCL (QLD) Margaret St Pty. Ltd.					
240 Margaret Street, Brisbane, Queensland, Australia	Residential	1,715	61,252	Freehold	Planning and designing
WCL (QLD) Albert St Pty. Ltd.					
30 Albert Street and 131A Margaret Street, Brisbane, Queensland, Australia	Residential	2,007	76,301	Freehold	Planning and designing

19. DEVELOPMENT PROPERTIES/PROPERTIES HELD FOR SALE (CONTINUED)

(a) Development properties (Continued)

Location	Description and use	Land area (in square metres)	Estimated gross floor area (in square metres)	Tenure	Stage of completion/ development
World Class Land (Georgetown) Sdn. Bhd.					
240, 242, 244, 246, 248, 250, 252 & 254 Jalan Dato Kramat and 1, 3, 5, 7, 9, 9A & 9B Lebuh Melaka, Penang, Malaysia	Mixed use development	2,067	12,037	Freehold	Planning and designing
57, 59, 61, 63 & 65 Jalan Tan Sri Teh Ewe Lim and 1, 3, 5, 7, 9 & 11 Lorong Juru, Penang, Malaysia	Commercial	859	1,478	Freehold	Planning and designing
WCL (Magazine) Sdn. Bhd.					
Lots 18, 479, 480 & 10026 Seksyen 11W, Bandar Georgetown, Daerah Timur Laut and 119 Lebuh Noordin, Penang, Malaysia	Mixed use development	2,966	17,496	Freehold	Planning and designing
WCL (Macallum) Sdn. Bhd.					
1, 3, 5 & 7 Lebuh Macallum and 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194 & 196 Jalan C.Y. Choy, Penang, Malaysia	Mixed use development	2,703	15,651	Freehold	Planning and designing
4, 6, 8, 10, 12, 14, 16 & 18 Lebuh Katz, Penang, Malaysia	Mixed use development	1,470	7,415	Freehold	Planning and designing

19. DEVELOPMENT PROPERTIES/PROPERTIES HELD FOR SALE (CONTINUED)

(b) Properties held for sale

	Group	
	2020 **$'000**	**2019** **$'000**
At cost		
At 1 January	64,237	76,135
Transferred from development properties	218,092	1,161
Properties sold during the year	(690)	(13,062)
Enhancement works incurred	46	33
Allowance for write-down of properties held for sale	(1,186)	–
Exchange differences	(167)	(30)
At 31 December	280,332	64,237

During the financial year, the Group carried out a review of the recoverable amount of its properties held for sale. The indicators of impairment include the weak performance of the market for properties held for sale in Malaysia and Australia, which is mainly attributed to the COVID-19 pandemic. An impairment loss of $1,186,000 (2019: $Nil), representing the write-down of the properties held for sale to their recoverable amounts, was recognised in "Other operating expenses" line item of profit or loss for the financial year ended 31 December 2020. The recoverable amount of the properties held for sale was based on its price per square foot derived from the external appraisers' proprietary databases of prices of transactions for properties of similar nature, location and condition.

Details of the properties held for sale by the Group are as follows:

Location	**Description and use**	**Land area (in square metres)**	**Estimated gross floor area (in square metres)**	**Tenure**	**Unexpired lease term**
Bayfront Realty Pte. Ltd.					
Urban Vista Lot 10765A MK27 at Tanah Merah Kechil Link	Commercial	113	113	Leasehold	91 years
Bayfront Ventures Pte. Ltd.					
CityGate 371 Beach Road Singapore	Residential/ commercial units	7,269	3,212[a]	Leasehold	93 years
World Class Land (Georgetown) Sdn. Bhd.					
Ropewalk Piazza 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154 & 156 Jalan Pintal Tali, Penang, Malaysia	Commercial	1,085	1,712	Freehold	–

19. DEVELOPMENT PROPERTIES/PROPERTIES HELD FOR SALE (CONTINUED)

(b) Properties held for sale (Continued)

Location	Description and use	Land area (in square metres)	Estimated gross floor area (in square metres)	Tenure	Unexpired lease term
World Class Land (Georgetown) Sdn. Bhd. (Continued)					
Bahari Parade 69, 71, 73, 75, 77, 79 & 81 Jalan Sri Bahari, Penang, Malaysia	Commercial	846	1,102	Freehold	–
Hutton Central 128, 128A, 128B, 128C, 128D, 128E, 128F and 128G Jalan Transfer, Penang, Malaysia	Commercial	487	776	Freehold	–
Hutton Suites 2, 4, 6, 8 & 10 Jalan Hutton, Penang, Malaysia	Commercial	568	897	Freehold	–
WCL (Magazine) Sdn. Bhd.					
Magazine Vista 237, 239, 241 & 243 Jalan Magazine and 2-G, 2-H & 2-I Jalan Gurdwara, Penang, Malaysia	Commercial	646	979	Freehold	–
WCL (Macallum) Sdn. Bhd.					
Macallum Central 51, 53, 55, 57, 59, 61, 63, 65, 67 & 69 Lebuh Macallum Penang, Malaysia	Commercial	694	1,152	Freehold	–
WCL-Southbank (VIC) Pty. Ltd.					
Australia 108 68-82 Southbank Boulevard, Southbank, Melbourne, Victoria, Australia	Residential	2,642	138,282	Freehold	–

(a) Pertains to the gross floor area of units available for sale, whilst the land area represents the area covered by the CityGate development.

As at 31 December 2020, properties held for sale with a carrying value of $279,696,000 (2019: $55,851,000) are pledged as security for bank borrowings (Note 25).

20. TRADE AND OTHER RECEIVABLES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade and other receivables (current)					
Trade receivables		296,676	318,895	–	–
Other debtors		4,978	8,342	32	7,766
Deposits		1,748	2,898	–*	60
Non-refundable deposits		–	1,158	–	–
		303,402	331,293	32	7,826
Trade and other receivables (non-current)					
Unquoted debt securities at FVPL		–	9,430	–	–
Deposits		4,281	4,852	–	–
Non-refundable deposits		1,563	–	–	–
		5,844	14,282	–	–
Total trade and other receivables (current and non-current)		309,246	345,575	32	7,826
Add:					
Due from subsidiaries (non-trade)		–	–	104,080	27,434
Due from associates		1,035	1,278	–	385
Due from a joint venture (non-trade)		1,670	1	–	1
Cash and bank balances	23	52,047	146,194	207	337
Less:					
GST receivables, net		(569)	(1,515)	–	–
Unquoted debt securities at FVPL		–	(9,430)	–	–
Tax recoverable		(14)	(11)	–	–
Grant receivable		(1,124)	–	(13)	–
Non-refundable deposits		(1,563)	(1,158)	–	–
Total financial assets at amortised cost		360,728	480,934	104,306	35,983

* Less than $1,000

Trade receivables of the Group's financial service business comprise pawnshop loans, interest receivables on pawnshop loans, secured lending receivables, interest and distribution receivables on secured lending receivables and trade receivables from retail and trading of jewellery and branded merchandise. Other trade receivables relate to trade receivables of the Group's jewellery, real estate and other businesses.

Pawnshop loans are loans to customers extended under the pawnbroking business, which are interest-bearing, ranging between 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months (2019: 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months). The quantum of loans granted to customers is based on a portion of the value of the collaterals pledged to the Group.

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Secured lending receivables are measured at amortised cost using the effective interest rate method which are interest-bearing at 15.0% (2019: ranging between 5.0% to 22.5%) per annum and are secured by way of debenture over properties (2019: debenture over properties and collateralised real estate held by the investment trustee). These loans and receivables have remaining maturities of 7 months (2019: ranging between 1 to 6 months).

As at 31 December 2020, included in non-current financial assets held at FVPL was an amount of Nil (2019: $9,430,000), extended through a fund which extends interest-bearing loans to borrowers and had provided a return of approximately 8% (2019: 9%) per annum. As at 31 December 2019, this financial asset was secured by way of collateralised real estate held by the fund and had a remaining maturity of 17 months, including an option by the fund to extend the maturity by a further 12 months. The amount was fully settled during the financial year ended 31 December 2020.

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

Non-refundable deposits comprise deposits and stamp duties relate to amounts paid for the acquisition of properties.

A floating charge has been placed on trade and other receivables with a carrying value of $279,524,000 (2019: $288,134,000) as security for bank borrowings (Note 25).

Trade and other receivables denominated in foreign currencies are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollar	161	405	–	–
Australian Dollar	–	26,034	–	–
Euro	10,886	10,143	–	–
British Pound	1,587	1,664	–	–

Expected credit losses

The movement in allowance for expected credit losses of trade receivables are as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	760	760
Charge for the year	2,960	4,155
Written-off	(2,942)	(4,155)
At 31 December	778	760

Receivables that are past due

The Group has no receivables that are past due as at 31 December 2020 and 2019.

21. DUE FROM/(TO) IMMEDIATE HOLDING COMPANY, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Included in the amount due from associates of an amount of $116,000 (2019: $129,000) related to trade purpose.

The amounts due from/(to) immediate holding company, subsidiaries, associates and joint ventures are unsecured, receivable/repayable on demand and are to be settled in cash. These amounts are non-interest bearing except for amounts due from subsidiaries of $81,504,000 (2019: $11,091,000) which bear interest ranging from 2.31% to 7.24% (2019: 3.33% to 6.67%) per annum and amount due to a subsidiary of $14,587,000 (2019: $6,420,000) which bear interest ranging from 2.31% to 2.39% (2019: 5.05% to 6.44%) per annum.

22. DERIVATIVES

		Group 31 December 2020	
	$'000 **Contract notional amount**	**$'000** **Assets**	**$'000** **Liabilities**
Forward currency contracts	167,744	–	(7,868)
Add:			
Equity securities (quoted) (Note 17)		236	–
Total financial assets at FVPL		236	(7,868)

		Group 31 December 2019	
	$'000 **Contract notional amount**	**$'000** **Assets**	**$'000** **Liabilities**
Forward currency contracts	299,947	2,033	–
Add:			
Trade receivables held at FVPL (Note 20)		9,430	–
Equity securities (quoted) (Note 17)		363	–
Total financial assets at FVPL		11,826	–

As at 31 December 2020, the Group entered into foreign currency forward contracts mainly in Australian Dollar and Euro, maturing within the next 12 months to reduce its exposure to foreign currency risks on Australian Dollar and Euro receivables.

23. CASH AND BANK BALANCES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash at banks and on hand	46,030	132,997	207	337
Restricted cash	6,017	13,197	–	–
	52,047	146,194	207	337

Cash at banks earns interest at floating rates based on daily bank deposit rates.

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

	Group	
	2020 $'000	2019 $'000
United States Dollar	339	577
Australian Dollar	68	436
British Pound	53	172
Euro	58	194

A floating charge has been placed on cash and bank balances with a carrying value of $11,152,000 (2019: $14,256,000) as security for bank borrowings (Note 25).

An amount of $6,017,000 (2019: $13,197,000) in restricted cash relates to reserve accounts held in escrow by third parties which will only be released upon repayment of the loan, interest and related development expenditures.

Purchasers' deposit monies of AUD24,270,000 (equivalent to approximately $24,724,000) (2019: AUD38,717,000 (equivalent to approximately $36,567,000)) pertaining to the development projects for which sale has commenced are placed in escrow held by a third party. In addition, purchasers' deposits in the form of bankers' guarantees of AUD3,464,000 (equivalent to approximately $3,529,000) (2019: AUD7,219,000 (equivalent to approximately $6,813,000)) pertaining to the development projects for which sale has commenced are placed in escrow held by a third party. These balances are not included as assets of the Group as at 31 December 2020 and 2019. The Group will only have access to these funds upon completion and handover of the development projects to the purchasers.

