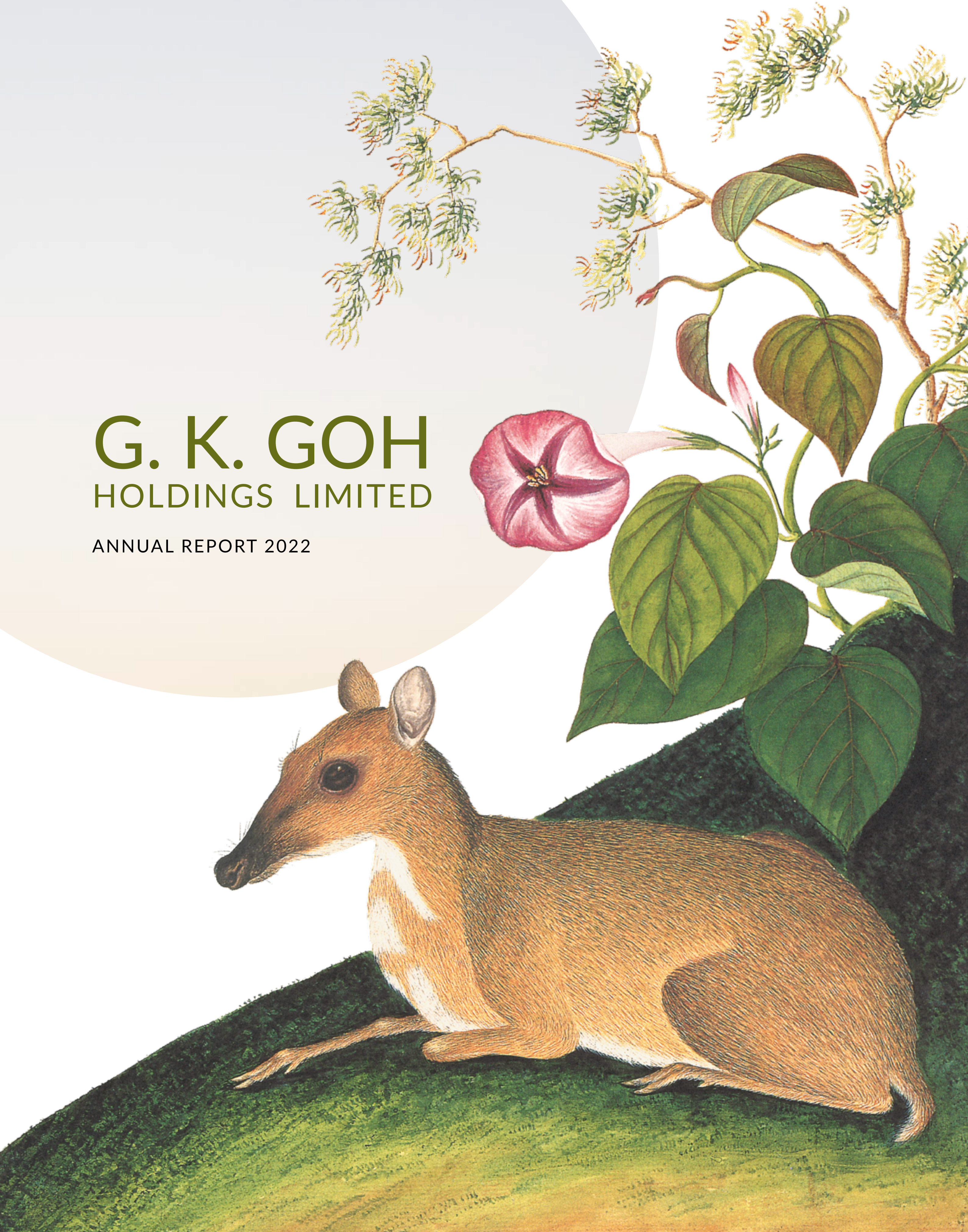
G. K. GOH
HOLDINGS LIMITED

ANNUAL REPORT 2022



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Lesser Mousedeer (Pelanduk/Kancil)
Tragulus Kanchil

The William Farquhar Collection
of Natural History Drawings

CHAIRMAN’S STATEMENT

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders

In August 2021, we announced the sale of corporate services provider Boardroom Ltd ("Boardroom"), 18 years after we had taken an initial minority investment. The S$287.1 million sale was completed in 2022, delivering net profits of S$131.2 million. The decision to sell was not taken lightly, but one compelling reason was to reduce the Group's gearing at a time of increasing uncertainty in financial markets.

The sale of Boardroom left aged care in Australia and Singapore as the Group's only operating businesses, and with the majority of the Group's balance sheet invested in a portfolio of financial assets, diversified across asset classes and geographies.

Group Financial Results for the Year Ended 31 December	2022 (S$'million)	2021 (S$'million)
Aged care services revenue	7.3	5.2
Investment income	(12.1)	18.6
Other income	1.0	2.5
Revenue	(3.8)	26.3
(Loss) / profit for the year before discontinued operations	(58.0)	2.5
Profit from discontinued operations	131.2	18.3
Profit for the year	73.2	20.8
Fair value (loss) / gain on long-term investments	(7.9)	4.4
Foreign currency translation	(8.3)	(7.0)
Changes in other reserves	2.9	2.2
Other comprehensive loss	(13.3)	(0.4)
Total comprehensive income	**59.9**	**20.4**
Non-controlling interests	–	(1.4)
Total comprehensive income attributable to Owners of the Company	**59.9**	**19.0**
Earnings per share (cents)	22.98	5.97
Net asset value per share (cents)	130.33	133.91

Aged Care

The Group first invested in Australia's Opal HealthCare Group ("Opal") in 2013, making an investment of S$164.8 million. Opal has grown its bed capacity over the past decade from 4,800 beds to over 9,000 today, spread over 91 homes in four states. Our team is actively involved at both board and committee levels.

As we explained in last year's annual report, Opal is required to amortise the entire book value of its bed licences over a 33-month period. The first 3 months of amortisation were expensed in 2021; 2022 and 2023 would bear a full year's impact, and the final 6 months would be charged in 2024. For 2022, this amortisation knocked S$34.0 million from our income statement. This straight-line amortisation affects the entire sector in Australia and was triggered by the government's decision to liberalise the residential aged care sector, removing licensing controls after June 2024 and eliminating bed licences altogether. It is important to note that this amortisation is non-cash in nature, and we do not believe that it affects the underlying value of Opal.

At the operating level, Opal did fairly well in 2022 considering the challenges of the Covid-19 pandemic. It made two acquisitions, and also completed three new developments in 2022. Revenues grew by 11% from a combination of increased government funding and additional bed capacity. However, net profit contributions to the Group, excluding the exceptional amortisation charges, were eroded to S$3.2 million (2021: S$8.0 million) by higher depreciation and interest rates, and also an increased provision for employee long-term share incentives.

Opal will continue to respond to policy changes resulting from proposed aged care reforms announced in 2022. Whilst the policy directions are clear, the details, especially in relation to funding, are being debated and refined. For example, one key proposal mandates a minimum of 200 minutes of care per day per resident, rising to 215 minutes in 2014. There are ongoing discussions over what qualifies as care, and how the necessary increase in staffing will be funded. The government has also introduced a new case-mix funding model, called the Australian National Aged Care Classification model ("AN-ACC"). These are complex issues which affect the entire industry. We believe that a rational balance will eventually be struck, but until that point is reached, we cannot be fully confident about the level of Opal's profit margins, even though we are confident that management is doing its best, both for Opal's residents and for its shareholders.

In Singapore, Allium Healthcare (Singapore) Pte Ltd ("Allium") is gradually recovering from the Covid-19 pandemic which erupted in the first months of operations for Allium Care Suites. As regulations limiting visitors were eased across 2022, occupancy levels improved to about 80% of current capacity. Allium's EBITDA loss improved to S$1.5 million in 2022 (2021: S$1.9 million) on revenues of S$7.3 million (2021: S$5.2 million).

Financial Investments

The Group's investment portfolio is diversified across geographies and asset classes. It includes funds investing in venture capital, private equity, bonds and public equities; and also includes direct investments in specific companies. We have significant exposure to Japan, focusing on opportunities in public markets, residential housing and tourism assets, as well as in Japanese venture capital funds. We also have built up exposure to venture capital and private equity more broadly, with an emphasis on healthcare, infrastructure and scientific innovation. Whilst the valuations of many early-stage businesses have declined from pre-Covid peaks, we believe the long-term reasons to invest remain compelling, though the valuation risks in the short-term are not inconsequential.

The Group's investment losses amounted to S$12.1 million (2021: profit of S$18.6 million), with a further S$7.9 million written down (2021: gain of S$4.4 million) in the fair value of long-term financial assets (principally private equity and venture capital funds). Offsetting this to some extent was a net S$4.5 million surplus from various hedging strategies entered into to protect the value of our foreign assets, particularly in Australia and Japan. Forex hedging gains amounted to S$11.0 million (2021: S$4.9 million), but we also had forex translation loss of S$8.3 million (largely on the Australian dollar book value of our investment in Opal). Interest rate hedges added a gain of S$1.8 million.

Balance Sheet

Group Investments As at 31 December 2022	Carrying Value (S$'million)	% of Total Assets
Opal HealthCare Group	90.7	22%
Allium Healthcare Group	40.1	10%
Habitat Assets Pte Ltd	22.6	6%
Operating Assets (A)	**153.4**	**38%**
Public Equities & Funds	52.8	13%
Listed Investments (B)	**52.8**	**13%**
Venture Capital & Funds	95.9	23%
Private Equities & Funds	78.5	19%
Non-listed Investments (C)	**174.4**	**42%**
Investment Assets (B+C)	**227.2**	**55%**
Total Assets (A+B+C)	**380.6**	**93%**
Net Cash	29.0	7%
Net Assets	**409.6**	**100%**

Following the sale of Boardroom, the Group has repaid some of its loans and was in a net cash position at the end of 2022.

Dividend

Your Directors have recommended a final dividend of 2.0 cents per share.

Voluntary General Offer

Shareholders will be aware that a voluntary general offer ("Offer") is being made by Verveine Pte Ltd ("Verveine") for all the shares in the Company. Verveine is equally owned by me and by our Managing Director, Goh Yew Lin. If this Offer is successful, this will be our last Annual Report as a publicly-listed company.

Whatever the outcome of the Offer, I would like to take the opportunity here to express my thanks and gratitude to all our shareholders for your patience and confidence in our leadership of this Company over the past 33 years. I would also like to thank all our directors and colleagues, our bankers and our business partners for their trust, dedication and friendship.

Goh Geok Khim
Executive Chairman

BOARD OF DIRECTORS & KEY EXECUTIVE

BOARD OF DIRECTORS

Goh Geok Khim

Mr Goh Geok Khim has been Executive Chairman of the Company since his appointment as Director on 28 March 1990. He is a member of the Nominating Committee, and was last re-elected on 21 April 2022.

Mr Goh started his career in his family's business, which was active in trading, rubber, property and manufacturing steel products. He left in 1968 to join the stockbroking industry, starting the G. K. Goh stockbroking group in 1979.

Mr Goh is Chairman of Temasek Foundation International CLG Limited, and director of Temasek Foundation Ltd and TF IPC Ltd. He is also Chairman of FIW Steel Sdn Bhd.

Mr Goh holds a Bachelor of Science degree in Civil Engineering from the University of Colorado.

Goh Yew Lin

Mr Goh Yew Lin has been an executive director of the Company since 28 March 1990, and was appointed as the Managing Director on 1 March 2008. He joined the G. K. Goh Group in 1984. He was last re-elected on 22 June 2020.