24. TRADE AND OTHER PAYABLES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Current:					
Trade payables		14,904	7,878	–	–
Other payables		18,345	13,872	2,257	381
Accrued operating expenses					
– payroll related		14,285	13,135	4,391	4,418
– property development		9,948	9,599	–	–
– others		10,698	20,407	2,136	1,730
Deferred revenue		–	19	–	–
Deposits received		4,920	2,951	–	3
Withholding tax payable		275	202	–	–
Dividend payable		4,849	11,514	4,849	9,688
		78,224	79,577	13,633	16,220
Non-current:					
Other payables					
– amount due to non-controlling shareholders of a subsidiary		6,183	5,830	–	–
– others		68	109	–	–
		6,251	5,939	–	–
Total trade and other payables (current and non-current)		84,475	85,516	13,633	16,220
Add:					
Due to immediate holding company (non-trade)		4,700	–	4,700	–
Due to subsidiaries (non-trade)		–	–	57,512	53,296
Due to an associate (non-trade)		2,960	1,508	–	–
Interest-bearing loans and borrowings	25	641,370	591,427	16,700	–
Lease liabilities	27(b)	80,946	98,140	–	–
Term notes and bonds	26	257,000	499,982	50,000	–
Less:					
GST payables, net		(7,125)	(1,153)	(155)	(49)
Accrued operating expenses					
– payroll related		(721)	(1,610)	–	(178)
– provision for reinstatement cost		(451)	(463)	–	–
– others		–	(16)	–	–
Deferred revenue/income		(1,669)	(19)	(13)	–
Withholding tax payable		(275)	(202)	–	–
Dividend payables		(4,849)	(11,514)	(4,849)	(9,688)
Total financial liabilities carried at amortised cost		1,056,361	1,261,596	137,528	59,601

24. TRADE AND OTHER PAYABLES (CONTINUED)

Trade and other payables are unsecured, non-interest bearing and repayment is based on payment terms and conditions agreed.

Amount due to non-controlling shareholders of a subsidiary is unsecured, interest-free and not expected to be repaid in the next 12 months.

Trade and other payables denominated in foreign currencies are as follows:

	Group	
	2020 $'000	2019 $'000
United States Dollar	3,353	3,139
Hong Kong Dollar	1,005	1,093
Australian Dollar	–*	188

* Less than $1,000

25. INTEREST-BEARING LOANS AND BORROWINGS

	Note	Group		Company	
		2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current					
Bank borrowings		252,663	245,851	16,700	–
Term loans		99,653	240,585	–	–
Overdraft		596	–	–	–
		352,912	486,436	16,700	–
Non-current					
Term loans		288,458	104,991	–	–
		641,370	591,427	16,700	–
Add:					
Term notes and bonds	26	257,000	499,982	50,000	–
Total loans and borrowings		898,370	1,091,409	66,700	–

(a) Details of securities granted for the loans and borrowings are as follows:

Subsidiaries/Joint operations

Interest-bearing loans and borrowings comprise bank borrowings of $313,462,000 (2019: $306,892,000) and term loans of 327,313,000 (2019: $284,535,000).

(i) Bank borrowings of $192,231,000 (2019: $214,975,000) are secured by way of a fixed and floating charge on all assets of certain subsidiaries and corporate guarantees by the subsidiary.

(ii) Revolving loans of $23,584,000 (2019: $30,876,000) bear interest ranging from 1.54% to 3.31% (2019: 2.34% to 3.63%) per annum and are secured by way of a fixed and floating charge on all assets of certain subsidiaries or corporate guarantees by the Company and/or subsidiaries. These loans are repayable on demand.

25. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(a) Details of securities granted for the loans and borrowings are as follows: (Continued)

Subsidiaries/Joint operations (Continued)

(iii) Term loans and short-term bank borrowing of $102,817,000 (2019: $62,271,000) bear interest ranging from 1.59% to 3.58% (2019: 1.58% to 4.94%) per annum and are secured by way of legal mortgage over the freehold and leasehold properties. The term loans are repayable in 2025 to 2041 (2019: 2032 to 2041).

(iv) Term loans of $100,000 (2019: $184,000) bear interest at 1.70% (2019: 1.70%) per annum and are secured by way of corporate guarantees by the associate.

(v) Term loans of $4,701,000 (2019: $3,421,000) bear interest ranging from 1.00% to 2.35% (2019: 2.00% to 2.35%) per annum and are secured by way of charge on trade receivables and inventories.

(vi) Interest bearing loans and borrowings of $280,571,000 (2019: $279,507,000) bear interest ranging from 2.01% to 7.15% (2019: 2.34% to 8.25%) per annum and are secured by way of:

- legal mortgages over the subsidiaries' property, plant and equipment (Note 10), development properties (Note 19(a)), properties held for sale (Note 19(b)) and investment properties (Note 11);
- legal assignments of subsidiaries' interest under the Sale and Purchase agreements and tenancy agreements in respect of the units therein which includes the assignment of all the sale and rental proceeds;
- fixed and floating charge on all assets of certain subsidiaries;
- guarantees by non-controlling interests of a subsidiary;
- a joint corporate guarantee by the joint operation partners;
- personal guarantees by the subsidiary's director; and/or
- corporate guarantees by the Company and/or subsidiaries.

The loans include financial covenants which require the subsidiaries/joint operations to achieve certain cumulative sales targets and to maintain aggregate outstanding debt secured against the properties not exceeding 44.5% to 80.0% (2019: 50.0% to 80.0%) of the security value of the relevant development properties at all times.

25. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(b) Maturity of borrowings

Loans due after one year are estimated to be repayable as follows:

	Group	
	2020 $'000	2019 $'000
Years after end of reporting period:		
After one year but within two years	133,716	10,853
After two years but within five years	68,219	34,991
After five years	86,523	59,147
	288,458	104,991

26. TERM NOTES AND BONDS

			Aggregate principal amount outstanding			
			Group		Company	
Date issued	Interest rate %	Maturity dates	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current						
28 August 2015[(1)]	5.25	28 August 2020	–	148,201	–	–
1 April 2016[(2)]	5.30	1 April 2020	–	184,281	–	–
27 April 2017[(3)]	5.50	27 April 2020	–	5,500	–	–
9 October 2017[(3)]	5.50	27 April 2020	–	20,000	–	–
19 April 2018[(4)]	5.90	19 April 2021	47,250	–	–	–
11 October 2018[(4)]	6.25	11 October 2021	49,750	–	–	–
14 August 2020[(4)]	6.25	11 October 2021	65,000	–	–	–
			162,000	357,982	–	–
Non-current						
19 April 2018[(4)]	5.90	19 April 2021	–	47,500	–	–
11 October 2018[(4)]	6.25	11 October 2021	–	45,000	–	–
22 July 2019[(3)(5)]	6.35	22 July 2022	45,000	49,500	–	–
20 March 2020[(6)]	6.50	20 March 2023	50,000	–	50,000	–
			95,000	142,000	50,000	–
Total term notes and bonds			257,000	499,982	50,000	–

Note:

(1) During the financial year ended 31 December 2015, unsecured bonds issued by a subsidiary of the Company amounted to $150,000,000. During the financial year ended 31 December 2020, unsecured bonds amounting to $9,322,000 were purchased and cancelled by the subsidiary of the Company. On 28 August 2020, $140,678,000 unsecured bonds were redeemed by the Group.

(2) During the financial year ended 31 December 2016, unsecured bonds issued by a subsidiary of the Company amounted to $200,000,000. During the financial year ended 31 December 2020, unsecured bonds amounting to $12,748,000 were purchased and cancelled by the subsidiary of the Company. On 1 April 2020, $177,252,000 unsecured bonds were redeemed by the Group.

26. TERM NOTES AND BONDS (CONTINUED)

Note: (Continued)

(3) During the financial year ended 31 December 2017, unsecured term notes issued by a subsidiary of the Company under the Multicurrency Medium Term Note Programme ("**MTN Programme**") amounted to $70,000,000. On 1 July 2019, the subsidiary issued a Notice of Tender and Exchange Offer Exercise to note holders on the Series 001 notes. Upon completion of the Tender Offer, $14,000,000 principal amount of its existing notes were offered for sale and accepted by the subsidiary. $26,500,000 principal amount of existing notes were offered for exchange for Series 002 New Notes. As at 31 December 2019, $4,000,000 term notes had been purchased and held by the subsidiary of the Company. Following the cancellation of Tender offered notes and the purchase of term notes, the aggregate outstanding existing notes is $25,500,000. During the financial year ended 31 December 2020, unsecured term notes amounting to $5,000,000 were purchased and cancelled by the subsidiary of the Company. On 27 April 2020, $24,500,000 unsecured term notes were redeemed by the Group.

(4) During the financial year ended 31 December 2018, unsecured term notes issued by a subsidiary of the Company under the Multicurrency Debt and Issuance Programme ("**MDI Programme**") amounted to $100,000,000. During the financial year ended 31 December 2020, unsecured term notes issued by the subsidiary of the Company under the MDI programme amounted to $65,000,000 (to be consolidated and form a single series with the existing $50,000,000 6.25% Notes due 2021 issued on 11 October 2018). As at 31 December 2020, $3,000,000 (2019: $7,500,000) term notes had been purchased and held by subsidiaries of the Company.

(5) A subsidiary of the Company issued $50,000,000 6.35% term notes due 2022 on 22 July 2019. As at 31 December 2020, $5,000,000 (2019: $500,000) term notes had been purchased and held by subsidiaries of the Company.

(6) During the financial year 31 December 2020, unsecured term notes issued by the Company under the MDI Programme amounted to $50,000,000.

Interest is payable semi-annually. Unless previously redeemed or purchased and cancelled, the term notes are redeemable at the principal amounts on their respective maturity dates.

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

	2019	Net cash flows from financing activities	Non-cash changes			2020
			Foreign exchange movement	Loss on purchase and cancellation of term notes and bonds	Amortisation of premium on term notes	
	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables – premium on term notes	16	–	–	–	(16)	–
Term notes and bonds	499,982	(243,086)	–	104	–	257,000
Interest-bearing loans and borrowings	591,427	36,762	13,181	–	–	641,370
Total	1,091,425	(206,324)	13,181	104	(16)	898,370

26. TERM NOTES AND BONDS (CONTINUED)

	2018	Net cash flows from financing activities	Non-cash changes			2019
			Foreign exchange movement	Loss on purchase and cancellation of term notes and bonds	Amortisation of premium on term notes	
	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables – premium on term notes	73	–	–	–	(57)	16
Term notes and bonds	587,872	(87,893)	–	3	–	499,982
Interest-bearing loans and borrowings	566,001	28,522	(3,096)	–	–	591,427
Total	1,153,946	(59,371)	(3,096)	3	(57)	1,091,425

27. LEASES

Group as a lessee

The Group has lease contracts for land, leased properties, motor vehicles, machinery, tools & equipment, security equipment & office equipment and computer software. Leased properties generally have lease terms between 2 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of leased properties and motor vehicles with lease terms of 12 months or less and leases of vehicles with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

27. LEASES (CONTINUED)

Group as a lessee (Continued)

(a) Carrying amounts of right-of-use assets

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

Group	Land $'000	Leased properties $'000	Motor vehicles $'000	Machinery, tools & equipment $'000	Security equipment & office equipment $'000	Computer software $'000	Total $'000
Cost:							
At 1 January 2019	7,819	50,371	53	897	59	135	59,334
Additions	–	57,948	162	410	–	–	58,520
Transferred (to)/from property, plant and equipment	(191)	–	163	379	–	–	351
Exchange differences	–	(115)	(1)	(42)	(2)	(4)	(164)
At 31 December 2019 and 1 January 2020	7,628	108,204	377	1,644	57	131	118,041
Additions	–	5,778	20	139	–	–	5,937
Transferred to property, plant and equipment	–	–	(163)	–	–	–	(163)
Disposal of a subsidiary	–	(716)	–	–	–	–	(716)
Modification	–	5,655	–	–	–	–	5,655
Termination	–	(7,410)	–	–	–	–	(7,410)
Expiry of lease	–	(1,296)	–	–	–	–	(1,296)
Exchange differences	–	611	16	122	4	10	763
At 31 December 2020	7,628	110,826	250	1,905	61	141	120,811
Accumulated depreciation:							
At 1 January 2019	–	–	–	–	–	–	–
Depreciation	17	20,518	82	418	14	31	21,080
Exchange differences	–	(5)	(1)	(5)	–*	–*	(11)
At 31 December 2019 and 1 January 2020	17	20,513	81	413	14	31	21,069
Depreciation	209	24,223	82	462	15	32	25,023
Disposal of a subsidiary	–	(156)	–	–	–	–	(156)
Transfer to property, plant and equipment	–	–	(43)	–	–	–	(43)
Termination	–	(2,694)	–	–	–	–	(2,694)
Expiry of lease	–	(1,296)	–	–	–	–	(1,296)
Exchange differences	–	108	6	45	1	3	163
At 31 December 2020	226	40,698	126	920	30	66	42,066
Net carrying amount:							
At 31 December 2019	7,611	87,691	296	1,231	43	100	96,972
At 31 December 2020	7,402	70,128	124	985	31	75	78,745

* Less than $1,000

27. LEASES (CONTINUED)

Group as a lessee (Continued)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 $'000	2019 $'000
As at 1 January	98,140	59,802
Additions	5,937	58,520
Accretion of interest (Note 6)	2,402	2,073
Interest expense reclassed to property, plant and equipment	–	282
Modification	5,655	–
Termination	(4,816)	–
Disposal of a subsidiary	(569)	–
Payments	(26,456)	(22,374)
Exchange difference	653	(163)
As at 31 December	80,946	98,140
Current portion	21,373	22,591
Non-current portion	59,573	75,549
	80,946	98,140

The maturity analysis of lease liabilities is disclosed in Note 35(a).

(c) Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	2020 $'000	2019 $'000
Depreciation of right-of-use assets	25,023	21,080
Interest expense on lease liabilities	2,402	2,073
Expense relating to short-term leases and leases of low-value assets (included in other operating expenses) (Note 8)	466	6,330
Variable lease payments (included in other operating expenses) (Note 8)	465	474
COVID-19-related rent concessions (Note 7)	(7,457)	–
Total amount recognised in profit or loss	20,899	29,957

(d) Total cash outflow

The Group had total cash outflows for leases amounting to $19,930,000 (2019: $29,178,000) in 2020.

27. LEASES (CONTINUED)

Group as a lessee (Continued)

(e) Extension options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Group as a lessor

The Group has entered into commercial property leases on its leasehold building and standing property at the development site acquired for development properties. The non-cancellable leases on its standing property have remaining lease terms of less than 3 years (2019: 8 years).

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Not later than one year	3,604	1,465
Later than one year but not later than five years	2,116	2,136
Later than five years	–	205
	5,720	3,806

28. INCOME TAX EXPENSE

(a) Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	Group	
	2020	**2019**
	$'000	**$'000**
Consolidated statement of comprehensive income		
Current income tax		
– Current income taxation	8,604	18,910
– Over provision in respect of previous years	(6,691)	(7,381)
– Withholding tax	–	873
	1,913	12,402
Deferred income tax		
– Origination and reversal of temporary differences	14,903	(363)
– Under/(over) provision in respect of previous years	3,311	(194)
	18,214	(557)
Income tax expense recognised in profit or loss	20,127	11,845
Deferred tax credit related to other comprehensive income		
– Net (loss)/gain on fair value changes on equity instruments	(3)	929
– Net (loss)/gain on fair value changes on debt instruments	(24)	170
	(27)	1,099

28. INCOME TAX EXPENSE (CONTINUED)

(b) Relationship between tax expense and profit before tax

The reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	2020 $'000	2019 $'000
Profit before tax	49,583	30,405
Tax at the domestic rates applicable to profits in the countries where the Group operates	16,257	7,200
Adjustments:		
– Non-deductible expenses	11,910	3,989
– Income not subject to taxation	(5,015)	(72)
– Deferred tax assets not recognised	438	1,136
– Effect of partial tax exemption and tax relief	(400)	(638)
– Over provision in respect of previous years	(3,272)	(357)
– Benefits from previously unrecognised tax losses	–	(560)
– Share of results of associates and a joint venture	92	212
– Disposal of equity instruments carried at FVOCI, which are not recycled to profit or loss	–	(59)
– Withholding tax	–	873
– Others	117	121
Income tax expense recognised in profit or loss	20,127	11,845

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

(c) Deferred income tax

	Group	
	2020 $'000	2019 $'000
Balance at 1 January	13,566	12,274
Tax charged to profit or loss	15,779	421
Tax (credited)/charged to other comprehensive income	(27)	1,099
Under provision in prior year	3,683	–
Translation difference	1,910	(228)
Balance at 31 December	34,911	13,566

28. INCOME TAX EXPENSE (CONTINUED)

(c) Deferred income tax (Continued)

Deferred income tax relates to the following:

Deferred tax liabilities, net

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Differences in depreciation for tax purposes	6,110	517	38	–
Leases	(5,246)	–	–	–
Uncompleted project expenses	32,223	10,734	–	–
Revaluations to fair value:				
– Investment properties	5,439	4,220	–	–
Provisions	1,786	1,328	–	–
Unutilised tax losses	633	(2)	–	–
Others	98	(50)	1	–
	41,043	16,747	39	–

Deferred tax assets, net

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Differences in depreciation for tax purposes	1,715	(327)	–	71
Leases	(2,141)	–	–	–
Unremitted foreign interest income, net	–	(54)	–	–
Provisions	(231)	(355)	–	(65)
Unutilised tax losses	(5,225)	(2,132)	–	(1,013)
Revaluations to fair value:				
– Debt and equity securities held at FVOCI	(242)	(216)	–	–
Unutilised capital allowance	–	(21)	–	–
Allowance for doubtful receivables	–	(88)	–	–
Others	(8)	12	–	(32)
	(6,132)	(3,181)	–	(1,039)

At the end of the reporting period, the Group has unutilised tax losses and unabsorbed capital allowances of approximately $21,572,000 (2019: $62,261,000) and $32,000 (2019: $7,466,000) that are available for offset against future taxable profits of the Group, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 30).

29. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES

(a) Share capital

	Group and Company			
	2020		2019	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At 1 January and 31 December	1,945,896	226,930	1,945,896	226,930

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

(b) Treasury shares

	Group and Company			
	2020		2019	
	No. of shares '000	$'000	No. of shares '000	$'000
At 1 January	8,319	2,290	9,405	2,589
Treasury shares reissued pursuant to Aspial Performance Share Plan(1)	(1,850)	(509)	(1,086)	(299)
Balance at 31 December	6,469	1,781	8,319	2,290

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

Note:

(1) On 15 September 2020, the Company transferred 1,850,000 treasury shares respectively to eligible employees under the Aspial Performance Share Plan.

(c) Other reserves

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Gain on reissuance of treasury shares	1,052	1,302	1,052	1,302
Premium on dilution of interests in subsidiary	13,384	13,384	–	–
Foreign currency translation reserve	1,996	(10,505)	–	–
Premium paid on acquisition of non-controlling interests	(13,642)	(13,642)	–	–
Fair value adjustment reserve	(7,499)	(8,861)	–	–
Change in ownership interest in subsidiary without a change in control	700	700	–	–
	(4,009)	(17,622)	1,052	1,302

<u>Gain on reissuance of treasury shares</u>

This represents the gain arising from the purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

29. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES (CONTINUED)

(c) Other reserves (Continued)

Premium on dilution of interests in subsidiary

This represents the difference between the consideration received and the carrying value of non-controlling interests adjusted upon dilution of interests in subsidiary.

Premium paid on acquisition of non-controlling interests

This represents the difference between the consideration paid and the carrying value of non-controlling interests adjusted upon acquisition of interests in subsidiary.

Foreign currency translation reserve

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

Fair value adjustment reserve

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

30. DIVIDENDS

	Group $'000
Dividends on ordinary shares declared and payable/paid during the year:	
Financial year ended 31 December 2020	
– Final exempt (one-tier) dividend for FY2019: 0.25 cent per share on 1,939,427,104 shares	4,849
	4,849
Financial year ended 31 December 2019	
– Final exempt (one-tier) dividend for FY2018: 0.25 cent per share on 1,936,491,176 shares	4,841
– Interim exempt (one-tier) dividend for FY2019: 0.38 cent per share on 1,937,577,104 shares	7,363
– Interim exempt (one-tier) dividend for FY2019: 0.12 cent per share on 1,937,577,104 shares	2,325
	14,529

	Group	
	2020 $'000	2019 $'000
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at AGM:		
– Final exempt (one-tier) dividend for FY2019: 0.25 cent per share on 1,937,577,104 shares	–	4,844
	–	4,844

31. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods, services and shares

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2020	**2019**
	$'000	**$'000**
Goods purchased from an affiliated company	584	451
Rental paid/payable to a director-related company	38	608
Rental received from an associate	384	168
Purchase of goods from an associate	–	4,038
Marketing income paid to an associate	205	78
Management fee received from an associate	476	360
Sales of goods to an associate	8,960	5,501
Sale of properties to a director-related company	–	3,714
Acquisition of properties from a director-related company	23,700	–
Disposal of subsidiary to associate	–*	–

* Less than $1,000

(b) Compensation of key management personnel

	Group	
	2020	**2019**
	$'000	**$'000**
Short-term employee benefits	6,692	6,182
Central Provident Fund contributions	172	152
Share-based payments	254	130
Total compensation paid to key management personnel	7,118	6,464
Comprise amounts paid to:		
Directors of the Company	2,834	2,170
Directors of the subsidiaries	1,665	1,830
Other key management personnel	2,619	2,464
	7,118	6,464

32. COMMITMENTS

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2020	**2019**
	$'000	**$'000**
Capital commitments in respect of property development expenditure	16,028	57,154
Capital commitments in respect of property, plant and equipment	20,710	22,515
	36,738	79,669

As at 31 December 2020, the Group has capital commitments of $20,710,000 in respect of acquisition of three properties from external parties. The acquisition of two properties were completed on 18 January 2021 and 3 March 2021, in which are financed by mortgage loans from banks.

33. CONTINGENCIES

Guarantees

The Company has provided the following guarantees at the end of the reporting period:

- It has guaranteed its interest in its share of the bank loans of joint operations and joint venture amounting to $20,360,000 (2019: $10,180,000).
- It has guaranteed part of the loans and borrowings of the associates to a maximum amount of $14,047,000 (2019: $14,134,000), of which it is severally liable for in the event of default by the associates.
- It has guaranteed the obligations of a subsidiary for bonds amounting to total principal amount of $Nil (2019: $340,000,000).
- It has guaranteed the obligations of a subsidiary for notes amounting to total principal amount of $165,000,000 (2019: $100,000,000).

The Company has provided corporate guarantees to banks for an aggregate of $134,407,000 (2019: $113,045,000) in respect of bank borrowings drawn down by certain subsidiaries, joint operations and associates (Note 25).

34. SEGMENT INFORMATION

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into three main operating business segments, namely:

(a) Manufacture and sale of jewellery;

(b) Real estate business; and

(c) Financial service business.

Other operations include rental of properties and provision of other support services.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax liabilities, corporate assets, liabilities and expenses.

Transfer prices between operating segments are based on contractual agreements. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Capital expenditure comprises additions to property, plant and equipment.