Mr Goh is the Chairman of Seviora Holdings Pte Ltd, Xora Innovation Pte Ltd, Singapore Symphonia Company Ltd, and Duke-NUS Medical School.

Mr Goh holds a Bachelor of Science (Economics) degree from the University of Pennsylvania's Wharton School.

Thomas Teo Liang Huat

Mr Thomas Teo joined the Company as its Chief Financial Officer on 12 April 2006 and was appointed the Executive Director on 13 August 2018. His executive responsibilities include financial and investment management as well as board representation on various subsidiaries and associates of the Group. He was last re-elected on 21 April 2022.

Prior to joining the Group, Mr Teo was with a regional private equity group for ten years, responsible for direct investments in the Asean region. He also spent eight years with Ernst and Young, Singapore and has had extensive experience in audit and corporate finance.

Mr Teo is the Chairman of Assisi Hospice, a Catholic Charity providing palliative in-patient, day and home care services in Singapore.

Mr Teo holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor of Accountancy from the National University of Singapore. He is also a Fellow of the Institute of Singapore Chartered Accountants.

David Lim Teck Leong

Mr David Lim was appointed as an independent director of the Company on 23 April 2013. He is currently Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee. He was last re-elected on 22 June 2020.

Mr Lim is the founder and Managing Partner of David Lim & Partners LLP with over forty years of experience in corporate finance and litigation. He has represented multiple corporations from a myriad of sectors including finance and banking, fund management, private equity, oil and gas, healthcare, construction, information technology and communications, among others. He was a member of the Corporate Governance Council 2017/2018 and is a Fellow of the Singapore Institute of Directors.

Mr Lim is the Non-Executive Chairman of Allium Healthcare (Singapore) Pte Ltd, a subsidiary of the Company.

Mr Lim is also currently Chairman and Independent Non-Executive Director of Elite Commercial REIT Management Pte Ltd, Manager of Elite Commercial REIT.

Mr Lim qualified as a barrister-at-law at Gray's Inn, London. He is admitted as an Advocate & Solicitor of the Supreme Court of Singapore.

Nagaraj Sivaram

Mr Nagaraj Sivaram was appointed as an independent director of the Company on 1 July 2021. He is the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. He was last re-elected on 21 April 2022.

Mr Sivaram has forty years of external audit experience and is currently a board member and Audit Committee Chairman of ESR-LOGOS REIT, Land Transport Authority, Singapore Institute of Technology and Singapore Turf Club.

Mr Sivaram has a Bachelor of Commerce degree from the University of Bombay, and is a fellow of the Institute of Chartered Accountants in England & Wales and the Institute of Singapore Chartered Accountants.

Marie Elaine Teo

Ms Marie Elaine Teo was appointed as an independent director of the Company on 1 September 2017. She is currently a member of the Remuneration, Nominating and Audit Committees. She was last re-elected on 26 April 2021.

Ms Teo has over twenty years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. She was formerly the Chairman of Capital International Research Group and Managing Director of Capital International Inc., Asia. Ms Teo was also previously a senior advisor and partner of the Holdingham Group.

She is currently a non-executive independent director of Olam International Limited and Monde Nissin Corporation, and a director of Mapletree Investments Pte Ltd and ICHX Tech Pte Ltd. She also serves as the Chairman of The Teng Ensemble.

A former student of CHIJ St Nicholas Girls' School, Ms Teo holds a Bachelor of Art (Honours) in Experimental Psychology from St Edmund Hall, Oxford University and a Masters in Business Administration from INSEAD, Fontainebleau.

KEY EXECUTIVE

Bernie Poh Boon Nee

Mr Bernie Poh joined the Group as the Senior Vice President for Aged Care in January 2013 and was appointed the Executive Director and Chief Executive Officer of Allium Healthcare Holdings Pte Ltd in April 2017. He also represents the Group as a Director on the Board of Opal HealthCare Group.

Mr Poh has over twenty years of extensive experience in both the private and public healthcare sectors. Prior to joining the Group, he had served in various senior executive roles, which included Chief Executive Officer of Mount Elizabeth Hospital in Parkway Holdings Ltd (now IHH Healthcare Berhad) and Deputy Chief Executive Officer of the formerly SGX-listed Pacific Healthcare Holdings Ltd. During his employment in the public sector, he was a director at Health Sciences Authority.

Mr Poh graduated from National University of Singapore with a bachelor's degree in Business Administration. He also holds a Master of Business Administration from the Frankfurt School of Finance and Management and a Master of Social Work from the University of Hong Kong.

CORPORATE DATA

Board of Directors

Executive
Goh Geok Khim (Executive Chairman)
Goh Yew Lin (Managing Director)
Thomas Teo Liang Huat (Executive Director & Chief Financial Officer)

Non-Executive
David Lim Teck Leong (Independent)
Nagaraj Sivaram (Independent)
Marie Elaine Teo (Independent)

Audit Committee

Nagaraj Sivaram (Chairman)
David Lim Teck Leong
Marie Elaine Teo

Remuneration Committee

David Lim Teck Leong (Chairman)
Nagaraj Sivaram
Marie Elaine Teo

Nominating Committee

David Lim Teck Leong (Chairman)
Goh Geok Khim
Nagaraj Sivaram
Marie Elaine Teo

Secretaries

Ngiam May Ling
Thomas Teo Liang Huat

Bankers

CIMB Bank Berhad
Malayan Banking Berhad
United Overseas Bank Limited

Registered Office

11 North Buona Vista Drive
#08-08 The Metropolis Tower 2
Singapore 138589

Tel: (65) 6336 1888
Fax: (65) 6533 1361

Website: www.gkgoh.com

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Tel: (65) 6536 5355
Fax: (65) 6536 1360

Auditor

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

Audit Partner-in-charge

Tan Swee Ho (since 2019)

GROUP STRUCTURE

As at 31 December 2022

Singapore

Allium Healthcare Holdings Pte Ltd (100%)
Allium Healthcare Services Pte Ltd (100%)
Allium Healthcare (Singapore) Pte Ltd (100%)
Allium Investments Pte Ltd (100%)
Cacona Pte Ltd (100%)
G. K. Goh Nominees Pte Ltd (100%)
G. K. Goh Strategic Holdings Pte Ltd (100%)
G. K. Goh Ventures Pte Ltd (formerly known as Saliendra Pte Ltd) (100%)
Habitat Assets Pte Ltd (29%)
Perilla Pte Ltd (100%)
Salacca Pte Ltd (100%)
Solanum Investment Pte Ltd (100%)

Australia

Allium Holdings Pty Ltd (100%)
ACIT Finance Pty Ltd (50%)
DAC Finance Pty Ltd (48%)
Principal Healthcare Finance Trust (48%)
Principal Healthcare Finance Pty Ltd (50%)

British Virgin Islands

Ardisia Limited (100%)
Value Monetization III Limited (29%)

Cayman Islands

Bromius Capital Limited (20%)

Philippines

G. K. Goh Holdings (Philippines), Inc. (100%)

CORPORATE OFFICES

G. K. Goh Holdings Limited

11 North Buona Vista Drive
#08-08 The Metropolis Tower 2
Singapore 138589

Tel: (65) 6336 1888
Fax: (65) 6533 1361

Allium Healthcare Holdings Pte Ltd

51 Goldhill Plaza
#17-03/04/05
Singapore 308900

Tel: (65) 6715 9788
Fax: (65) 6715 9789

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Board of Directors and Management of the G. K. Goh Group continue to uphold the highest standards of corporate governance and confirm compliance with the principles contained in the Code of Corporate Governance 2018 ("Code").

This report outlines the Company's corporate governance practices and activities for the financial year ended 31 December 2022 in relation to each of the principles of the Code. The Company has complied with the principles of the Code and substantially all the provisions set out thereunder, save for Provisions 2.2, 2.3 and 11.4 deviations from which are explained in this report. Unless otherwise stated, the corporate governance processes were in place during the financial year.

BOARD MATTERS

The Board's conduct of affairs

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

The principal functions of the Board are to:

- Supervise the management of the business and affairs of the Group;
- Approve the Group's strategic plans, key operational initiatives, major investments, disposals and funding decisions;
- Identify the Group's business risks and ensure the implementation of appropriate systems to manage these risks;
- Monitor and review the Group's financial performance;
- Review Management's performance;
- Approve the nominations and re-election of Directors to the Board and the appointment of key personnel; and
- Assume responsibility for corporate governance.

Directors, as fiduciaries, are required to discharge their duties and responsibilities objectively at all times. Each Director is expected to act in good faith and in the best interests of the Company in the discharge of his or her duties and exercise of his or her powers as a Director. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is assisted in its duties by Board Committees, specifically, the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC"). The Board Committees are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The day-to-day management functions are performed by senior Management, headed by the Managing Director ("MD").

The Board has put in place financial authorisation limits for operating and capital budgets, bank signatory and procurement of goods and services. Approval sub-limits are also provided at the Management level to facilitate operational efficiency. Matters requiring Board approval are clearly communicated to Management in writing. Matters that are specifically reserved for the Board's decisions include, in particular, interested person transactions, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances and dividend payments to shareholders, and other transactions of a material price or trade sensitive nature requiring announcement under the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Board, based on the AC's recommendation, approves the half year and full year financial results for release on SGXNET.

The Board conducts regularly scheduled meetings at least twice a year to consider the half year and full year financial results respectively and receive updates on significant business activities and the overall business environment. Ad-hoc meetings are convened as and when circumstances require. Between scheduled and any ad-hoc meetings of the Board, matters arising that require the Board's attention are circulated for approval and/or notation to the Board members with supporting documentation. The Company's Constitution provides for Directors to participate in Board meetings by conference telephone and similar means of communication, and for Directors to pass circulated resolutions in writing of the Board by way of electronic means. The Board's calendar for the financial year, which consists of the schedule of meetings of the Board, the Board Committees and the Annual General Meeting of the Company ("AGM"), is finalised before the start of the year. The Directors' attendances at meetings of the Board and the respective Board Committees are disclosed at the end of this report.

The NC ensures that new Directors are made aware of their duties and obligations. Upon appointment, new Directors will be provided with a formal letter outlining a director's duties and obligations under applicable laws and the Listing Manual. They will also be briefed on the Group's operations and furnished with information and updates on the Group's corporate governance practices at the time of appointment, as well as the latest updates in laws and regulations affecting the Group's business. Unless the NC is of the view that training is not required because he or she has other relevant experience, a new Director appointed who has no prior experience as a director of an issuer listed on the SGX-ST will be required to undergo training in his or her roles and responsibilities.

Directors are encouraged to attend seminars, workshops and receive training in areas such as directors' duties and responsibilities, changes in regulations and regulatory framework (including financial reporting standards and the Listing Manual) which are relevant to the Group's business and operations, so as to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors. During the financial year, all the Directors attended training on sustainability matters which was mandated by the SGX-ST with effect from 1 January 2022.

Non-Executive Directors are routinely briefed by the Executive Directors and/or Management at Board meetings or separate sessions, and provided with all necessary updates on regulatory and policy changes as well as developments affecting the Company and the Group. All Directors are provided with monthly performance reports. In addition, field visits are arranged as and when necessary to enable the Directors to better understand the Group's business operations. More particularly, during the financial year, Management has leveraged on the Company's business continuity plan and kept the Board regularly informed about the legal and regulatory developments (both locally and overseas) in connection with the COVID-19 pandemic, which enabled the Company to make decisions promptly to mitigate the pandemic's impact on the Group's operations.