34. SEGMENT INFORMATION (CONTINUED)

	Jewellery $'000	Real estate $'000	Financial service $'000	Others $'000	Elimination $'000	Group $'000	Note
2020							
Revenue	99,435	170,255	261,556	–	–	531,246	
Inter-segment revenue	1,013	–	1,265	4,290	(6,568)	–	A
Results							
Segment results	8,530	27,010	40,309	4,983	(1,491)	79,341	
Unallocated expenses	–	–	–	–	–	(236)	
Share of results of joint ventures	197	–	(6)	–	12	203	
Share of results of associates	3,774	(538)	–	(2,012)	–	1,224	
Interest income	102	770	148	21,779	(21,397)	1,402	
Finance costs	(2,212)	(13,630)	(11,199)	(24,516)	19,206	(32,351)	
Profit before tax from operations	10,391	13,612	29,252	234		49,583	
Segment assets	167,882	776,232	511,161	646,406	(647,685)	1,453,996	B
Investment in joint ventures	1,885	–	1,409	–	(2,818)	476	
Investment in associates	14,517	7,849	–	102,367	–	124,733	
Unallocated assets	–	–	–	–	–	6,132	
Total assets	184,284	784,081	512,570	748,773		1,585,337	
Segment liabilities	119,962	547,003	358,640	460,876	(407,162)	1,079,319	C
Unallocated liabilities						59,077	
Total liabilities						1,138,396	
Capital expenditure	1,076	7,712	26,807	482	(633)	35,444	
Depreciation and amortisation	17,589	252	13,601	2,526	–	33,968	
Other significant non-cash expenses	(170)	11,598	1,291	2,970	(6,598)	9,091	D

34. SEGMENT INFORMATION (CONTINUED)

	Jewellery $'000	Real estate $'000	Financial service $'000	Others $'000	Elimination $'000	Group $'000	Note
2019							
Revenue	136,924	210,882	212,840	–	(404)	560,242	
Inter-segment revenue	2,840	–	5,639	558	(9,037)	–	A
Results							
Segment results	1,319	23,563	31,035	26,742	(33,990)	48,669	
Unallocated expenses	–	–	–	–	–	(266)	
Share of results of a joint venture	(226)	–	(226)	12,193	452	12,193	
Share of results of associates	1,287	(1,247)	–	–		40	
Interest income	4	2,403	425	36,366	(35,161)	4,037	
Finance costs	(2,771)	(9,179)	(13,295)	(40,575)	31,552	(34,268)	
(Loss)/profit before tax from operations	(387)	15,540	17,939	34,726		30,405	
Segment assets	176,568	873,605	514,971	799,049	(768,031)	1,596,162	B
Investment in joint ventures	6,415	–	6,415	75	(12,830)	75	
Investment in associates	10,977	8,387	–	104,706		124,070	
Unallocated assets	–	–	–	–		3,181	
Total assets	193,960	881,992	521,386	903,830		1,723,488	
Segment liabilities	150,001	676,606	379,168	602,613	(531,815)	1,276,573	C
Unallocated liabilities	–	–	–	–		36,467	
Total liabilities						1,313,040	
Capital expenditure	4,165	236	2,152	22,934	–	29,487	
Depreciation and amortisation	15,484	212	11,555	925	17	28,193	
Other significant non-cash expenses	347	6,774	839	3,000	–	10,960	D

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2020 $'000	2019 $'000
Inter-segment assets	650,503	780,861

34. SEGMENT INFORMATION (CONTINUED)

Notes (Continued)

C The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2020 $'000	2019 $'000
Inter-segment liabilities	407,162	531,815

D Other non-cash expenses comprises mainly write-off of property, plant and equipment, net fair value (gain)/loss on investment properties, impairment loss on investment securities, allowance for write-down/(write-back) of inventories, development properties and properties held for sale, and allowance for/(write-back of) doubtful receivables as presented in the respective notes to the financial statements.

	2020 $'000	2019 $'000
Property, plant and equipment written-off	1,097	980
Net fair value (gain)/loss on investment properties	(23,223)	3,341
Impairment loss on investment securities, net	1,792	1,959
Interest receivable written-off	–	11
Write-down/(write-back) of inventories	198	(400)
Allowance for write-down of development properties and properties held for sale	7,625	1,502
Allowance for doubtful receivables, net	47	209
Fair value loss on investment securities	378	77
Impairment loss on intangible assets	–	99
Impairment loss on property, plant and equipment	4,407	4,156
Net fair value loss/(gain) on derivatives	16,770	(974)
	9,091	10,960

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Singapore	321,574	316,386	252,596	243,390
Australia	172,823	212,965	86,936	5,994
Malaysia	1,172	79	82,002	78,263
Hong Kong	3,225	775	1,766	2,200
Germany	30,631	28,729	7,638	8,896
Ireland	1,821	1,308	–	–
	531,246	560,242	430,938	338,743

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties and intangible assets.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk, credit risk and market price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

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

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

(a) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business other than the real estate business. As for the real estate business there is no liquidity risk as loans and borrowings are repayable upon TOP whereupon receipts exceed the repayment of loans and borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

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

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
31 December 2020				
Group				
Financial assets:				
Investment securities	1,786	7,503	3,022	12,311
Trade and other receivables	302,618	4,281	–	306,899
Due from associates	1,035	–	–	1,035
Due from a joint venture (non-trade)	1,670	–	–	1,670
Cash and bank balances	52,047	–	–	52,047
Total undiscounted financial assets	359,156	11,784	3,022	373,962
Financial liabilities:				
Trade and other payables	63,134	6,251	–	69,385
Due to immediate holding company (non-trade)	4,700	–	–	4,700
Due to an associate (non-trade)	2,960	–	–	2,960
Derivative financial instruments	7,868	–	–	7,868
Interest-bearing loans and borrowings	367,879	236,958	83,607	688,444
Term notes and bonds	174,493	100,526	–	275,019
Lease liabilities	23,425	52,915	15,495	91,835
Total undiscounted financial liabilities	644,459	396,650	99,102	1,140,211
Total net undiscounted financial liabilities	(285,303)	(384,866)	(96,080)	(766,249)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
31 December 2019				
Group				
Financial assets:				
Investment securities	9,718	7,935	3,937	21,590
Trade and other receivables	329,934	14,282	–	344,216
Due from associates (non-trade)	1,278	–	–	1,278
Due from a joint venture (non-trade)	1	–	–	1
Derivative financial instruments	2,033	–	–	2,033
Cash and bank balances	146,194	–	–	146,194
Total undiscounted financial assets	489,158	22,217	3,937	515,312
Financial liabilities:				
Trade and other payables	64,675	5,939	–	70,614
Due to an associate (non-trade)	1,508	–	–	1,508
Interest-bearing loans and borrowings	507,084	60,711	66,762	634,557
Term notes and bonds	374,741	149,893	–	524,634
Lease liabilities	24,983	65,177	20,695	110,855
Total undiscounted financial liabilities	972,991	281,720	87,457	1,342,168
Total net undiscounted financial liabilities	(483,833)	(259,503)	(83,520)	(826,856)

	1 year or less $'000	1 to 5 years $'000	Total $'000
31 December 2020			
Company			
Financial assets:			
Trade and other receivables	19	–	19
Due from subsidiaries (non-trade)	104,080	–	104,080
Cash and bank balances	207	–	207
Total undiscounted financial assets	104,306	–	104,306
Financial liabilities:			
Trade and other payables	8,616	–	8,616
Due to immediate holding company (non-trade)	4,700	–	4,700
Due to subsidiaries (non-trade)	57,512	–	57,512
Interest-bearing loans and borrowings	16,722	–	16,722
Term notes	3,250	53,945	57,195
Total undiscounted financial liabilities	90,800	53,945	144,745
Total net undiscounted financial assets/(liabilities)	13,506	(53,945)	(40,439)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	1 year or less $'000	1 to 5 years $'000	Total $'000
31 December 2019			
Company			
Financial assets:			
Investment securities	425	–	425
Trade and other receivables	7,826	–	7,826
Due from subsidiaries (non-trade)	27,434	–	27,434
Due from associates	385	–	385
Due from a joint venture (non-trade)	1	–	1
Cash and bank balances	337	–	337
Total undiscounted financial assets	36,408	–	36,408
Financial liabilities:			
Trade and other payables	6,305	–	6,305
Due to subsidiaries (non-trade)	53,296	–	53,296
Total undiscounted financial liabilities	59,601	–	59,601
Total net undiscounted financial liabilities	(23,193)	–	(23,193)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Other than the term notes and bonds and certain bank borrowings which are at fixed rates, the Group's loans and borrowings are at floating rates which are contractually repriced at intervals of less than 6 months from the end of the reporting period.

The Group's policy is to manage interest cost by using a mix of fixed and floating rate debts. At the end of the reporting period, term notes and bonds of $257,000,000 (2019: $499,982,000) and bank borrowings of $641,370,000 (2019: $591,427,000) are at fixed rates of interest.

Sensitivity analysis for interest rate risk

For the Group's financial service business, at the end of the reporting period, if SGD interest rates had been 50 (2019: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $225,000 (2019: $137,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate term loans.

For the real estate business, at the end of the reporting period, if Malaysia Ringgit ("**MYR**") and Australian Dollar ("**AUD**") interest rates had been 100 (2019: 100) basis points lower/higher with all other variables held constant, the Group's development properties would have been $205,000 (2019: $248,000) and $140,000 (2019: $885,000) lower/higher respectively, arising mainly as a result of lower/higher borrowing cost on floating rate loans and borrowings. If at the end of the reporting period, SGD interest rates had been 100 (2019: 100) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $658,000 (2019: $610,000), higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

For the Group's other businesses, at the end of the reporting period, if SGD interest rates had been 50 (2019: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $160,000 (2019: $151,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Foreign currency risk

The jewellery business has transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD and EURO ("**EUR**"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("**USD**"), Hong Kong Dollars ("**HKD**"), Japanese Yen ("**JPY**") and EUR. Approximately 48% (2019: 32%) of the jewellery business purchases are denominated in foreign currencies. Trade payable balances at the end of the reporting period have similar exposures.

The real estate business has transactional currency exposures arising from loans extended by WCG, a subsidiary of the Group, to WCG's subsidiaries in Malaysia and Australia. These loans are denominated in MYR and AUD, whereas WCG's functional currency is SGD.

The Group's financial service business has transactional currency exposures arising from investments that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD. The foreign currencies in which these transactions are denominated are mainly AUD and EUR.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia and Australia. As disclosed in Note 22, the Group entered into forward currency contracts during the financial year for reducing its exposure to foreign currency risks on AUD. The Group's net investments in Malaysia are not hedged as currency positions in MYR are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, HKD, MYR and AUD exchange rates (against SGD), with all other variables held constant.

		Profit before tax 2020 $'000 (lower)/higher	**Profit before tax 2019 $'000 (lower)/higher**
USD	– strengthened 5% (2019: 5%)	(143)	(108)
	– weakened 5% (2019: 5%)	143	108
HKD	– strengthened 5% (2019: 5%)	(50)	(54)
	– weakened 5% (2019: 5%)	50	54
MYR	– strengthened 5% (2019: 5%)	5,003	6,416
	– weakened 5% (2019: 5%)	(5,003)	(6,416)
AUD	– strengthened 5% (2019: 5%)	948	7,005
	– weakened 5% (2019: 5%)	(948)	(7,005)

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and cash and bank balances. Secured lending receivables has no significant exposure to credit risk as these receivables are secured by way of collateralised real estate by investment at a conservative loan-to-valuation ratio. No other financial asset carries a significant exposure to credit risk.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Credit risk (Continued)

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

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– External credit rating;

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

– Actual or expected significant changes in the operating results of the borrower;

– Significant increases in credit risk on other financial instruments of the same borrower;

– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and

– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrower in the group and changes in the operating results of the borrower.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the borrower;

– A breach of contract, such as a default or past due event;

– It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and

– There is a disappearance of an active market for that financial asset because of financial difficulty.

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Credit risk (Continued)

The following are classes of financial assets that are exposed to credit risk:

Trade receivables from the Group's financial service business

(i) *Secured lending receivables*

Secured lending receivables are secured by way of collateralised real estate held by the investment trustee. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

(ii) *Pawnshop loans*

Collateralised nature of the pawnshop loans whereby the quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

(iii) *Pawnshop loans and interest receivables on pawnshop loans expected credit losses*

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECLs model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets. The Group has estimated the loss exposure at default after considering the expected realisable value of the customers' pledges.

Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default as the pawnshop loans age as well as considering any forward-looking economic information.

Trade receivables from the Group's jewellery and real estate businesses, and contract assets

The Group applies a simplified approach in calculating ECLs relating to the trade receivables from the Group's jewellery and real estate businesses, and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Quoted debt instruments

For those quoted debt instruments that are assessed to be of low credit risk and externally rated, the Group applied the low credit operational simplification and determined that no significant increase in credit risk has occurred. There is no significant impact arising from estimation of loss allowance based on a 12-month probability of default and loss given default, which would result in impairment losses to be recognised in profit or loss.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Credit risk (Continued)

Quoted debt instruments (Continued)

For those quoted debt instruments that are assessed to be of high credit risk and externally rated, the Group applies the lifetime ECLs approach and records impairment losses to profit or loss.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit rating of the debt instrument.

Amounts due from a joint venture

The Group uses the general approach and estimates the 12-month expected credit losses when there is no indication of significant deterioration in credit risk based on the financial performance of its related entities. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

Amounts due from subsidiaries and joint ventures

The Company uses the general approach and estimates the 12-month expected credit losses when there is no indication of significant deterioration in credit risk based on the financial performance of its related entities. When a significant increase in credit risk has occurred, the Company estimates the lifetime ECLs for such financial assets.

The loss allowance provision as at 31 December 2020 reconciles to the opening loss allowance for that provision as follows:

	Group		**Company**
	Trade receivables at amortised cost $'000	**Debt securities at FVOCI $'000**	**Amounts due from subsidiaries at amortised cost $'000**
As at 1 January 2020	760	1,385	1,041
Loss allowance measured at:			
Lifetime ECLs			
– Credit risk has increased significantly since initial recognition	2,960	1,796	–
– Written-off	(2,942)	(4)	–
As at 31 December 2020	778	3,177	1,041

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Credit risk (Continued)

	Group			Company
	Trade receivables at amortised cost $'000	**Debt securities at FVOCI $'000**	**Amounts due from joint ventures at amortised cost $'000**	**Amounts due from subsidiaries and joint ventures at amortised cost $'000**
As at 1 January 2019	760	624	24	1,053
Loss allowance measured at:				
Lifetime ECLs				
– Credit risk has increased significantly since initial recognition	4,155	1,006	–	–
– Written-back	–	–	(24)	(12)
– Written-off	(4,155)	(245)	–	–
As at 31 December 2019	760	1,385	–	1,041

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group focuses on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. As at 31 December 2020 and 2019, there was no significant concentration of credit risk.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 20.

Financial assets that neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to price risk arising from its investment in quoted debt securities. These debt securities are quoted on the SGX-ST in Singapore and are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for market price risk

At the end of the reporting period, if the quoted market price of the debt securities held at FVOCI had been 2% (2019: 2%) higher/lower with all other variables held constant, the Group's other comprehensive income would have been $64,000 (2019: $260,000) higher/lower, arising as a result of an increase/decrease in the fair value of debt securities classified as FVOCI.

At the end of the reporting period, if the quoted market price of the equity securities held at FVOCI and FVPL had been 2% (2019: 2%) higher/lower with all other variables held constant, the Group's other comprehensive income and net profit before tax would have been $57,000 (2019: $68,000) and $5,000 (2019: $7,000) higher/lower respectively, arising as a result of an increase/decrease in the fair value of equity securities classified as FVOCI and FVPL respectively.

36. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets measured at fair value

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

	Group 2020			
	Quoted prices in active markets for identical assets (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value				
Financial assets				
At FVOCI				
Debt securities (quoted) (Note 17)	3,204	–	–	3,204
Equity securities (quoted) (Note 17)	2,827	–	–	2,827
Equity securities (unquoted) (Note 17)	–	–	5,993	5,993
At FVPL				
Equity securities (quoted) (Note 17)	236	–	–	236
Equity securities (unquoted) (Note 17)	–	–	51	51
	6,267	–	6,044	12,311
Financial liabilities				
At FVPL				
Derivatives (Note 22)	–	(7,868)	–	(7,868)
Assets measured at fair value				
Non-financial assets				
Investment properties				
Singapore (Note 11)	–	–	62,050	62,050
Malaysia (Note 11)	–	–	16,695	16,695
Australia (Note 11)	–	–	81,908	81,908
	–	–	160,653	160,653

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets measured at fair value (Continued)

	Group 2019			
	Quoted prices in active markets for identical assets (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value				
Financial assets				
At FVOCI				
Debt securities (quoted) (Note 17)	13,019	–	–	13,019
Equity securities (quoted) (Note 17)	3,396	–	–	3,396
Equity securities (unquoted) (Note 17)	–	–	4,495	4,495
At FVPL				
Debt securities (unquoted) (Note 20)	–	–	9,430	9,430
Equity securities (quoted) (Note 17)	363	–	–	363
Equity securities (unquoted) (Note 17)	–	–	302	302
Derivatives (Note 22)	–	2,033	–	2,033
	16,778	2,033	14,227	33,038
Assets measured at fair value				
Non-financial assets				
Investment properties				
Singapore (Note 11)	–	–	44,070	44,070
Malaysia (Note 11)	–	–	16,725	16,725
	–	–	60,795	60,795

(c) Level 2 fair value measurements

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

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and forward rate curves.

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements

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

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

Description	Fair value at 31 December 2020 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs $
Recurring fair value measurements				
Investment securities:				
Equity securities (unquoted) (Note 17)	51	Net asset value	Note 1	Not applicable
Equity securities (unquoted) (Note 17)	5,993	Net asset value	Note 1	Not applicable
Investment properties:				
Singapore	62,050	Market comparison approach	Price per square feet	1,839 – 4,647
Malaysia	16,695	Market comparison approach	Price per square feet	295 – 427
Australia	81,908	Market comparison approach	Price per square metre	8,709 – 17,566

Description	Fair value at 31 December 2019 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs $
Recurring fair value measurements				
Investment securities:				
Equity securities (unquoted) (Note 17)	302	Net asset value	Note 1	Not applicable
Equity securities (unquoted) (Note 17)	4,495	Net asset value	Note 1	Not applicable
Investment properties:				
Singapore	44,070	Market comparison approach	Price per square feet	881 – 4,646
Malaysia	16,725	Market comparison approach	Price per square feet	292 – 428
Trade receivables:				
Unquoted debt securities at FVPL (Note 20)	9,430	Net asset valuation	Note 1	Not applicable

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (Continued)

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

For unquoted equity securities with carrying value of $51,000 (2019: $302,000), a significant decrease/(increase) in the cost of equity would result in a significantly higher/(lower) fair value measurement.

For investment properties, a significant increase/(decrease) in price per square feet based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

Note 1 – Unquoted equity securities at FVOCI and unquoted debt securities at FVPL

Where the underlying investment is in a fund, valuation of the fund is performed on a periodic basis by an independent professional investment manager. The investment manager provides management with periodic investment reports, distribution statements, half yearly unaudited financial statements and annual audited accounts, audited by a reputable auditor.

The valuation of the investment by the fund in debt instruments, secured by real estate, is the responsibility of the investment manager. The net asset valuation, provided on a periodic basis, is the value that approved transfers will be based on. The valuation, which is based on the reported net asset value of the fund (comprising mainly monetary assets), is not publicly available as it is provided by the investment manager to the investors of the fund.

Where the underlying investment is in equity shares of an entity, management relies on half yearly unaudited financial statements and annual audited accounts, audited by a reputable auditor, for the determination of fair value. The underlying assets and liabilities are mainly short-term in nature, hence management has determined that the carrying value approximates fair value.

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (Continued)

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

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

	Fair value measurements using significant unobservable inputs (Level 3)						
	Unquoted equity securities at FVOCI	Unquoted equity securities at FVPL	Unquoted debt securities at FVPL	Investment properties			Total
				Singapore	Malaysia	Australia	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
2020							
Opening balance	4,495	302	9,430	44,070	16,725	–	75,022
Transfer from property,plant and equipment	–	–	–	10,810	–	–	10,810
Transfer (to)/from development properties	–	–	–	–	(49)	64,437	64,388
Net gain on fair value adjustments of investment properties, representing total gains or losses for the year included in profit or loss	–	–	–	7,170	85	15,968	23,223
Net gain on fair value adjustments on unquoted equity at FVOCI	1,498	–	–	–	–	–	1,498
Impairment loss on unquoted equity securities at FVPL, representing total gains or losses for the year included in profit or loss	–	(251)	–	–	–	–	(251)
Settlements	–	–	(9,814)	–	–	–	(9,814)
Exchange differences	–	–	384	–	(66)	1,503	1,821
Closing balance	5,993	51	–	62,050	16,695	81,908	166,697

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (Continued)

(ii) *Movements in Level 3 assets measured at fair value* (Continued)

	Fair value measurements using significant unobservable inputs (Level 3)					
	Unquoted equity securities at FVOCI	Unquoted equity securities at FVPL	Unquoted debt securities at FVPL	Investment properties Singapore	Investment properties Malaysia	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2019						
Opening balance	4,495	1,500	9,625	47,350	25,173	88,143
Transfer to development properties	–	–	–	–	(8,364)	(8,364)
Net loss on fair value adjustments of investment properties, representing total gains or losses for the year included in profit or loss	–	–	–	(3,280)	(61)	(3,341)
Impairment loss on unquoted equity securities at FVPL, representing total gains or losses for the year included in profit or loss	–	(1,198)	–	–	–	(1,198)
Exchange differences	–	–	(195)	–	(23)	(218)
Closing balance	4,495	302	9,430	44,070	16,725	75,022

(iii) *Valuation policies and procedures*

The Group's Chief Financial Officer oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

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

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (Continued)

(iii) *Valuation policies and procedures* (Continued)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available. Management has also considered the reports and representations provided by the investment manager.

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

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

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

	Quoted prices in active markets for identical assets (Level 1) $'000	**Significant unobservable inputs (Level 3) $'000**	**Fair value Total $'000**	**Carrying amount $'000**
Group				
2020				
Assets:				
Non-current:				
Other receivables	–	4,219	4,219	4,281
Liabilities:				
Current:				
Term notes	161,023	–	161,023	162,000
Non-current:				
Term notes	96,080	–	96,080	95,000
Other payables	–	5,957	5,957	6,183
2019				
Assets:				
Non-current:				
Other receivables	–	4,639	4,639	4,852
Liabilities:				
Current:				
Term notes	25,633	–	25,633	25,500
Bonds	326,938	–	326,938	332,482
Non-current:				
Term notes	136,006	–	136,006	142,000
Other payables	–	5,537	5,537	5,830

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

	Quoted prices in active markets for identical assets (Level 1) $'000	Significant unobservable inputs (Level 3) $'000	Fair value Total $'000	Carrying amount $'000
Company				
2020				
Assets:				
Non-current:				
Investment in quoted subsidiaries	187,578	–	187,578	180,204
Investment in a quoted associate	29,967	–	29,967	76,529
Liabilities				
Non-current:				
Term notes	52,342	–	52,342	50,000
2019				
Assets:				
Non-current:				
Investment in quoted subsidiaries	197,120	–	197,120	180,204
Investment in a quoted associate	66,104	–	66,104	76,529

Determination of fair value

Trade and other receivables/Other payables

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

Term notes

The fair values as disclosed in the table above are determined directly by reference to the bid price quotation of the term notes at the end of the reporting period.

Bonds

The fair values as disclosed in the table above are determined directly by reference to the quoted price of the bonds at the end of the reporting period.

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	Carrying amount		Fair value	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Group				
Financial assets:				
Non-current:				
Other receivables	4,281	4,852	4,219	4,639
Financial liabilities:				
Current:				
Term notes and bonds	162,000	357,982	161,023	352,571
Non-current:				
Other payables	6,183	5,830	5,957	5,537
Term notes and bonds	95,000	142,000	96,080	136,006
Company				
Financial liabilities:				
Current:				
Term notes	50,000	–	52,342	–

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or procedures during the years ended 31 December 2020 and 31 December 2019.

37. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest-bearing loans and borrowings, term notes and bonds, trade and other payables, lease liabilities, less cash and bank balances. The gearing ratios for the jewellery segment, real estate segment and financial service segment are 57% (2019: 69%), 64% (2019: 54%) and 69% (2019: 72%) respectively. The table below shows the capital and net debt for the Group.