The Directors have separate and independent access to the Company Secretaries and Management at all times. At least a week prior to each meeting, the Directors are provided with the agenda, reports and up-to-date information in regard to the Group's operations in preparation for each meeting. Additional information is provided to Directors, as and when needed, to enable them to make informed decisions. Where necessary, the Company will, upon the request of the Directors, provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties.

The Company Secretaries or their representatives attend all Board and Board Committees meetings, as well as all general meetings of shareholders. Their duties include minute taking, assisting the Executive Chairman and the Chairman of the respective Board Committees in ensuring that procedures are followed, and communicating changes in the Listing Manual or other regulations affecting corporate governance and compliance where appropriate. The Company's Constitution empowers the Board to appoint and remove any Company Secretary.

Board composition and guidance

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

The current Board consists of six members, three of whom are independent and non-executive. The other three members of the Board, comprising the Executive Chairman, MD and an Executive Director, are part of the management team. The Executive Chairman and the MD are immediate family members. Independent and non-executive members of the Board provide balance within the workings of the Board and oversight for minority shareholders' interests. There are no material relationships (including immediate family relationships) between each independent Board member and the other Board members, the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the independent Board member's independent business judgement in the best interests of the Company. The independent Non-Executive Directors are Mr David Lim Teck Leong, Mr Nagaraj Sivaram and Ms Marie Elaine Teo.

The independence of each independent Non-Executive Director is reviewed by the NC. Under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual, a director will not be independent if he is employed by the company or any of its related corporations for the current or any of the past three financial years, or if he has any immediate family member who is employed or has been employed by the company or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the company. As the above listing rules do not apply to any of the independent Non-Executive Directors, they are considered independent under the Listing Manual.

Mr David Lim Teck Leong joined the Board as an independent Director on 23 April 2013 and would have served for an aggregate period of more than nine years on the Board as of 22 April 2022. The Company obtained the requisite approvals from shareholders at the Company's Thirty-third AGM held on 21 April 2022 for the continued appointment of Mr Lim as an independent Director beyond 22 April 2022 via the two-tier voting process under Rule 210(5)(d)(iii)(A) and Rule 210(5)(d)(iii)(B) of the Listing Manual (collectively, "Rule 210(5)(d)(iii)"). But for the recent amendment to the Listing Manual implemented by the SGX-ST to cap the tenure of independent directors of issuers to nine-years (as discussed in the next paragraph), the requisite approvals obtained under Rule 210(5)(d)(iii) in relation to the independent status of Mr Lim would have remained in force until (i) his retirement or resignation as a Director, or (ii) the conclusion of the third AGM following the passing of the relevant resolutions for his continued appointment as an independent Director, whichever is the earlier.

On 11 January 2023, the SGX-ST removed with immediate effect the two-tier vote mechanism under Rule 210(5)(d)(iii) and introduced new Rule 210(5)(d)(iv) which limits the tenure of independent directors serving on the boards of listed issuers to nine years. As a transition, independent directors whose tenure exceeds the nine-year limit can continue to be deemed independent until the issuer's annual general meeting held for the financial year ending on or after 31 December 2023 so long as they meet the requirements in Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual. As Mr Lim satisfies these requirements, he can continue to be deemed independent until the conclusion of the Company's AGM for the financial year ending 31 December 2023 (that is, the Thirty-fifth AGM of the Company) which is expected to be held in April 2024.

In seeking the requisite approvals under Rule 210(5)(d)(iii) for Mr Lim to continue as an independent Director, the Company had sought to strike an appropriate balance between tenure of service, continuity of experience, diversity of perspectives and refreshment of the Board. Such refreshment process of the Board is phased over time in order to maintain stability to the Board. The Company believes that the continued appointment of Mr Lim as an independent Director would facilitate smooth progression of the Board renewal process. Furthermore, the Company benefits from having such Director on its Board who has, over time, gained valuable insights into the Group, its operating businesses and varied portfolio of investments.

The NC and the Board (in both cases, with Mr Lim abstaining and recusing himself from the deliberations as to his independence) have determined that Mr Lim remains objective and independent-minded in Board and Board Committee deliberations. In rigorously reviewing his independence, the NC noted that Mr Lim had been forthcoming in expressing his individual viewpoints and active in providing constructive input, and objective in his scrutiny and debating issues. The Board, in concurring with the NC's recommendation, has determined Mr Lim to be independent and agrees with the NC that Mr Lim's years of service had not compromised his judgement and ability to discharge his responsibilities as an independent Director.

Mr Nagaraj Sivaram and Ms Marie Elaine Teo have served for less than nine years on the Board since their respective first appointments. In its annual review of the independence of the Directors, the NC has determined that each of Mr Sivaram and Ms Teo is independent in conduct, character and judgement, and that there are no relationships or circumstances which could or are likely to affect his or her judgement and ability to discharge his or her responsibilities as an independent Director.

The independent Non-Executive Directors constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Non-Executive Directors (led by the lead independent Director) will have discussions amongst themselves without the presence of Management and the Executive Directors. The lead independent Director provides any relevant feedback to the Board or Executive Chairman as appropriate. In general, such discussions are informal and conducted either before the start, or after the conclusion, of a scheduled meeting of the Board or a Board Committee.

The Company maintains a Board diversity policy pursuant to which the Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness. The policy endorses the principle that the Board should have the balance of skills, knowledge, experience and other aspects of diversity that support the Company in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Company can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board Committee, the Board diversity policy provides for the NC to consider a combination of factors, and seeks to ensure that the Board will comprise Directors who, as a group, possess an appropriate balance and mix of skills, knowledge, professional experience, educational background, gender, age, length of service, and such other factors as the NC deems appropriate. The skills, knowledge and experience to be considered include banking, finance, accounting, business acumen, management experience, technology expertise, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls.

The Company's diversity targets for the Board (which are broadly categorised into "Gender", "Skills & Experience", and "Age & Tenure"), its plans and timelines for achieving the targets and progress towards achieving the targets are described below.

For *Gender*, as a target and for the period leading up to 31 December 2025, the Board endeavours to have at least one female represented on the Board. Following the appointment of Ms Marie Elaine Teo as an independent Director on 1 September 2017, the Board's target to have at least one female represented on the Board has been met. The Board has maintained this target for the financial year ended 31 December 2022. In terms of gender representation, the current Board consists of five men and one woman, or is 83% male and 17% female, and, as among the independent Directors, the female gender representation is 33%. A combination of men and women on the Board allows for different approaches and perspectives to be considered by the Board in its deliberations.

For *Skills & Experience*, as a target and for the period leading up to 31 December 2025, the Board endeavours to ensure that the Directors, as a group, comprise individuals (i) with a variety of qualifications and competencies (including core competencies such as finance, accounting and/or law) which support the work of the Board and Board Committees, and (ii) who possess experience in investment, management, listed company boards and other fields of expertise, which can provide effective guidance and oversight of Management and the Group's operating businesses and diverse portfolio of investments. The Board has met and maintained this target for the financial year ended 31 December 2022. The current Board consists of Directors who, as a group, possess skills and experience encompassing all of the areas identified in the Board diversity policy. In terms of qualifications and competencies, members of the Board comprise seasoned professionals with extensive experience in stockbroking, investment, audit, finance, accounting and law.

For *Age & Tenure*, as a target and for the period leading up to 31 December 2025, the Board endeavours to ensure that (i) at least one member of the Board is represented in the age groups of (a) below 60, and (b) 60 and above, and (ii) there is a spread of independent members of the Board with varying tenures of (a) below five years, and (b) five years or above. The Board has met and maintained this target for the financial year ended 31 December 2022. Two of the six members of the current Board are below 60 years of age, and at least one independent member of the current Board is represented in each of the two tenure ranges identified in the Board diversity policy. In this regard, the Company views age diversity, such as having Directors of different ages and generations, as an inclusive factor that contributes to the Board's deliberations and believes that tenure diversity among its independent Directors would facilitate knowledge continuity about the Company and the Group. As such, the Board renewal and refreshment process is phased to ensure that the Company has a group of independent Directors whose ages and tenures span across different groups.

The Board believes that its current members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The profiles of the Directors are on pages 7 to 9 of the Annual Report.

The Company remains committed to implementing its Board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

Provision 2.2 of the Code provides that independent directors should make up a majority of the Board where the Chairman is not independent, and Provision 2.3 of the Code provides that non-executive directors should make up a majority of the Board. Notwithstanding its deviation from Provisions 2.2 and 2.3 of the Code, the Company is of the opinion that there is an appropriate level of independence and diversity of thought and background in its composition to enable the Board to make decisions in the best interests of the Company. In particular, the independent Directors chairing the AC, RC and NC have sufficient standing and authority to look into any matter which the Executive Chairman or MD fails to resolve. The NC has made, and will continue to make recommendations to the Board on changes to the Board composition, as appropriate, as part of the Board's renewal process, including the observation of Provisions 2.2 and 2.3 of the Code.

Accordingly, the NC is of the view that the current Board comprises persons who, as a group, provide an appropriate level of independence and diversity of skills, experience and knowledge of the Company, as well as the necessary core competencies and that the current Board size is appropriate, taking into consideration the nature and scope of the Group's operations.

Chairman and Chief Executive Officer

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

The offices of Executive Chairman and MD are held by separate individuals. Mr Goh Geok Khim is the Executive Chairman of the Group while his son, Mr Goh Yew Lin, is the MD. They are also regarded as controlling shareholders of the Company. At the operational level, the Executive Chairman ensures that the senior management team led by the MD, provide decisiveness and clarity in the implementation of corporate policies and objectives. This serves to align the interests of the controlling shareholders with those of minority shareholders in the Company's goals for enhancing shareholder value. Thus, it is felt that it is not necessary in the circumstances for the office of Chairman to be held by an independent Director.

As the Executive Chairman and the MD are related, Mr David Lim Teck Leong, Chairman of the RC and NC and also a member of the AC, has been appointed as the lead independent Director. The lead independent Director's role is to be available to shareholders when they have concerns, which contact through the normal channels of the Executive Directors has failed to resolve or for which such contact is inappropriate.

The Board establishes and sets out in writing the division of responsibilities between the Executive Chairman and the MD. As Chairman of the Board, the Executive Chairman ensures that Board meetings are held when necessary and sets the Board meeting agenda. The Executive Chairman reviews all Board papers before they are presented to the Board and ensures that procedures are in place to provide Directors with timely and comprehensive analyses necessary for exercising informed judgement and decisions. Management staff who have prepared the papers, or who can provide additional insight in the matters to be discussed, are sometimes invited to attend and present the papers at the Board meeting. The Executive Chairman also ensures that the members of the Board work together with the management team, and have the capability and moral authority to engage Management in constructive debate on various matters, including strategic issues and business planning processes. The day-to-day management functions are performed by senior Management, headed by the MD.

Board membership

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

The NC comprises four members, three of whom are independent Non-Executive Directors. The Chairman of the NC, Mr David Lim Teck Leong, is an independent Director. The other members of the NC are Mr Goh Geok Khim, Mr Nagaraj Sivaram and Ms Marie Elaine Teo.

Based on the written terms of reference approved by the Board, the principal functions of the NC are to:

- Review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- Identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Determine annually, and if circumstances require, the independence of a Director;
- Review the ability of a Director to adequately carry out his duties as Director when he has multiple board representations;
- Recommend to the Board the re-election by shareholders of any Director under the "retirement by rotation" provisions in the Company's Constitution;
- Assess the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors;
- Review and make recommendations to the Board on the succession plans for Directors, in particular the appointment and/or replacement of the Executive Chairman, the MD and key management executives; and
- Review and make recommendations to the Board on the training and professional development programmes for the Board and the Directors.