	Note	2020 $'000	2019 $'000
Interest-bearing loans and borrowings	25	641,370	591,427
Term notes and bonds	26	257,000	499,982
Trade and other payables	24	84,475	85,516
Lease liabilities	27(b)	80,946	98,140
Less: Cash and bank balances	23	(52,047)	(146,194)
Net debt		1,011,744	1,128,871
Equity attributable to owners of the Company		339,730	312,723
Capital and net debt		1,351,474	1,441,594
Gearing ratio		75%	78%

38. EVENTS OCCURRING AFTER THE REPORTING PERIOD

COVID-19 outbreak

With the ongoing COVID-19 pandemic, the Group currently anticipates the negative impact on travel demand to continue, which may affect the financial performance of Group's hospitality business and expects consumer sentiments in its retail business to be affected and remain uncertain. However, the financial service business is remained fairly stable as it is in a relatively recession-proof sector. There is growing optimism on the impending economic recovery driven by the launch of the vaccination programme in advanced economies. We will use this opportunity to enhance our operational effectiveness and efficiency to be well-poised for the impending recovery.

Privatisation of World Class Global Limited

On 12 March 2021, the respective boards of directors of the World Class Global Limited (the "**Company**") and Aspial Corporation Limited (the "**Offeror**" or "**Aspial**") announced the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror, by way of a scheme of arrangement (the "**Scheme**"). In consideration of the acquisition of each Scheme share from the Company's shareholders, the Offeror shall pay S$0.21 for each Scheme share which shall be satisfied entirely via the allotment and issuance of 1.1052 new ordinary shares in the capital of the Offeror for each Scheme share, fully paid up and free from all encumbrances, at an issue price of S$0.19 per Offeror share.

The privatisation is conditional upon, inter alia, the approval of the Scheme by a majority in number of Scheme shareholders representing 75.0 per cent in value of the Scheme shares held by Scheme shareholders present and voting either in person or by proxy at the Scheme meeting to be convened at a later date. The issuance of the Offeror shares will be subject to the approval of Aspial shareholders to be obtained at an extraordinary general meeting.

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 29 March 2021.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2021

NO. OF ISSUE SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	1,940,512,404
NUMBER/PERCENTAGE OF TREASURY SHARES	:	5,383,915 (0.28%)
NUMBER OF SUBSIDIARY HOLDINGS HELD	:	NIL
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	ONE VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	122	6.96	5,086	0.00
100 – 1,000	113	6.45	65,707	0.00
1,001 – 10,000	367	20.95	1,651,707	0.09
10,001 – 1,000,000	1,115	63.64	74,948,036	3.86
1,000,001 & ABOVE	35	2.00	1,863,841,868	96.05
TOTAL	**1,752**	**100.00**	**1,940,512,404**	**100.00**

	TOP TWENTY SHAREHOLDERS AS AT 16 MARCH 2021	NO. OF SHARES	%
1	MLHS HOLDINGS PTE LTD	1,045,825,087	53.90
2	KOH WEE SENG	150,936,797	7.78
3	HONG LEONG FINANCE NOMINEES PTE LTD	123,440,097	6.36
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	118,210,049	6.09
5	HSBC (SINGAPORE) NOMINEES PTE LTD	82,981,909	4.28
6	SING INVESTMENTS & FINANCE NOMINEES (PTE) LTD	68,545,000	3.53
7	PHILLIP SECURITIES PTE LTD	57,892,568	2.98
8	CITIBANK NOMINEES SINGAPORE PTE LTD	31,439,123	1.62
9	MAYBANK KIM ENG SECURITIES PTE. LTD	25,841,824	1.33
10	KO LEE MENG	22,642,785	1.17
11	NG SHENG TIONG	19,174,484	0.99
12	DBS NOMINEES PTE LTD	18,999,049	0.98
13	TAN SU KIOK	13,000,000	0.67
14	TAN BOY TEE	11,845,526	0.61
15	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	10,366,252	0.53
16	LIM SENG KUAN	10,342,099	0.53
17	RAFFLES NOMINEES (PTE) LIMITED	8,423,218	0.43
18	UOB KAY HIAN PTE LTD	6,906,188	0.36
19	TAN SU KIOK OR SIA LI WEI JOLIE (SHE LIWEI JOLIE)	4,433,497	0.23
20	LIM SWEE ANN	4,071,544	0.21
		1,835,317,096	**94.58**

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2021

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

10.18% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual SGX-ST.

SUBSTANTIAL SHAREHOLDERS		**Direct**	**Deemed**
(As recorded in the Register of Substantial Shareholders)			
1	MLHS Holdings Pte. Ltd.	1,137,825,087	–
2	Koh Wee Seng[1]	373,480,156	1,143,219,554
3	Koh Lee Hwee[2]	30,890,888	1,156,999,571
4	Ko Lee Meng[3]	33,639,865	1,138,979,974

Notes:

1 Mr Koh Wee Seng's direct interest derived from 150,936,797 shares held in his own name and 222,543,359 shares held in the name of nominee accounts. The deemed interest derived from 1,137,825,087 shares held by MLHS Holdings Pte. Ltd. and 5,394,467 shares held by his spouse.

2 Ms Koh Lee Hwee's direct interest derived from 2,000 shares held in her own name and 30,888,888 shares held in the name of nominee accounts. The deemed interest derived from 1,137,825,087 shares held by MLHS Holdings Pte. Ltd. and 19,174,484 shares held by her spouse.

3 Ms Ko Lee Meng's direct interest derived from 22,642,785 shares held in her own name and 10,997,080 shares held in the name of nominee account. The deemed interest derived from 1,137,825,087 shares held by MLHS Holdings Pte. Ltd. and 1,154,887 shares held by her spouse.

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the information as set out in Appendix 7.4.1 relating to Mr Koh Wee Seng, Ms Koh Lee Hwee and Mr Kau Jee Chu, being the Directors who are retiring in accordance with the Company's Constitution and/or Rule 720(5) of the Listing Manual of the SGX–ST at the forthcoming AGM, is set out below:

Name of Directors	**Koh Wee Seng**	**Koh Lee Hwee**	**Kau Jee Chu**
Date of first appointment as a Director	09 October 1989	15 August 1988	1 November 2002
Date of last re-appointment/ re-election as a Director	N.A.	26 April 2018	26 April 2018
Age	52	54	82
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on the re-election	The re-election of Mr Koh as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Koh as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Kau as the Independent Non–Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Executive	Non-Executive
Job Title	– Group Chief Executive Officer – Executive Director – Nominating Committee (member)	– Executive Director	– Independent Non-Executive Director – Nominating Committee (Chairman) – Audit Committee (member) – Remuneration Committee (member)
Professional qualifications	– Bachelor of Business Administration, National University of Singapore	– Bachelor of Arts, National University of Singapore	– Bachelor in Accountancy, National University of Singapore

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
Shareholding interest in the Company and its subsidiaries	The Company – Direct Interest – 373,480,156 shares – Indirect Interest – 1,143,219,554 shares Subsidiaries of the Group – Maxi-Cash Financial Services Corporation Ltd. – Direct Interest – 121,202,121 shares – Indirect Interest – 669,974,657 shares World Class Land Pte. Ltd. – Direct Interest – 250,000 shares – Indirect Interest – 4,500,000 shares World Class Global Limited – Direct Interest – 22,750,000 shares – Indirect Interest – 742,828,700 shares WCL (QLD) Margaret St Pty. Ltd. – Direct Interest – 5,100,000 shares – Indirect Interest – 16,575,000 shares	The Company – Direct Interest – 30,890,888 shares – Indirect Interest – 1,156,999,571 shares Subsidiaries of the Group – Maxi-Cash Financial Services Corporation Ltd. – Direct Interest – 28,196,664 shares – Indirect Interest – 677,078,151 shares World Class Land Pte. Ltd. – Indirect Interest – 4,500,000 shares World Class Global Limited – Indirect Interest – 742,828,700 shares WCL (QLD) Margaret St Pty. Ltd. – Indirect Interest – 19,125,000 shares	Nil
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee are siblings.	Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee are siblings.	No
Conflict of interest (including any competing business)	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
Other principal commitments (including directorships) – Present	– Aspial Corporation Limited – Aspial International Pte. Ltd. – Aspial Investment Holding Pte. Ltd. – Aspial Treasury Pte. Ltd. – Aspial-Lee Hwa Jewellery Pte. Ltd. – Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. – BU2 Services Pte. Ltd. – Gold Purple Pte. Ltd. – Goldheart Jewelry Pte. Ltd. – Aspial Capital (Ubi) Pte. Ltd. – Aspial Capital Investment Pte. Ltd. – Aspial Corporate Services Pte. Ltd. – Niessing Group Pte. Ltd. – Maxi-Cash Financial Services Corporation Ltd. – Aspial Property Investment Pte. Ltd. – Maxi Financial Pte. Ltd. – Maxi-Cash (Central 2) Pte. Ltd. – Maxi-Cash (Central) Pte. Ltd. – Maxi-Cash (Clementi) Pte. Ltd. – Maxi-Cash (East 2) Pte. Ltd. – Maxi-Cash (East) Pte. Ltd. – Maxi-Cash (North East) Pte. Ltd. – Maxi-Cash (North East 2) Pte. Ltd. – Maxi-Cash (North) Pte. Ltd. – Maxi-Cash (West) Pte. Ltd. – Maxi-Cash Assets Pte. Ltd. – Maxi-Cash Capital Management Pte. Ltd. – Maxi-Cash Capital Pte. Ltd. – Maxi-Cash Group Pte. Ltd. – Maxi-Cash International Pte. Ltd. – Maxi-Cash Investment Holding Pte. Ltd. – Maxi-Cash Jewellery Group Pte. Ltd. – Maxi-Cash Property Pte. Ltd. – Maxi-Cash Retail Pte. Ltd.	– Aspial Corporation Limited – Aspial International Pte. Ltd. – Aspial Investment Holding Pte. Ltd. – Aspial Treasury Pte. Ltd. – Aspial-Lee Hwa Jewellery Pte. Ltd. – Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. – BU2 Services Pte. Ltd. – Gold Purple Pte. Ltd. – Goldheart Jewelry Pte. Ltd. – Aspial Capital (Ubi) Pte. Ltd. – Aspial Capital Investment Pte. Ltd. – Aspial Corporate Services Pte. Ltd. – Niessing Group Pte. Ltd. – Maxi-Cash Financial Services Corporation Ltd. – Aspial Property Investment Pte. Ltd. – Maxi Financial Pte. Ltd. – Maxi-Cash (Central 2) Pte. Ltd. – Maxi-Cash (Central) Pte. Ltd. – Maxi-Cash (Clementi) Pte. Ltd. – Maxi-Cash (East 2) Pte. Ltd. – Maxi-Cash (East) Pte. Ltd. – Maxi-Cash (North East) Pte. Ltd. – Maxi-Cash (North East 2) Pte. Ltd. – Maxi-Cash (North) Pte. Ltd. – Maxi-Cash (West) Pte. Ltd. – Maxi-Cash Assets Pte. Ltd. – Maxi-Cash Capital Management Pte. Ltd. – Maxi-Cash Capital Pte. Ltd. – Maxi-Cash Group Pte. Ltd. – Maxi-Cash International Pte. Ltd. – Maxi-Cash Investment Holding Pte. Ltd. – Maxi-Cash Jewellery Group Pte. Ltd. – Maxi-Cash Property Pte. Ltd. – Maxi-Cash Retail Pte. Ltd.	Nil