The Board is of the view that setting a maximum number of listed company board representations which a Director may concurrently hold would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they were in full-time employment and their personal commitments or responsibilities. All Directors had confirmed that notwithstanding the number of listed company board representations and other principal commitments which they held, they were able to devote sufficient time and attention to the affairs of the Company. The NC takes this into consideration when evaluating whether the individual is able to or has been adequately discharging his or her duties as a Director.

The NC reviews and recommends all Director appointments. Candidates may be put forward or sought through contacts and recommendations. Where appropriate, the NC will also engage professional search firms or reach out to director associations to identify candidates from a wider range of sources to ensure that a diverse slate of candidates is presented for the NC's and the Board's consideration. To facilitate investors' understanding of its nomination process, the Company will also disclose the channels used in the search and nomination process for identifying appropriate candidates, the channel via which the eventual appointee was found, and the criteria used to identify and evaluate the candidates.

A skills matrix is used to help identify the gaps. The skills matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as industry knowledge; financial markets; regulation, compliance and/or government relations; leadership; cybersecurity and technology; environmental, social and governance, and also where such skills, knowledge and professional experience were acquired or utilised geographically.

Upon candidates being identified and short-listed by the NC taking into account the Board diversity policy, the NC will meet with the shortlisted candidates to ensure that they are made aware of the expectation and level of commitment required. Following selection of the most suitable candidate(s), the NC will make its recommendation(s) to the Board including appointments to the appropriate Board Committee(s) after matching the candidates' skills set to the needs of the relevant Board Committee. The Board, taking into account the views of the NC, will consider if the candidate(s) meet the relevant criteria under its Board diversity policy and possess the necessary competencies to contribute to the Board's governance of the Company effectively.

Candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, age, skill sets and experience. The Company endeavours to include female candidates in its search pool as a commitment to the Board's target to have at least one female represented on the Board as part of its Board diversity policy. The selection of candidates is evaluated taking into account various factors including the relevant expertise of the candidates and their potential contributions to the current and mid-term needs and goals of the Group. The NC will also take into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities, and assess whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a Director of the Company. The independence of each Director is reviewed upon appointment, and thereafter annually and if circumstances require, by the NC. Independent Directors are required to notify the NC promptly of any relationships or circumstances which arise that are likely to affect, or could appear to affect, the Director's independence.

None of the Directors has an alternate Director. As a Director is expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

In compliance with the requirements of the Listing Manual, where new Directors are appointed to the Board, appointment announcements providing information about the new Director such as his/her age, professional qualifications, working experience and principal commitments are released on SGXNET, and where existing Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNET.

The NC also reviews the succession plans for Directors and key management executives. The Board believes in developing future leaders from among the employees to support the Group's long-term strategy and growth. Employees who have the requisite competency and leadership potential are identified and nurtured through functional training, mentorship and participation in significant projects. In the event that there is no suitable internal candidate for a position, the Board will look to external recruitment.

Board performance

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

Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole, and that of each of its Board Committees and individual Directors. The performance criteria include evaluation in respect of board size and composition, board processes, board information and accountability, board performance in relation to discharging its principal functions and responsibilities, constitution of Board Committees and performance of the Board Committees' delegated roles. Individual Directors are evaluated based on attendance at meetings held during the financial year, preparedness for meetings, analytical skills and the contribution made by the individual Directors at the meetings. The Board believes that engaging in a regular process of self-assessment and evaluation in order to identify key strengths and areas for improvement is essential to effective stewardship. The evaluation process is administered annually by the NC.

Each Director is required to complete assessment forms to evaluate the Board, Board Committees and individual Directors. The Company Secretaries collate the completed forms and prepare a consolidated report for the Chairman of the NC. The NC discusses the report and concludes the performance results during the NC meeting. In consultation with the NC, the Executive Chairman would act on the results of the performance evaluation with a view to strengthening the Board with new members and/or seeking resignation of Directors where appropriate in order to enhance the effectiveness of Board Committees and/or the Board as a whole.

The Board is of the view that while financial indicators such as share price performance and return-on-equity allow for benchmarking of the Board's performance relative to that of competitors and industry peers, non-financial indicators such as feedback received from investors (institutional and/or retail) and market analysts also serve as useful qualitative analysis by external parties. For the long-term success and value creation of the Company, the Board believes that its performance and that of individual Board members is reflected in, and evidenced by, proper guidance, diligent oversight and able leadership of the Company, and the support that it lends to Management in steering the Company and the Group to achieve strategic goals. Having regard to its composition and mix, the Board has endeavoured through each Director's unique contributions and diversity of experience, to ensure that balanced and well-considered decisions are made in the best interests of the Company.

The NC has access to professional advice to facilitate the evaluation process whenever there is a need to consult externally. There was no necessity for external advice to be obtained during the financial year.

REMUNERATION MATTERS

Procedures for developing remuneration policies

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

Level and mix of remuneration

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

Disclosure on remuneration

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

The RC comprises three members, all of whom are independent Non-Executive Directors. Mr David Lim Teck Leong chairs the RC. The other members of the RC are Mr Nagaraj Sivaram and Ms Marie Elaine Teo.

Based on the written terms of reference approved by the Board, the principal functions of the RC are to:

- Review and submit to the Board a framework of remuneration policies for Directors and senior Management;
- Review and submit to the Board the specific remuneration packages and terms of employment of each Director and senior Management, covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind; and
- Review and submit to the Board the setting up of share option schemes or long-term incentive schemes.

As part of its review, the RC will take into consideration the salary and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual Directors and senior Management. When deciding on performance-related remuneration, the RC also takes into account the risk policies of the Company, the risk outcomes and the time horizon of risks that might be undertaken. In particular, the RC considered and took into account the impact of the ongoing COVID-19 pandemic on the Group's performance for the financial year when deciding whether the performance targets previously set were still appropriate and whether they should be revised retrospectively.

The RC, in carrying out its tasks, has access to professional advice on human resource matters whenever there is a need to consult externally. There was no necessity for external advice to be obtained during the financial year.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account. Comparisons are made periodically against directors' fees of other listed companies with similar market capitalisation as the Company to ensure that the Directors' fees are within market norms and commensurate with responsibilities of the Non-Executive Directors. Executive Directors do not receive Directors' fees as they are remunerated as executive employees. No Director is involved in deciding his or her own remuneration. The Directors' fees will only be paid upon approval by the shareholders at the AGM. These measures serve to assure that the independence of the Non-Executive Directors is not compromised by their compensation.

The Executive Chairman and MD are under service contracts with the Company, which stipulate a fixed component in the form of base salary and a variable component linked to the Group's total comprehensive income and return-on-equity. The RC reviews the service contracts annually and any revisions are subject to its approval. The service contracts were renewed for the financial year 2022.

The remuneration framework for all employees comprises a fixed component in the form of a base salary and a variable component in the form of a bonus that is given to the employee after the financial year-end. The bonus is linked to the Group's and the employee's performance. Such performance-linked remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Group. The Company currently does not operate any share-based or long-term incentive schemes for employees. The RC will consider a suitable scheme for executive employees as and when it deems necessary. For the present, the RC is of the view that share-based incentives are not needed as motivational tools to encourage retention of the Executive Directors and key management executives.

There are no termination or retirement benefits that are granted to the Directors and key management executives of the Group. The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim (or "claw-back") incentive components of remuneration from the Executive Directors and key management executives in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

The remuneration of Directors for the financial year is set out below:

Directors	Salary S$'000	Bonus S$'000	Fees S$'000	Other Benefits S$'000	Total S$'000
Goh Geok Khim	1,208	5,173	–	70	6,451
Goh Yew Lin	1,090	5,173	–	78	6,341
Thomas Teo Liang Huat	614	2,587	–	–	3,201
David Lim Teck Leong	–	–	80	–	80
Nagaraj Sivaram	–	–	80	–	80
Marie Elaine Teo	–	–	77	–	77
Total	2,912	12,933	237	148	16,230

The remuneration of key management executives for the financial year is set out below:

Key Management Executives	Salary %	Bonus %	Fees %	Other Benefits %	Total %
S$500,000 to below S$750,000					
Bernie Poh Boon Nee	65	35	–	–	100
S$250,000 to below S$500,000					
Tang Chon Luang	63	37	–	–	100

The aggregate remuneration paid to the above key management executives for the financial year was S$860,000.

Other than the Executive Chairman and MD, there were no employees of the Company who are substantial shareholders of the Company or immediate family members of a Director, the MD or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 during the financial year.

The Board responds to queries from shareholders at AGMs on matters pertaining to remuneration policies and directors' remuneration.

ACCOUNTABILITY AND AUDIT

Risk management and internal controls

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

The Board considers the management of major business risks to be an important and integral part of the Group's overall internal controls framework. The practice of risk management is undertaken by the Executive Directors and senior Management under the purview of the Board. The Company's approach to risk management focuses on ensuring that appropriate controls are in place to effectively manage those risks. Measures are adopted to manage such risks, and risk management policies are monitored by Management, and periodically reviewed and approved by the Board. In this regard, Management pays particular attention to, and ensures that a risk management and compliance framework which is reviewed by the internal auditor, is established for nascent businesses including start-up operations such as the Group's Singapore nursing home business. Any potential control weaknesses flagged by the internal auditor are given immediate attention to ensure that mitigating controls are put in place as soon as possible. The financial risk management objectives and policies of the Group are discussed under Note 31 of the Notes to the Financial Statements.

The Board has received assurance from the MD and the Executive Director & Chief Financial Officer ("ED") at the Board meeting on 23 February 2023 that:

- The financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2022 give a true and fair view of the Group's operations and finances; and

- The system of risk management and internal controls in place within the Group are adequate and effective in addressing the material financial, operational, information technology and compliance risks in the Group. The MD and ED have obtained similar assurances from the business and corporate executive heads in the Group.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management, as well as assurance from the MD and ED, the Board, with the concurrence of the AC, is of the opinion that the internal controls and risk management systems are adequate and effective as at 31 December 2022 to address the financial, operational, information technology and compliance risks which the Group considers relevant and material to its operations. Both the Board and the AC did not identify any material weaknesses in the internal controls and risk management systems during the financial year.

During the financial year ended 31 December 2022, the Board, together with the AC, also paid particular attention to the Group's risk of becoming subject to or violating any sanctions-related law or regulation. While there has been no material change in the risk of the Group being subject to any sanctions-related law or regulation, the Group continues to monitor developments and will ensure timely and accurate disclosure to the SGX-ST and other relevant authorities as appropriate.

The Board, with the assistance of the AC, continually reviews the Group's internal control processes and risk management practices for their adequacy and effectiveness. The system of internal controls maintained by Management and that was in place throughout the financial year provides reasonable assurance against material financial misstatements or loss. Key areas of internal control include the safeguarding of assets, 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.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises three members, all of whom are independent Non-Executive Directors. Mr Nagaraj Sivaram chairs the AC. The other members of the AC are Mr David Lim Teck Leong and Ms Marie Elaine Teo.

The Board is of the view that the AC members have the relevant expertise to discharge the functions of an AC. The Chairman of the AC is a qualified chartered accountant. Collectively, the AC members have extensive experience in the accounting, financial and investment fields. Reasonable resources have been made available to the AC to enable them to discharge their duties. The AC members also take measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through attendance at trainings and updates by professionals and the Company's external auditor.

None of the AC members was a former partner of the Company's existing external auditor, Ernst & Young LLP, within the previous two years or has any financial interest in the firm.

Based on the written terms of reference approved by the Board, the principal functions of the AC are to:

- Review the audit plans of the internal and external auditors of the Company, and review the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by Management to the internal and external auditors;
- Review the half year and full year financial statements and the auditor's report on the annual financial statements of the Company before their submission to the Board;
- Review effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Review the assurances from the MD and ED on the financial records and financial statements;
- Meet with the external auditor, other Board Committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Review the policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and to oversee and monitor whistleblowing;
- Review the cost effectiveness and the independence and objectivity of the external auditor;
- Review the nature and extent of non-audit services provided by the external auditor;
- Recommend to the Board the external auditor to be nominated, approve the compensation of the external auditor, and review the scope and results of the audit;
- Report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;
- Review interested person transactions in accordance with the requirements of the Listing Manual; and
- Monitor the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation, ensure timely and accurate disclosure to the SGX-ST and other relevant authorities, and assess whether independent legal advice or the appointment of a compliance adviser is required in relation to sanctions-related risks applicable to the Group.

The Company has outsourced its internal audit function to PricewaterhouseCoopers Risk Services Pte Ltd. Its personnel assigned to perform the internal audit function are expected to be suitably qualified professionals with the requisite experience and necessary skill sets. The internal auditor is expected to meet or exceed the standards set by nationally or internationally recognised bodies, including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The annual internal audit plan is prepared in consultation with, but independent of Management, and submitted to the AC for approval. The AC ensures that the internal audit function has appropriate standing within the Company. The internal auditor reports directly to the AC and the findings and recommendations made have been adequately followed through and implemented by Management in the financial year. The AC participates in and approves the hiring, removal, evaluation and compensation of the internal audit function. The internal auditor is given unfettered access to all company documents, records, properties and personnel, including access to the AC. The adequacy and effectiveness of the outsourced internal audit function is reviewed by the AC at least annually. In doing so, the AC takes into consideration the service level, attentiveness, professionalism and caliber of the assigned personnel who carried out the internal audit activities during the financial year. The AC is satisfied that the internal audit function is independent, adequately resourced and effective.

In the review of the financial statements, the AC discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The AC also considered the clarity of disclosures on significant matters in the financial statements. Among other matters, the following key audit matters as reported by the external auditor for the financial year ended 31 December 2022 were reviewed and discussed by the AC with Management and the external auditor:

- Valuation of long-term unquoted investments; and
- Investment in associates.

Following the review and discussions, the AC was satisfied with the approach and appropriateness of methodologies used by Management, as adopted and disclosed in the financial statements, and recommendation was made by the AC to the Board to approve the financial statements.

The AC convened two meetings during the financial year. The AC has met with internal and external auditors, without the presence of Management, at least once during the financial year. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of Management and the internal auditor and has full discretion to invite any Director or executive officer to attend its meetings. The auditors, both internal and external, have unrestricted access to the AC.

The AC has reviewed the non-audit services provided by the external auditor, which comprise tax services, and is satisfied with the independence of the external auditor. For details of fees payable to the Company's external auditor, Ernst & Young LLP, in respect of the audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements.

The AC has also put in place a whistleblowing policy, whereby employees, contractors, suppliers and associates of the Group (whether current or former) may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters concerning the Group and its officers. The policy sets out the procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Group and its officers. The AC is responsible for oversight and monitoring of whistleblowing, and oversees the whistleblowing policy and its related procedures. All whistleblowing reports received are reviewed by the Chairman of the AC. Upon receipt of any report, the AC will review it and if deemed necessary appoint an investigator with no personal interest in the matter to conduct an investigation into the matters disclosed. All whistleblowing reports received, including the whistleblower's identity and the persons implicated in the report, are kept strictly confidential. The Company does not tolerate nor condone any retaliatory action taken against the whistleblower and will institute disciplinary action against any employee or person found to have taken such retaliatory action. The whistleblowing policy is published on the Company's website at https://www.gkgoh.com/compliance.aspx, and a copy of the whistleblowing policy is also disseminated to all employees of the Group.

Where relevant, the AC makes reference to the best practices and guidance in (among others) practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") and the Guidance to Audit Committees on ACRA's Audit Quality Indicators Disclosure Framework.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of general meetings

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

Engagement with shareholders

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

As a precautionary measure due to the COVID-19 situation in Singapore and in order to keep physical interactions and COVID-19 transmission risks to a minimum, the Company had convened and held its Extraordinary General Meeting (in relation to the proposed disposal of shares in the capital of Boardroom Limited) on 10 January 2022 and its Thirty-third AGM on 21 April 2022, respectively, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "COVID-19 Temporary Measures Order"). The alternative arrangements put in place for these general meetings included attendance at the relevant general meeting via electronic means where shareholders could observe and/or listen to the proceedings via live audio-visual webcast or live audio-only stream, submission of substantial and relevant questions to the Chairman of the Meeting in advance of, or live at the relevant general meeting, and voting by appointing the Chairman of the Meeting as proxy at the relevant general meeting.

In order to facilitate shareholders' votes and to allow shareholders to make an informed decision on the resolutions to be tabled at the relevant general meeting, the Company addressed all substantial and relevant questions received from shareholders in advance of the relevant general meeting (by the deadline announced by the Company for submission of questions in advance), by publishing its responses to such questions on the Company's website and on SGXNET before the deadline for the submission of proxy forms, in line with regulatory guidance.

On 15 December 2022, the Ministry of Law announced that the COVID-19 Temporary Measures Order will cease with effect from 1 July 2023. As Singapore has progressively transitioned towards living with COVID-19 and meetings can take place physically, the Company has planned for its upcoming Thirty-fourth AGM on 24 April 2023 to be held in a wholly physical format. Shareholders (themselves or through duly appointed proxies) will be able to attend the upcoming AGM in person. The upcoming AGM will be held pursuant to the COVID-19 Temporary Measures Order, to facilitate change of the AGM format if necessitated by regulatory authorities at the relevant time. The Company's usual practice for the conduct of general meetings (that is, with in-person participation by shareholders) is otherwise set out below.

The Company's main dialogue with its shareholders, which includes institutional and retail investors, takes place at its AGMs. Shareholders are encouraged to attend AGMs. The Board and Management, as well as the external auditor, are in attendance at AGMs to address shareholders' questions on issues relevant to the Company and resolutions proposed at the AGMs. The Directors' attendances at general meetings of shareholders held in the financial year ended 31 December 2022 are disclosed at the end of this report.

Shareholders can vote in person or appoint up to two proxies to attend, speak and vote on their behalf at general meetings of shareholders, with the exception that shareholders such as nominee companies, which provide custodial services for securities, are able to appoint more than two proxies to attend, speak and vote at general meetings. All resolutions are tabled separately unless they are interdependent and linked, and the reasons and material implications are explained.

For greater transparency in the voting process, the Company implements electronic poll voting at general meetings. An independent scrutineer is appointed by the Company to ensure that satisfactory procedures of the voting process are in place before the general meeting, and to oversee the count of the votes cast in person or through proxy. Shareholders and proxies in attendance at the meeting are informed of the house rules and voting procedures. The detailed results of the votes cast, for or against, on each resolution polled are tallied and disclosed instantaneously at the general meeting. These detailed voting results are also announced by the Company after the meeting in accordance with relevant requirements of the Listing Manual.

Provision 11.4 of the Code provides that a company's constitution should allow for absentia voting at general meetings of shareholders (such as via mail, email or fax). As the authentication of shareholder 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.

The Company Secretaries prepare the minutes of the Company's general meetings, including AGMs, which include substantial and relevant queries from shareholders and the corresponding responses from the Board and Management. Minutes of general meetings of shareholders are published on SGXNET and the Company's website as soon as practicable after such meetings.

The Company does not distribute a fixed amount or fixed percentage of earnings by way of dividend in any financial year. Rather, in fixing a dividend for any year, the Board considers a number of factors, including current and forecast earnings, capital expenditure requirements, growth options and the Company's debt/equity position. As a matter of policy, the Company aims to pay a consistent and sustainable base dividend to shareholders over the long term by balancing growth with prudent capital management. Historically, based on the dividends paid by the Company over the past five years, the average base dividend per annum was about 2 cents per share. In exceptional years, the Company endeavours to pay special dividends to reflect the large profits made from asset sales.

For the financial year ended 31 December 2022, the Company provided shareholders with half year and full year financial results. Results for the first half year were released to shareholders within 45 days from the end of the financial period. Full year results were released within 60 days from the end of the financial year. The financial results are published via SGXNET as well as on the Company's website. In presenting the financial results to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's position and prospects. The Company has in place a system of reporting to maintain compliance with statutory and regulatory reporting requirements, including requirements under the Listing Manual.

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. This includes the Company's commitment to regularly communicate significant developments in its business and operations in addition to its periodic results and Annual Reports to shareholders and investors. Immediate announcements are made via SGXNET where required under the Listing Manual. Where immediate announcement is not practical, the announcement is made as soon as possible to ensure that shareholders and the public have fair access to the information. Such announcements as well as annual reports, financial highlights and other information pertinent to investors are also made available on the Company's website. This practice is aimed at promoting effective and fair communication with shareholders and the investing public.

The Company's investor relations policy also sets out the mechanism through which shareholders and other stakeholders may submit feedback and questions to the Company and through which the Company may respond to such questions. Aside from the forum of its AGMs where shareholders can provide comments and ask questions relevant to the agenda of the meeting, the Company provides shareholders, other stakeholders and members of the public with an avenue to submit feedback and questions through the Company's website www.gkgoh.com, and endeavours to ensure that they receive responses from the Company in a timely manner. In addition, the Company reviews on a regular basis, and updates whenever necessary, the investor relations section of its website to keep the investing public apprised of corporate developments and the financial performance of the Group and the Company. The foregoing allows for active engagement and exchange of views with shareholders, investors and others who are interested to learn about the Group. Enquiries from shareholders, analysts and the press are handled by specifically designated members of senior Management (in lieu of a dedicated investor relations team) who observe strict rules against selective disclosure.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with stakeholders

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

The Board sets the tone from the top for matters such as values and standards (including ethical business practices) and brand reputation. It also oversees the Group's strategic direction and long-term sustainability. Recognising that perceptions of key stakeholders can affect an organisation's reputation, the Executive Directors and senior members of Management actively identify and engage with key stakeholders of the Group, and updates and any relevant feedback received are communicated to the Board.

Key stakeholders are identified through Board and Management discussions. The table below summarises the Group's approach to stakeholder engagement:

Key Stakeholders	Forms of Engagement	Key Concerns
Customers	• Customer feedback • Focus group discussions • Promotional roadshows	• Quality of services • Customer privacy and information confidentiality
Employees	• Team building sessions • Corporate events • Company intranet platform	• Competitive wages and benefits • Opportunities for career growth and development • Work-life balance
Shareholders	• Annual general meetings • Annual reports • Half year and full year financial results • SGXNET announcements	• Stable and sustainable growth and profitability • Returns to shareholders
Business partners	• Transaction meetings • Annual partners' meetings • Corporate events	• Stable partnerships • Quality referrals • Good investment returns
Governments and Regulators	• Engagements and meetings with local authorities • Consultations with regulatory bodies	• Compliance with regulations • Corporate governance and ethical behaviour
Suppliers	• Requests for quotations and proposals • Supplier briefings	• Fair supplier selection process • Timely payment
Communities	• Donations • Fund raising events	• Corporate social responsibility initiatives

DEALING IN SECURITIES

The Group has adopted a Best Practices Guide with respect to dealings in securities based on the best practices recommendations of the SGX-ST, and extended its application to financial futures, foreign exchange contracts and over-the-counter instruments. Directors and staff, as well as the Company itself, are prohibited from dealing in the securities of the Company during the periods commencing one month before the announcement of the Company's half year and full year financial statements in accordance with the guidelines set out in the Best Practices Guide. The prohibition is extended to the listed major investments of the Company. In addition, Directors and staff are required to observe the regulatory requirements of the respective markets that the Group operates in and are expected not to deal in securities and other financial instruments on short-term considerations.