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
	– Maxi-Cash Ventures Pte. Ltd. – World Class Land Pte. Ltd. – Dynamic Project Management Services Pte. Ltd. – World Class Property Pte. Ltd. – Advance Property Pte. Ltd. – Headway Construction Pte. Ltd. – World Class Developments Pte. Ltd. – World Class Developments (Bedok) Pte. Ltd. – World Class Developments (Central) Pte. Ltd. – World Class Developments (City Central) Pte. Ltd. – World Class Developments (North) Pte. Ltd. – MLHS Holdings Pte. Ltd. – World Class Global Limited – City Gate Shopping Mall Management Pte. Ltd. – Kensington Land Pte. Ltd. – Kensington Village Pte. Ltd. – Bayfront Ventures Pte. Ltd. – Bayfront Realty Pte. Ltd. – AF Global Limited – LCD Property Management Pte. Ltd. – Draycott Garden Pte. Ltd. – Knight Frank Pte. Ltd. – Knight Frank Asia Pacific Pte. Ltd. – LCD Property Pte. Ltd. – Hillgate Investment Pte. Ltd. – LCD (Vietnam) Pte. Ltd. – L.C. Hotels Pte. Ltd. – L.C. Logistics Pte. Ltd. – LCD (Indochina) Pte. Ltd. – Rawai 88 Investment Pte. Ltd. – Bon 88 Investment Pte. Ltd. – Bon (38) Investment Pte. Ltd. – Rawai (38) Investment Pte. Ltd.	– Maxi-Cash Ventures Pte. Ltd. – World Class Land Pte. Ltd. – Dynamic Project Management Services Pte. Ltd. – World Class Property Pte. Ltd. – Advance Property Pte. Ltd. – Headway Construction Pte. Ltd. – World Class Developments Pte. Ltd. – World Class Developments (Bedok) Pte. Ltd. – World Class Developments (Central) Pte. Ltd. – World Class Developments (City Central) Pte. Ltd. – World Class Developments (North) Pte. Ltd. – MLHS Holdings Pte. Ltd. – World Class Global Limited – ACL International Services Sdn. Bhd. – Maxi Cash (Malaysia) Sdn. Bhd. – LuxeSTYLE (Malaysia) Sdn. Bhd. – Maxi Cash (Penang) Sdn. Bhd. – Maxi Cash (Southern) Sdn. Bhd. – Max Cash (George Town) Sdn. Bhd. – Maxi Cash (S1) Sdn. Bhd. – Maxi Cash (S2) Sdn. Bhd. – Maxi Cash (S3) Sdn. Bhd. – Maxi Cash (KL1) Sdn. Bhd. – Maxi Cash (KL2) Sdn. Bhd. – Maxi-Cash (Australia) Pty. Ltd. – Maxi-Cash Melbourne (VIC) Pty. Ltd. – LuxeSTYLE (Australia) Pty. Ltd. – Maxi-Cash (Hong Kong) Co. Ltd. – Maxi-Cash (HKI) Co. Ltd.	

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
	– AF Rawai Hotels Pte. Ltd. – AF Phuket Hotels Pte. Ltd. – AF Global Investment Holding Pte. Ltd. – Cheong Hock Chye & Co. (Pte) Ltd – ACL International Services Sdn. Bhd. – Niessing (Australia) Pty. Ltd. – Niessing (Hong Kong) Limited – Maxi Cash (Malaysia) Sdn. Bhd. – LuxeSTYLE (Malaysia) Sdn. Bhd. – Maxi Cash (Penang) Sdn. Bhd. – Maxi Cash (Southern) Sdn. Bhd. – Max Cash (George Town) Sdn. Bhd. – Maxi Cash (S1) Sdn. Bhd. – Maxi Cash (S2) Sdn. Bhd. – Maxi Cash (S3) Sdn. Bhd. – Maxi Cash (KL1) Sdn. Bhd. – Maxi Cash (KL2) Sdn. Bhd. – Maxi-Cash (Australia) Pty. Ltd. – Maxi-Cash Melbourne (VIC) Pty. Ltd. – LuxeSTYLE (Australia) Pty. Ltd. – Maxi-Cash (Hong Kong) Co. Ltd. – Maxi-Cash (HKI) Co. Ltd. – Maxi-Cash Retail (HKI) Co. Ltd. – Dynamic Ideas Pty. Ltd. – PHC Hotels Sdn. Bhd. – Penang Parade Hotels Sdn. Bhd. – WCL (Bertam L) Sdn. Bhd. – WCL (Bertam R) Sdn. Bhd. – WCL (CNS) CBD Pty. Ltd. – WCL (Macallum) Sdn. Bhd. – WCL (Magazine) Sdn. Bhd. – WCL (Noordin St) Sdn. Bhd. – WCL (QLD) Albert St Pty. Ltd.	– Maxi-Cash Retail (HKI) Co. Ltd. – Dynamic Ideas Pty. Ltd. – PHC Hotels Sdn. Bhd. – Penang Parade Hotels Sdn. Bhd. – WCL (Bertam L) Sdn. Bhd. – WCL (Bertam R) Sdn. Bhd. – WCL (CNS) CBD Pty. Ltd. – WCL (Macallum) Sdn. Bhd. – WCL (Magazine) Sdn. Bhd. – WCL (Noordin St) Sdn. Bhd. – WCL (QLD) Albert St Pty. Ltd. – WCL (QLD) Holdings Pty. Ltd. – WCL (QLD) Margaret St Pty. Ltd. – WCL-A Beckett (VIC) Pty. Ltd. – WCL-Cairns (QLD) Pty. Ltd. – WCL-Central Park (QLD) Pty. Ltd. – WCL-Southbank (VIC) Pty. Ltd. – World Class Land (Australia) Pty. Ltd. – World Class Land (Georgetown) Holdings Sdn. Bhd. – World Class Land (Georgetown) Sdn. Bhd. – World Class Land (Malaysia) Sdn. Bhd. – World Class Land (Penang) Sdn. Bhd. – SBD 102 Pty. Ltd. – Dijaz Investment Pte. Ltd. – DN Global Pte. Ltd. – DN Holdings Pte. Ltd. – DN Property Investments Pte. Ltd.	

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
	– WCL (QLD) Holdings Pty. Ltd. – WCL (QLD) Margaret St Pty. Ltd. – WCL-A Beckett (VIC) Pty. Ltd. – WCL-Cairns (QLD) Pty. Ltd. – WCL-Central Park (QLD) Pty. Ltd. – WCL-Southbank (VIC) Pty. Ltd. – World Class Land (Australia) Pty. Ltd. – World Class Land (Georgetown) Holdings Sdn. Bhd. – World Class Land (Georgetown) Sdn. Bhd. – World Class Land (Malaysia) Sdn. Bhd. – World Class Land (Penang) Sdn. Bhd. – SBD 102 Pty. Ltd. – AF Global (London) Ltd. – Gateway Enterprise Company Limited – Cityview Property Investment & Trading Limited – HIRP (Thailand) Limited – RP (Thailand) Limited – AF Global (Phuket) Limited – AF Global (Thailand) Limited – Xuzhou YinJian LumChang Real Estate Development Co., Ltd. – Xuzhou RE Sales Co., Ltd. – RP Hotels (Thailand) Limited – Band Of Brothers Pte. Ltd. – 8G Investment Australia Pty. Ltd. – Eight G Capital (Malaysia) Sdn. Bhd. – Eight G Capital (Penang) Sdn. Bhd. – Eight G Capital (Ropewalk) Sdn. Bhd.		

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
Other principal commitments (including directorships) – Past, for the last 5 years	– Belgium-Singapore Diamond Corporation Pte. Ltd. – World Class Capital Pte. Ltd. – World Class Property (Eastcoast) Pte. Ltd. – World Class Investments Pte. Ltd. – World Class Property (Dunearn) Pte. Ltd. – World Class Property (Central) Pte. Ltd. – Bayfront Land Pte. Ltd. – Zone X Leisure Pte. Ltd. – Gold N Gems Pte. Ltd. – World Class Property (Telok Kurau) Pte. Ltd. – AF Corporation Pte. Ltd. – AWMF Investment Corporation – WCL-King (VIC) Pty. Ltd. – Corpus Five Sdn. Bhd. – L.C. (London) Ltd. – LCD Management Sdn. Bhd.	– Belgium-Singapore Diamond Corporation Pte. Ltd. – World Class Capital Pte. Ltd. – World Class Property (Eastcoast) Pte. Ltd. – World Class Investments Pte. Ltd. – World Class Property (Dunearn) Pte. Ltd. – World Class Property (Central) Pte. Ltd. – Gold N Gems Pte. Ltd. – World Class Property (Telok Kurau) Pte. Ltd. – AWMF Investment Corporation – WCL-King (VIC) Pty. Ltd. – Koda's Cafe Pte. Ltd.	Global Premium Hotels Limited
Working experience and occupation(s) during the past 10 years	2008 to present: Maxi-Cash Financial Services Corporation Ltd. – Chairman and Non-Executive Director 2013 to present: World Class Global Limited – Non-Executive Chairman 2015 to present: AF Global Limited – Non-Independent Non-Executive Chairman	2008 to present: Maxi-Cash Financial Services Corporation Ltd. – Non-Executive and Non-Independent Director 2013 to present: World Class Global Limited – Non-Executive Director	2012 to 2017: Global Premium Hotels Limited – Independent Non-Executive Director
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
Disclosure on the following matters concerning the Director:			
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c. Whether there is any unsatisfied judgement against him?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f. Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i. Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1

Name of Directors	Koh Wee Seng	Koh Lee Hwee	Kau Jee Chu
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please provide details of any training undertaken in the roles and responsibilities of a director of a listed company.	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the "**Meeting**") of Aspial Corporation Limited (the "**Company**") will be held by way of electronic means on Friday, 30 April 2021 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Independent Auditors' Report thereon.

(Resolution 1)

2. To re-elect the following Directors of the Company, retiring pursuant to Regulation 104 of the Company's Constitution and/or Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"):

Mr Koh Wee Seng	*(pursuant to Rule 720(5))*	**(Resolution 2)**
Ms Koh Lee Hwee	*(pursuant to Regulation 104 and Rule 720(5))*	**(Resolution 3)**
Mr Kau Jee Chu	*(pursuant to Regulation 104 and Rule 720(5))*	**(Resolution 4)**

Mr Kau Jee Chu will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director, the Chairman of the Nominating Committee, a member of the Audit and the Remuneration Committees respectively, and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST, subject to Two-Tier Voting [as defined in Explanatory Note (v)].

*Detailed information on each of the abovementioned Directors of the Company as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is on page 160 to 170 of the annual report for the financial year ended 31 December 2020 ("**2020 Annual Report**").*

3. To approve the payment of Directors' fees of S$236,075 for the financial year ended 31 December 2020 (2019: S$266,000).

(Resolution 5)

4. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 6)

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue new shares**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares,

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

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

  (a) new Shares arising from the conversion or exercise of any convertible securities;

  (b) new Shares arising from exercising share options or vesting of share awards; and

  (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise the Constitution of the Company; and

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

[See Explanatory Note (i)]

(Resolution 7)

7. **Renewal of Share Purchase Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in Appendix I to the 2020 Annual Report to shareholders ("**Appendix I**"), in accordance with the "Guidelines on Share Purchases" set out in the Appendix I and this mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 8)

8. **Authority to issue shares under the Aspial Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are authorised to grant awards in accordance with the provisions of the Aspial Performance Share Plan (the "**Plan**") and to allot and issue from time to time such number of fully-paid up shares as may be required to be allotted and issued pursuant to the vesting of the awards under the Plan, provided that the aggregate number of shares to be allotted and issued pursuant to the Plan on any date, when added to the number of new shares issued and issuable in respect of (a) all awards granted thereunder; and (b) all options or awards granted under any other share schemes of the Company then in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)]

(Resolution 9)

9. **Authority to issue shares under the Aspial Corporation Limited Scrip Dividend Scheme**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to the Aspial Corporation Limited Scrip Dividend Scheme from time to time in accordance with the "Terms and Conditions of the Scrip Dividend Scheme" set out in pages 17 to 22 of the Circular to Shareholders dated 21 December 2011 and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iv)]

(Resolution 10)

10. **Approval for the continued appointment of Mr Kau Jee Chu, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")**

That, subject to and contingent upon the passing of Resolution 4, by shareholders of the Company by appointing the Chairman of the meeting as proxy to vote at the annual general meeting ("**AGM**") and the passing of Resolution 12 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST):

(a) the continued appointment of Mr Kau Jee Chu, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Kau Jee Chu as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (v)]

(Resolution 11)

11. **Approval for the continued appointment of Mr Kau Jee Chu, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST**

That:

(a) the continued appointment of Mr Kau Jee Chu, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Kau Jee Chu as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 11 is passed by all shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM.
[See explanatory note (v)]

(Resolution 12)

In compliance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), shall abstain from voting on Resolution 12.