Directors are required to report to the Company Secretaries whenever they deal in the Company's shares. Thereafter, the Company Secretaries update the Register of Directors' Shareholdings and make the necessary announcements on SGXNET.

ETHICAL STANDARDS AND BUSINESS CONDUCT

The Company has developed a code of ethics and business conduct ("Code of Ethics"), which has been fully endorsed by the Board, and disseminated to all employees of the Group. The Code of Ethics, which also deals with subjects such as confidential information and insider trading, is applied in conjunction with relevant laws and regulations. The Code of Ethics is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism. In essence, the Code of Ethics requires that all personnel act with utmost integrity, objectivity and in compliance with both the letter and spirit of the law as well as with company policies and procedures.

INTERESTED PERSON TRANSACTIONS

The following interested person transaction (within the meaning of the Listing Manual) was entered into on normal commercial terms during the financial year:

Name of interested person	Nature of relationship	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Alpha Securities Pte Ltd	Subsidiary of GKG Investment Holdings Pte Ltd (controlling shareholder)	S$660,000 [1]	–

(1) Consideration for provision of accounting, human resource and investment management services.

The Company did not obtain a shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual during the financial year.

MATERIAL CONTRACTS

Since the end of the previous financial year, no material contract involving the interest of any Director or controlling shareholder of the Company was entered into by the Company or its subsidiaries, and no such contract subsisted as at 31 December 2022.

SUSTAINABILITY REPORT

The Company will be publishing its Sustainability Report based on the Global Reporting Initiative Standards. Material environmental, social and governance factors identified include Employees, Environment and Anti-corruption. The report will be available on the Company's website www.gkgoh.com by 30 April 2023.

ATTENDANCE OF DIRECTORS AT GENERAL MEETINGS, BOARD AND BOARD COMMITTEE MEETINGS

	Number of meetings attended in 2022					
Name	**Extraordinary General Meeting**	**Annual General Meeting**	**Board of Directors**	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**
Goh Geok Khim	1	1	2	–	–	1
Goh Yew Lin	1	1	2	–	–	–
Thomas Teo Liang Huat	1	1	2	–	–	–
David Lim Teck Leong	1	1	2	2	1	1
Nagaraj Sivaram	1	1	2	2	1	1
Marie Elaine Teo	1	1	2	2	1	1
Number of meetings held in 2022	1	1	2	2	1	1

DIRECTORS' STATEMENT & FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of G. K. Goh Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year then ended; 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:

Goh Geok Khim	Executive Chairman
Goh Yew Lin	Managing Director
Thomas Teo Liang Huat	Executive Director & Chief Financial Officer
David Lim Teck Leong	
Nagaraj Sivaram	
Marie Elaine Teo	

In accordance with Article 94 of the Company's Constitution, Goh Yew Lin and David Lim Teck Leong retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objective 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' interest in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967 (the "Act"), an interest in the shares of the Company, the Company's holding company and its related companies (other than wholly-owned subsidiaries) as stated below:

	Held in the name of the directors		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares				
The holding company, GKG Investment Holdings Pte Ltd				
Goh Geok Khim	2,500,500	2,500,500	704,500	704,500
Goh Yew Lin	1,495,000	1,495,000	–	–
The Company, G. K. Goh Holdings Limited				
Goh Geok Khim	–	–	197,648,722	197,648,722
Goh Yew Lin	–	–	197,684,722	197,684,722
Thomas Teo Liang Huat	256,141	256,141	–	–
David Lim Teck Leong	10,478	10,478	–	–
Nagaraj Sivaram	304,000	304,000	–	–
Marie Elaine Teo	–	–	301,200	375,400
Subsidiary, Boardroom Limited				
Thomas Teo Liang Huat	150,000	–	–	–

By virtue of Section 7 of the Act, Goh Geok Khim and Goh Yew Lin are deemed to have an interest in the 197,648,722 shares held by GKG Investment Holdings Pte Ltd in the Company and all the shares held by G. K. Goh Holdings Limited in its subsidiaries.

By virtue of Section 164(15)(a) of the Act, Goh Geok Khim and Marie Elaine Teo are deemed to have an interest in the shares held by their spouse in GKG Investment Holdings Pte Ltd and the Company respectively.

There was no change in the directors' interests between the end of the financial year and 21 January 2023.

Share options

The Company does not have any share option scheme.

Audit committee

The audit committee performed the functions specified in the Act. The functions performed are detailed in the Corporate Governance Report.

Auditor

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

On behalf of the board of directors:

Goh Geok Khim
Executive Chairman

Thomas Teo Liang Huat
Executive Director & Chief Financial Officer

Singapore
15 March 2023

INDEPENDENT AUDITOR'S REPORT

To the members of G. K. Goh Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of G. K. Goh Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company, and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Key audit matters (cont'd)

1. *Fair value of long-term unquoted investments*

As at 31 December 2022, the Group held long-term unquoted investments of S$205.0 million. Management has fair valued these investments using inputs based on the fair value hierarchy disclosed in Note 29 *Fair value of assets and liabilities*. The valuation of long-term unquoted investments entails significant judgement and estimation uncertainty, therefore we have identified this as a key audit matter.

We obtained an understanding of the Group's internal controls over the valuation process, including management's approval of the valuation method, controls over the valuation inputs and calculation, and management's review of valuations provided by third parties. For valuations of unquoted investments, we compared management's valuations to valuations from the third party fund managers and obtained other information including audited financial statements and fund reports to assess management's valuation. For valuations which are based on recent transacted prices, we have assessed if the transacted prices are suitable references for fair value by taking into consideration available information and circumstances relevant to the transactions. For valuations which are based on valuation models, we tested the appropriateness of the valuation model and compared the inputs used in the model to external sources where available. We have also checked that the recent redemptions are close to the valuation provided by fund managers. We have discussed with management to understand how they have considered the implications of COVID-19 and market uncertainty in the valuations. In addition, we also reviewed the adequacy of the disclosures relating to the valuation of investments made in Note 12 *Long-term investments* and Note 29 *Fair value of assets and liabilities*.

2. *Investment in associates*

The Group holds significant investments in associates that are accounted for using the equity method including a 48% equity investment in Opal HealthCare Group ("Opal"), a provider of aged care services in Australia that is disclosed in Note 1 *Corporate information* and Note 11 *Associates*. As at 31 December 2022, the carrying amount of the Group's investment in Opal is S$90.7 million, and its share of Opal's loss for the year then ended was S$30.8 million. Opal contributes significantly to the Group's net assets, therefore we have identified this as a key audit matter.

Opal is audited by a different component auditor, who report to us on the results of their audit procedures in accordance with the group audit instructions issued and scope assigned by us. We determined the scope of the component auditor's work based on the relative contribution to the consolidated financial statements and the specific audit and accounting issues and risks relating to Opal. We were involved in the planning, execution and conclusion of the component auditor's work, including site visits, meetings and conference calls with the component audit team. We reviewed the audit procedures performed and evaluated the audit evidence they obtained as a basis for forming our opinion on the financial statements of the Group as a whole as well as in assessing the risk of impairment in relation to the Group's investment in Opal. We also reviewed the adequacy of the disclosures made in the aforementioned notes to the financial statements.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
15 March 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	Group 2022 S$'000	Group 2021 S$'000
CONTINUING OPERATIONS			
Revenue	3	(3,810)	26,277
Costs and expenses			
Employees' compensation and related costs	25	(27,343)	(14,275)
Office and equipment rental costs		(32)	(62)
Depreciation and amortisation		(4,206)	(4,458)
Technology and information services costs		(586)	(524)
Gain on foreign currency exchange		11,007	4,879
Other operating expenses	4	(5,306)	(4,678)
Total costs and expenses		(26,466)	(19,118)
(Loss) / profit from operating activities		(30,276)	7,159
Finance costs	4	(2,568)	(3,311)
Share of loss of associates		(22,632)	(1,870)
(Loss) / profit before tax		(55,476)	1,978
Taxation	5	(2,511)	528
(Loss) / profit for the year before discontinued operations		(57,987)	2,506
DISCONTINUED OPERATIONS			
Profit from discontinued operations, net of tax	10	131,172	18,305
Profit for the year		73,185	20,811
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Net fair value (loss) / gain on financial assets		(7,872)	4,363
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of associates		1,146	1,322
Net gain on cash flow hedge		1,830	861
Foreign currency translation		(8,342)	(6,982)
Other comprehensive loss for the year, net of tax		(13,238)	(436)
Total comprehensive income for the year		59,947	20,375
Profit / (loss) attributable to:			
Owners of the Company			
– from continuing operations		(57,987)	2,506
– from discontinued operations		131,172	16,836
Non-controlling interests		–	1,469
		73,185	20,811
Total comprehensive income / (loss) attributable to:			
Owners of the Company			
– from continuing operations		(71,225)	2,995
– from discontinued operations		131,172	15,985
Non-controlling interests		–	1,395
		59,947	20,375
(Loss) / earnings per share (basic and diluted)	7		
– from continuing operations		(18.21)¢	0.77¢
– from discontinued operations		41.19¢	5.20¢
– total		22.98¢	5.97¢

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

BALANCE SHEETS

As at 31 December 2022

	Note	Group 2022 S$'000	Group 2021 S$'000	Company 2022 S$'000	Company 2021 S$'000
Non-current assets					
Property, plant and equipment	8	20,222	22,477	419	157
Right-of-use assets	22	22,482	23,040	1,967	1,738
Investment properties	9	3,727	3,727	–	–
Subsidiaries	10	–	–	237,599	254,806
Associates	11	113,255	157,238	–	–
Long-term investments	12	207,924	213,415	2,103	2,621
Deferred tax assets	5	8,878	9,565	–	–
Current assets					
Amounts receivable from subsidiaries	13	–	–	116,279	130,363
Assets of disposal group classified as held for sale		–	216,161	–	–
Trade debtors	14	280	223	–	–
Other debtors	15	4,451	1,949	958	445
Inventory		73	72	–	–
Short-term investments	16	40,265	37,429	–	–
Cash and bank balances	17	96,821	18,411	77,143	277
		141,890	274,245	194,380	131,085
Current liabilities					
Liabilities of disposal group classified as held for sale		–	77,692	–	–
Trade creditors	18	1,350	1,117	–	–
Other creditors	19	33,522	7,940	13,504	3,706
Lease liabilities	22	598	414	548	374
Bank borrowings	20	39,656	141,009	15,525	53,452
Provision for taxation		352	588	349	85
		75,478	228,760	29,926	57,617
Net current assets		66,412	45,485	164,454	73,468
Non-current liabilities					
Lease liabilities	22	1,505	1,388	1,460	1,388
Bank borrowings	20	28,125	29,425	–	–
Deferred tax liabilities	5	3,677	2,690	2,086	1,724
Net assets		409,593	441,444	402,996	329,678
Equity attributable to Owners of the Company					
Share capital	21	191,987	191,987	191,987	191,987
Revenue reserve		230,738	250,999	214,471	140,635
Fair value adjustment reserve		3,078	10,137	(3,599)	(3,081)
Foreign currency translation reserve		(19,878)	(11,536)	–	–
Cash flow hedge reserve		3,531	555	–	–
Capital reserve		137	137	137	137
Transactions with non-controlling interests		–	(14,634)	–	–
Reserves of disposal group held for sale		–	3,607	–	–
		409,593	431,252	402,996	329,678
Non-controlling interests		–	10,192	–	–
Total equity		409,593	441,444	402,996	329,678

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

Group 2022	Attributable to Owners of the Company										
	Share capital (Note 21) S$'000	Revenue reserve S$'000	Fair value adjustment reserve [1] S$'000	Foreign currency translation reserve [2] S$'000	Cash flow hedge reserve S$'000	Capital reserve [3] S$'000	Transactions with non-controlling interests S$'000	Reserves of disposal group held for sale S$'000	Equity attributable to Owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 January 2022	191,987	250,999	10,137	(11,536)	555	137	(14,634)	3,607	431,252	10,192	441,444
Profit for the year	–	73,185	–	–	–	–	–	–	73,185	–	73,185
Other comprehensive income / (loss)											
Net fair value loss on financial assets	–	–	(7,872)	–	–	–	–	–	(7,872)	–	(7,872)
Share of other comprehensive income of associates	–	–	–	–	1,146	–	–	–	1,146	–	1,146
Net gain on cash flow hedge	–	–	–	–	1,830	–	–	–	1,830	–	1,830
Foreign currency translation	–	–	–	(8,342)	–	–	–	–	(8,342)	–	(8,342)
Other comprehensive income / (loss) for the year	–	–	(7,872)	(8,342)	2,976	–	–	–	(13,238)	–	(13,238)
Total comprehensive income / (loss) for the year	–	73,185	(7,872)	(8,342)	2,976	–	–	–	59,947	–	59,947

STATEMENTS OF CHANGES IN EQUITY (Continued)

For the financial year ended 31 December 2022

Group 2022	Attributable to Owners of the Company										
	Share capital (Note 21) S$'000	Revenue reserve S$'000	Fair value adjustment reserve (1) S$'000	Foreign currency translation reserve (2) S$'000	Cash flow hedge reserve S$'000	Capital reserve (3) S$'000	Transactions with non-controlling interests S$'000	Reserves of disposal group held for sale S$'000	Equity attributable to Owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Contributions by and distributions to Owners											
Dividend on ordinary shares (Note 6)	–	(70,625)	–	–	–	–	–	–	(70,625)	–	(70,625)
Shares re-purchased	–	(7,374)	–	–	–	–	–	–	(7,374)	–	(7,374)
Total transactions with Owners in their capacity as Owners	–	(77,999)	–	–	–	–	–	–	(77,999)	–	(77,999)
Others											
Transfer of loss on disposal of financial assets	–	(813)		813	–	–	–	–	–	–	–
Disposal of discontinued operations	–	(14,634)	–	–	–	–	14,634	(3,607)	(3,607)	(10,192)	(13,799)
Total others	–	(15,447)	813	–	–	–	14,637	(3,607)	(3,607)	(10,192)	(13,799)
Balance at 31 December 2022	191,987	230,738	3,078	(19,878)	3,531	137	–	–	409,593	–	409,593

STATEMENTS OF CHANGES IN EQUITY (Continued)
For the financial year ended 31 December 2022

Group 2021	Share capital (Note 21) S$'000	Revenue reserve S$'000	Fair value adjustment reserve [1] S$'000	Foreign currency translation reserve [2] S$'000	Cash flow hedge reserve S$'000	Capital reserve [3] S$'000	Transactions with non-controlling interests S$'000	Reserves of disposal group held for sale S$'000	Equity attributable to Owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
	Attributable to Owners of the Company										
Balance at 1 January 2021	191,987	251,155	(4,119)	(957)	(1,692)	137	(14,634)	–	421,877	9,634	431,511
Profit for the year	–	19,342	–	–	–	–	–	–	19,342	1,469	20,811
Other comprehensive income / (loss)											
Net fair value gain on financial assets	–	–	4,363	–	–	–	–	–	4,363	–	4,363
Share of other comprehensive income of associates	–	–	–	–	1,322	–	–	–	1,322	–	1,322
Net gain / (loss) on cash flow hedge	–	–	–	–	886	–	–	–	886	(25)	861
Foreign currency translation	–	–	–	(6,933)	–	–	–	–	(6,933)	(49)	(6,982)
Other comprehensive income / (loss) for the year	–	–	4,363	(6,933)	2,208	–	–	–	(362)	(74)	(436)
Total comprehensive income / (loss) for the year	–	19,342	4,363	(6,933)	2,208	–	–	–	18,980	1,395	20,375

STATEMENTS OF CHANGES IN EQUITY (Continued)

For the financial year ended 31 December 2022

Group 2021	Attributable to Owners of the Company										
	Share capital (Note 21) S$'000	Revenue reserve S$'000	Fair value adjustment reserve [1] S$'000	Foreign currency translation reserve [2] S$'000	Cash flow hedge reserve S$'000	Capital reserve [3] S$'000	Transactions with non-controlling interests S$'000	Reserves of disposal group held for sale S$'000	Equity attributable to Owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Contributions by and distributions to Owners											
Dividend on ordinary shares (Note 6)	–	(6,496)	–	–	–	–	–	–	(6,496)	–	(6,496)
Shares re-purchased	–	(3,109)	–	–	–	–	–	–	(3,109)	–	(3,109)
Total contributions by and distributions to Owners	–	(9,605)	–	–	–	–	–	–	(9,605)	–	(9,605)
Changes in ownership interests in subsidiaries											
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(837)	(837)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	–	(837)	(837)
Total transactions with Owners in their capacity as Owners	–	(9,605)	–	–	–	–	–	–	(9,605)	(837)	(10,442)
Others											
Transfer of loss on disposal of financial assets	–	(9,893)	9,893	–	–	–	–	–	–	–	–
Reserves of disposal group held for sale	–	–	–	(3,646)	39	–	–	3,607	–	–	–
Total others	–	(9,893)	9,893	(3,646)	39	–	–	3,607	–	–	–
Balance at 31 December 2021	191,987	250,999	10,137	(11,536)	555	137	(14,634)	3,607	431,252	10,192	441,444

STATEMENTS OF CHANGES IN EQUITY (Continued)

For the financial year ended 31 December 2022

Company 2022	**Share capital (Note 21) S$'000**	**Revenue reserve S$'000**	**Fair value adjustment reserve [1] S$'000**	**Capital reserve [3] S$'000**	**Total equity S$'000**
Balance at 1 January 2022	191,987	140,635	(3,081)	137	329,678
Profit for the year	–	151,835	–	–	151,835
Other comprehensive loss					
Net fair value loss on financial assets	–	–	(518)	–	(518)
Total comprehensive income / (loss) for the year	–	151,835	(518)	–	151,317
Contributions by and distributions to Owners					
Dividend on ordinary shares (Note 6)	–	(70,625)	–	–	(70,625)
Shares re-purchased	–	(7,374)	–	–	(7,374)
Total transactions with Owners in their capacity as Owners	–	(77,999)	–	–	(77,999)
Balance at 31 December 2022	191,987	214,471	(3,599)	137	402,996

STATEMENTS OF CHANGES IN EQUITY (Continued)

For the financial year ended 31 December 2022

Company 2021	Share capital (Note 21) S$'000	Revenue reserve S$'000	Fair value adjustment reserve [1] S$'000	Capital reserve [3] S$'000	Total equity S$'000
Balance at 1 January 2021	191,987	149,100	(1,223)	137	340,001
Profit for the year	–	1,140	–	–	1,140
Other comprehensive loss					
Net fair value loss on financial assets	–	–	(1,858)	–	(1,858)
Total comprehensive income / (loss) for the year	–	1,140	(1,858)	–	(718)
Contributions by and distributions to Owners					
Dividend on ordinary shares (Note 6)	–	(6,496)	–	–	(6,496)
Shares re-purchased	–	(3,109)	–	–	(3,109)
Total transactions with Owners in their capacity as Owners	–	(9,605)	–	–	(9,605)
Balance at 31 December 2021	191,987	140,635	(3,081)	137	329,678

(1) This represents the cumulative fair value changes of financial assets until they are derecognised or impaired.

(2) This represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency.

(3) This reserve is not available for distribution as dividend.

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2022

	Note	Group 2022 S$'000	Group 2021 S$'000
Operating activities			
(Loss) / profit before tax from continuing operations		(55,476)	1,978
Profit before tax from discontinued operations	10	131,172	24,029
Profit before tax		75,696	26,007
Adjustments for:			
Depreciation and amortisation		4,206	11,900
(Gain) / loss on disposal of property, plant and equipment		(3)	60
Gain on disposal of subsidiary	10	(131,172)	–
Gain on disposal of associate		–	(3,986)
Finance costs		2,568	4,827
Interest income		(1,724)	(583)
Dividend income	3	(3,710)	(1,257)
Write-back of doubtful debts		–	(313)
Fair value adjustment		15,156	(13,653)
Share of loss of associates		22,632	1,668
Unrealised exchange differences		(7,594)	(5,021)
Operating cash flows before changes in working capital		(23,945)	19,649
Increase in debtors		(309)	(1,935)
Increase in inventory		(1)	(50)
Increase in short-term investments		(6,863)	(5,653)
Increase in creditors		25,371	155
Cash flows (used in) / from operations		(5,747)	12,166
Interest paid		(2,770)	(4,897)
Interest received		1,304	577
Income tax refund / (paid)		3	(5,733)
Net cash flows (used in) / from operating activities		(7,210)	2,113

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the financial year ended 31 December 2022

	Note	Group 2022 S$'000	Group 2021 S$'000
Investing activities			
Purchase of property, plant and equipment	8	(563)	(1,433)
Proceeds from disposal of property, plant and equipment		8	6
Purchase of intangible assets		–	(1,893)
Purchase of long-term investments		(35,938)	(37,921)
Proceeds from sale of long-term investments		22,111	40,049
Disposal of discontinued operations, net of cash disposed of	10	220,266	–
Investment in associate		(610)	–
Proceeds from disposal of associate		–	7,725
Capital distribution from associate		6,743	–
Net dividend received from associates		7,977	13,725
Dividend income received		3,659	1,161
Net cash flows from investing activities		223,653	21,419
Financing activities			
Dividend paid	6	(70,625)	(6,496)
Shares re-purchased		(7,374)	(3,109)
Dividend paid to non-controlling interests		–	(837)
Repayment of principal portion of lease liabilities	22	(527)	(6,469)
Repayment of bank borrowings	20	(95,059)	(6,979)
Net cash flows used in financing activities		(173,585)	(23,890)
Net increase / (decrease) in cash and cash equivalents		42,858	(358)
Effect of exchange rate changes in opening cash and cash equivalents		(24)	1,389
Cash and cash equivalents at 1 January	17	53,987	52,956
Cash and cash equivalents at 31 December	17	96,821	53,987

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

1. Corporate information

G. K. Goh Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore.

The Company is a subsidiary of GKG Investment Holdings Pte Ltd which is incorporated in Singapore.

The registered office and principal place of business of G. K. Goh Holdings Limited is located at 11 North Buona Vista Drive, #08-08 The Metropolis Tower 2, Singapore 138589.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed below. There has been no significant change in the nature of these activities during the financial year.

In the financial statements, related companies refer to members of the GKG Investment Holdings Pte Ltd group of companies.