12. **Approval for the continued appointment of Mr Wong Soon Yum, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")**

That, subject to and contingent upon the passing of Resolution 14 by shareholders of the Company by appointing the Chairman of the meeting as proxy to vote at the annual general meeting ("**AGM**"), excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST):

(a) the continued appointment of Mr Wong Soon Yum, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Wong Soon Yum as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.
[See Explanatory Note (v)]

(Resolution 13)

13. **Approval for the continued appointment of Mr Wong Soon Yum, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST**

That:

(a) the continued appointment of Mr Wong Soon Yum, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Wong Soon Yum as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 13 is passed by all shareholders of the Company by appointing the Chairman of the meeting as proxy to vote at the AGM.
[See explanatory note (v)]

(Resolution 14)

In compliance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), shall abstain from voting on Resolution 14.

By Order of the Board

Lim Swee Ann
Company Secretary
Singapore, 15 April 2021

Explanatory Notes:

(i) On 8 April 2020, Singapore Exchange Regulation ("**SGX RegCo**") issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to provisionally seek a general mandate for an issue of shares and convertible securities on a pro-rata basis of up to an aggregate of one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings (the "**Enhanced Share Issue Limit**")), versus fifty per centum (50%) previously. On 16 March 2021, SGX RegCo in consultation with the Monetary Authority of Singapore (MAS) had extended the availability of the Enhanced Share Issue Limit for Mainboard issuers. Hence, the Mainboard issuers will have up to 31 December 2021 to seek or renew a general mandate for the Enhanced Share Issue Limited, which will expire at the conclusion of the next annual general meeting or on the date by which the next annual general meeting is required by law or the SGX-ST Mainboard Listing Manual to be held, whichever is the earliest.

The Company is proposing to avail itself of these measures and to seek shareholders' approval for a general mandate with an Enhanced Share Issue Limit at the AGM in the event that circumstances evolving amid the COVID-19 situation reach such an extent that a fifty per centum (50%) limit for pro-rata issues is no longer sufficient to meet the Company's needs. If this was to occur and no Enhanced Share Issue Limit was to be in place, fund raising efforts would otherwise be unnecessarily hampered and compromised by the time needed to obtain shareholders' approval to issue shares above the fifty per centum (50%) threshold.

In connection with the Enhanced Share Issue Limit mandate, the Board of Directors is of the view that it would be in the interest of the Company and its shareholders on the basis of the following:

(a) the Enhanced Share Issue Limit mandate will provide the Company with an option to strengthen its balance sheet, if required;

(b) the proceeds from such fund raisings may be used to, among others, refinance existing borrowing, to pursue acquisitions or to fund capital expenditures; and

(c) the Enhanced Share Issue Limit mandate will provide the Company with the flexibility to raise funds expediently, if required.

Accordingly, the Ordinary Resolution 7 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law or the SGX-ST Mainboard Listing Manual to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution 7 is passed after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution 7 is passed; and (ii) any subsequent bonus issue, consolidation or subdivision of Shares.

The Enhanced Share Issue Limit is only valid until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law or the SGX-ST Mainboard Listing Manual to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, by which date any Shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further Shares may be issued under that limit.

The Company will notify SGX RegCo, by way of email to enhancedsharelimit@sgx.com, of the date on which the general mandate with the Enhanced Share Issue Limit has been approved by shareholders.

(ii) The Ordinary Resolution 8 in item 7 above, if passed, will empower the Directors of the Company effective until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in Appendix I. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Company and its Subsidiaries for the financial year ended 31 December 2020 are set out in greater detail in Appendix I.

(iii) The Ordinary Resolution 9 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the Plan in accordance with the provisions of the Plan and to issue from time to time such number of fully-paid up shares as may be required to be allotted and issued pursuant to the vesting of the awards under the Plan subject to the maximum number of shares prescribed under the terms and conditions of the Plan. The aggregate number of shares which may be issued pursuant to the Plan is limited to fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

(iv) The Ordinary Resolution 10 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or when such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the Aspial Corporation Limited Scrip Dividend Scheme.

(v) The Ordinary Resolutions 11, 12, 13 and 14 in items 10, 11, 12 and 13 above are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022.

Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST provides that a Director will not be independent if he/she has been a Director for an aggregate period of more than nine (9) years and his/her continued appointment as an independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (the "**Two-Tier Voting**").

Mr Kau Jee Chu and Mr Wong Soon Yum are the Independent Directors who have served on the Board more than nine (9) years.

Upon passing the Ordinary Resolutions 11, 12, 13 and 14 respectively, the continued appointment of each of Mr Kau Jee Chu and Mr Wong Soon Yum as an Independent Director of the Company shall continue in force until the earlier of: (i) their retirement or resignation as the Independent Directors; or (ii) the conclusion of the third AGM of the Company following the passing of these resolutions.

Should the Ordinary Resolution(s) for the continued appointment of each of Mr Kau Jee Chu and/or Mr Wong Soon Yum as an Independent Director is/are not passed at the forthcoming AGM, each of Mr Kau Jee Chu and/or Mr Wong Soon Yum will no longer be independent and shall continue as Non-Independent Director(s) of the Company.

Rule 210(5)(c) of the Listing Manual of the SGX-ST and Provision 2.2 of the Code provides that the Independent Directors must comprise of at least one-third of the Board and the Independent Directors shall make up a majority of the Board where the Chairman is not independent respectively. In the event that the Ordinary Resolution(s) for the continued appointment of each of Mr Kau Jee Chu and/or Mr Wong Soon Yum as an Independent Director is/are not passed at the forthcoming AGM which renders the Company unable to meet these requirements, the Company shall make the necessary arrangement to comply with the relevant listing rules of the Listing Manual of the SGX-ST and the Code.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's corporate website at the URL https://www.aspial.com/investor-relations/. This Notice will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to (i) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions in advance in relation to any resolution set out in this Notice; (iii) provide response to the substantial and relevant questions prior to the AGM through publication on SGXNet or at the AGM via "live" audio-visual webcast or "live" audio-only stream; and (iv) voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Company's announcement dated 15 April 2021. This announcement may be accessed at the Company's corporate website at the URL https://www.aspial.com/investor-relations/, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

3. **Due to the prevailing COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM may be accessed at the Company's corporate website at the URL https://www.aspial.com/investor-relations/, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

   Central Provident Fund ("**CPF**") or Supplemental Retirement Scheme ("**SRS**") investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 April 2021.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited with the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

   (b) if submitted electronically, be submitted via email to the Company at the email: AspialAGM@aspial.com,

   in either case, by **3.00 p.m. on 27 April 2021** (being not less than seventy-two (72) hours before the time for holding the AGM).

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The 2020 Annual Report and the Appendix I to the Notice of Annual General Meeting dated 15 April 2021 in relation to the Proposed Renewal of the Shares Purchase Mandate ("**Share Purchase Mandate**") may be accessed at the Company's website as follows:

   (a) the 2020 Annual Report may be accessed at the URL https://www.aspial.com/investor-relations by clicking on the hyperlinks "Annual Report 2020"; and

   (b) the Share Purchase Mandate may be accessed at the URL https://www.aspial.com/investor-relations by clicking on the hyperlink "Share Purchase Mandate".

Personal data privacy:

By (a) submitting the Proxy Form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via "live" audio-visual webcast or "live" audio-only stream, or (c) submitting question in advance in relation to any resolution set out in the Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents or service providers) of Proxy Forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe and/or listen the proceedings of the AGM via "live" audio-visual webcast or "live" audio-only stream and providing them with any technical assistance where necessary;

(iii) addressing all substantial and relevant questions received from members relating to the resolutions set out in the Notice of AGM to be tabled for approval at the AGM prior to the AGM and if necessary, following up with the relevant members in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member may be recorded by the Company for such purposes.

ASPIAL CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 197001030G)

PROXY FORM
Annual General Meeting

IMPORTANT NOTICE FOR ALTERNATIVE ARRANGEMENT FOR ANNUAL GENERAL MEETING

1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 15 April 2021 will not be sent to members. Instead, the Notice of AGM will be sent to members by electronic means via publication on the Company's corporate website at the URL https://www.aspial.com/investor-relations/. The Notice of AGM will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to (i) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions in advance in relation to any resolution set out in the Notice of AGM; (iii) provide response to the substantial and relevant questions prior to the AGM through publication on SGXNet or at the AGM via "live" audio-visual webcast or "live" audio-only stream; and (iv) voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Company's announcement dated 15 April 2021. This announcement may be accessed at the Company's corporate website at the URL https://www.aspial.com/investor-relations/, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. For investors who have used their Central Provident Fund ("**CPF**") monies ("**CPF Investors**") or monies in the Supplementary Retirement Scheme ("**SRS**") accounts ("**SRS Investors**") who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 April 2021.
5. By submitting this proxy form appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2021.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

*I/We, ____________________ (Name) ____________ (NRIC/Passport/Company Registration Number)

of ____ (Address)

being a *member/members of Aspial Corporation Limited (the "**Company**"), hereby appoint the **Chairman of the AGM** as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the AGM of the Company to be held by way of electronic means on Friday, 30 April 2021, at 3:00 p.m. and at any adjournment thereof.

* Delete where inapplicable

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Number of Votes Abstain
	ORDINARY BUSINESS			
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditors' Report thereon			
2	Re-election of Mr Koh Wee Seng as a Director			
3	Re-election of Ms Koh Lee Hwee as a Director			
4	Re-election of Mr Kau Jee Chu as a Director			
5	Approval of Directors' fees amounting to S$236,075			
6	Re-appointment of Messrs Ernst & Young LLP as Auditors			
	SPECIAL BUSINESS			
7	Authority to allot and issue new shares			
8	Renewal of Share Purchase Mandate			
9	Authority to issue shares under the Aspial Performance Share Plan			
10	Authority to issue shares under the Aspial Corporation Limited Scrip Dividend Scheme			
11	Approval for the continued appointment of Mr Kau Jee Chu, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST			
12	Approval for the continued appointment of Mr Kau Jee Chu, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST			
13	Approval for the continued appointment of Mr Wong Soon Yum, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST			
14	Approval for the continued appointment of Mr Wong Soon Yum, as an Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST			

All resolutions put to the vote at the AGM shall be conducted by way of poll. If you wish the Chairman of the AGM as your proxy to cast all your votes ***For*** *or* ***Against*** *a resolution, please indicate with an "X" within in the* ***For*** *or* ***Against*** *box provided in respect of that resolution. Alternatively, please indicate the number of votes* ***For*** *or* ***Against*** *in the* ***For*** *or* ***Against*** *box in respect of that resolution. If you wish the Chairman of the AGM as your proxy to* ***Abstain*** *from voting on a resolution, please indicate with an "X" in the* ***Abstain*** *box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to* ***Abstain*** *from voting in the* ***Abstain*** *box in respect of that resolution.* ***In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.***

Dated this ________ day of ______________ 2021

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: Please read notes on the reverse

Notes:

1. A member of the Company should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

2. **Due to the prevailing COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** This proxy form may be accessed at the Company's corporate website at the URL https://www.aspial.com/investor-relations/, and will also be made available on the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

   CPF Investors or SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 20 April 2021.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited with the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

   (b) if submitted electronically, be submitted via email to the Company at the email: AspialAGM@aspial.com,

   in either case, by **3.00 p.m.** on **27 April 2021** (being not less than seventy-two (72) hours before the time for holding the AGM).

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the AGM is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which; the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting this Proxy Form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2021.

ASPIAL CORPORATION LIMITED
Aspial One, 55 Ubi Ave 3
Singapore 408864