Major subsidiaries and associates of the Group are as follows:

	Name	Principal place of business / Country of incorporation	Principal activities	Proportion (%) of ownership interest 2022	2021
	Subsidiaries				
	Investment holding				
*	Ardisia Limited	Hong Kong / British Virgin Islands	Investment holding	100	100
*	Cacona Pte Ltd	Singapore	Investment holding	100	100
*	G. K. Goh Strategic Holdings Pte Ltd	Singapore	Investment holding	100	100
*	G. K. Goh Ventures Pte Ltd (formerly known as Saliendra Pte Ltd)	Singapore	Investment holding	100	100
*	Perilla Pte Ltd	Singapore	Investment holding	100	100
*	Salacca Pte Ltd	Singapore	Investment holding	100	100
*	Solanum Investment Pte Ltd	Singapore	Investment holding	100	100

1. Corporate information (cont'd)

	Name	Principal place of business / Country of incorporation	Principal activities	Proportion (%) of ownership interest 2022	2021
	Subsidiaries				
	Aged care services				
*	Allium Healthcare Holdings Pte Ltd	Singapore	Investment holding and management consultancy services	100	100
*#	Allium Healthcare Services Pte Ltd	Singapore	Healthcare related services	100	100
*#	Allium Healthcare (Singapore) Pte Ltd	Singapore	Nursing home operator	100	100
**#	Allium Holdings Pty Ltd	Australia	Investment holding	100	100
*#	Allium Investments Pte Ltd	Singapore	Investment holding	100	100
	Corporate services				
*#(1)	Boardroom Limited	Singapore	Investment holding	–	92
*#(1)	Boardroom Corporate & Advisory Services Pte Ltd	Singapore	Corporate secretarial and share registry services	–	92
*#(1)	Boardroom Business Solutions Pte Ltd	Singapore	Accounting, taxation and payroll services	–	92
^#(1)	Boardroom Holdings Australia Pty Ltd	Australia	Investment holding	–	92
**#(1)	Boardroom Corporate Services (HK) Limited	Hong Kong	Corporate secretarial, accounting, taxation and payroll services	–	92
**#(1)	Boardroom (Malaysia) Sdn Bhd	Malaysia	Investment holding	–	92
*#(1)	Boardroom China Holdings Pte Ltd	Singapore	Investment holding	–	92
	Associates				
**#(2)	ACIT Finance Pty Ltd	Australia	Residential aged care services	50	50
**#(2)	DAC Finance Pty Ltd	Australia	Residential aged care services	48	48
**#(2)	Principal Healthcare Finance Trust	Australia	Residential aged care services	48	48
**#(2)	Principal Healthcare Finance Pty Ltd	Australia	Residential aged care services	50	50
*#	Habitat Assets Pte Ltd	Singapore	Investment holding	29	36
*#	Value Monetization III Ltd	Australia / British Virgin Islands	Investment holding	29	29

1. Corporate information (cont'd)

* Audited by Ernst & Young LLP, Singapore.
** Audited by member firms of EY Global in the respective countries.
^ Audited by Deloitte Touche Tohmatsu Limited, Australia.
# Held by subsidiaries.
(1) Included in discontinued operations.
(2) Collectively known as Opal HealthCare Group. Shares and units in these entities are stapled, and as such, an interest in one entity cannot be issued, transferred, redeemed or bought back, unless the equivalent proportion of securities in the other entities are also issued, transferred, redeemed or bought back.

In appointing the auditing firms of the Company, subsidiaries and significant associates, the Company has complied with Listing Rules 712 and 715.

2. Material accounting policies

2.1 *Basis of preparation*

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

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

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

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised SFRS(I) that are effective for annual periods beginning on or after 1 January 2022 and early adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies*.

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to SFRS(I) 1-1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to SFRS(I) Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. Material accounting policies (cont'd)

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) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Non-current Liabilities with Covenants*	1 January 2024
Amendment to SFRS(I) 16 *Leases: Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Except for amendments to SFRS(I) 1-12, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of the amendments to SFRS(I) 1-12 is described below.

Amendments to SFRS(I) 1-12 Income Taxes

Amendments to SFRS(I) 1-12 narrow the scope of the initial recognition exception under SFRS(I) 1-12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts the amendments to SFRS(I) 1-12 in 2023.

On adoption of the amendments to SFRS(I) 1-12, the Group expects to recognise higher investment in associate of $4,908,000 and an adjustment to opening retained earnings of $4,908,000.

2. Material accounting policies (cont'd)

2.4 *Significant accounting estimates and judgements*

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.

Judgements made in applying accounting policies

(a) *Accounting for Opal HealthCare Group ("Opal") as an associate*

The Group owns 48% of the stapled interest in Opal together with AMP Capital's managed clients, who also owns 48%, and Opal's management who holds the balance. The Group has significant influence over Opal in the form of board representation and participation in policy-making processes, but does not have joint control over the asset management and financing decisions. As such, the Group accounts for Opal as an associate. Further details may be found in Note 11.

Key sources of estimation uncertainty

(a) *Estimation of fair value of the Group's long-term unquoted financial instruments*

The Group fair values its long-term unquoted financial instruments using the price or net asset value released by the investment manager or fund administrator as at the end of the reporting period, or valuation techniques which may include using recent arm's length market transactions between knowledgeable, willing parties and the current fair value of comparable companies, taking into consideration the potential impact of the COVID-19 pandemic and market uncertainties. The final recoverable value of the Group's unquoted investments may be different from the recorded fair value. When the final value on disposal is different from the recorded value, such difference will impact the consolidated statement of comprehensive income in the financial year in which such determination is made. The carrying amounts of the Group's investments are disclosed in Notes 12 and 16.

2.5 *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 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 or 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.

2. Material accounting policies (cont'd)

2.6 *Functional and foreign currencies*

(a) *Functional currency*

The Group's consolidated financial statements are presented in SGD, 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 by that functional currency.

(b) *Foreign currencies*

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 determined.

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.

For consolidation purposes, 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 average exchange rates for the financial year. 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.

2.7 *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 its subsidiaries are accounted for at cost less any impairment losses. Details of the subsidiaries are disclosed in Note 1.

2. Material accounting policies (cont'd)

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.

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

2.9 *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.

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

Building	–	27 years
Plant and equipment	–	5 years
Computer and automation equipment	–	3 years
Office equipment	–	3 years
Furniture, fittings and leasehold improvements	–	3 to 5 years or over lease term, whichever is shorter
Motor vehicles	–	5 years

Assets under construction are not depreciated as these assets are not yet available for use.

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

2.10 *Investment properties*

Investment properties are initially recorded at cost, including transaction costs. Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed on a straight-line basis over the lease term of the properties.

Freehold land has unlimited useful life and therefore is not depreciated.

2. Material accounting policies (cont'd)

2.11 *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 instruments.

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

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

Subsequent measurement

(a) *Equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("FVOCI"). 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 ("FVPL").

(b) *Debt instruments*

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

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets are measured at FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which 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.

Debt instruments that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

2. Material accounting policies (cont'd)

2.11 *Financial assets (cont'd)*

Subsequent measurement (cont'd)

(c) *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 when 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 for debt instruments is recognised in profit or loss.

Regular way purchases and sales

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

2.12 *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2. Material accounting policies (cont'd)

2.13 *Impairment of financial assets*

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

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

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

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

2.14 *Hedge accounting*

The Group has entered into interest rate swaps to manage its exposure to interest rate risks. The interest rate swaps are designated as hedging instruments and the Group has applied hedge accounting. The hedge is classified as a cash flow hedge.

2. Material accounting policies (cont'd)

2.14 *Hedge accounting (cont'd)*

At the inception of the hedge, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the hedge transaction. On an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risks, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

(a) there is an economic relationship between the hedged item and the hedging instrument;

(b) the effect of credit risk does not dominate the value changes that result from that economic relationship; and

(c) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If the hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur, or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

2. Material accounting policies (cont'd)

2.14 *Hedge accounting (cont'd)*

Interest Rate Benchmark Reform – Phase 2: Amendments to SFRS(I) 9

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR"). The amendments include the following practical expedients:

(a) a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;

(b) permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and

(c) provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Group has applied IBOR reform Phase 2 for the first time in the year ended 31 December 2022. IBOR reform Phase 2 provides reliefs which the Group applies to hedging relationships directly affected by interest rate benchmark reform when an existing interest rate benchmark is replaced with an alternative RFR.

2.15 *Leases*

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

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 to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Material accounting policies (cont'd)

2.15 *Leases (cont'd)*

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the leases (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:

Leasehold land and office premises	–	over lease term of 2 to 30 years
Office equipment	–	3 to 5 years

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 lives of the asset.

(b) *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 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.

2. Material accounting policies (cont'd)

2.15 *Leases (cont'd)*

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (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 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.

2.16 *Revenue recognition*

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) *Aged care services revenue*

Residential care services

The Group operates a nursing home that provides assistance to customers who need help with their daily living activities. The performance obligations are satisfied over time because the customer simultaneously receives and consumes the benefits. Revenue is recognised based on the actual length of stay at the nursing home as a proportion to the total expected number of days.

Allied health services

Allied health services include physiotherapy, occupational therapy and speech therapy. Customers may purchase single session services or multiple sessions services sold as a package. For single session services, revenue is recognised at point in time upon completion of services. For multiple sessions services sold as a package, revenue is recognised over time. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

(b) *Dividend income*

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

2. Material accounting policies (cont'd)

2.16 *Revenue recognition (cont'd)*

(c) *Interest income*

Interest income is recognised using the effective interest method.

(d) *Rental income*

Rental income is accounted for on a straight-line basis over the lease terms.

2.17 *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. 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.

2.18 *Taxation*

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

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

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

2. Material accounting policies (cont'd)

2.18 *Taxation (cont'd)*

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

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

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

3. Revenue

The breakdown of revenue is as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Aged care services revenue	7,335	5,161
Investment income:		
Fair value adjustment for short-term investments	(6,403)	(1,246)
Fair value adjustment for long-term investments	(11,129)	18,612
Dividend income	3,710	1,257
Interest income:		
– Bank deposits	1,677	5
– Others	47	6
Other income:		
Rental income	4	236
Others	949	2,246
	(3,810)	26,277

3. Revenue (cont'd)

Revenue from contracts with customers

The Group derives its aged care services revenue from the transfer of services over time and at a point in time. A disaggregation of revenue for the year is as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Timing of transfer of service		
At a point in time	412	157
Over time	6,923	5,004
	7,335	5,161

For residential care services where revenue is recognised over time, the Group's performance in transferring services to customers is determined using a time-based method. The measure of progress is based on the customer's length of stay at the nursing home.

For allied health services sold as a package, the measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

Aged care services revenue is derived from Singapore.

4. Other operating expenses and finance costs

	Group	
	2022	**2021**
	S$'000	**S$'000**
Included in other operating expenses are:		
Fees paid to Auditor of the Company:		
Audit fees	(257)	(213)
Non-audit fees	(61)	(61)
	(318)	(274)
Finance costs		
Interest expense:		
Bank loans and overdrafts	(2,530)	(3,237)
Leases	(38)	(74)
	(2,568)	(3,311)

Other operating expenses also include legal, investment consulting and advisory fees.

5. Taxation

(a) *Major components of income tax expense*

The major components of income tax expense for the financial years ended 31 December 2022 and 2021 were:

	Group 2022 S$'000	Group 2021 S$'000
Income statement		
Current income tax – continuing operations:		
Current year	(1,042)	(1,369)
Underprovision in respect of prior years	(728)	(206)
Deferred tax – continuing operations:		
Benefits from current year tax losses	775	1,292
Undistributed profits in associates	(217)	934
Foreign interest income	(808)	(146)
(Under) / overprovision in respect of prior years	(491)	23
Income tax attributable to continuing operations	(2,511)	528
Income tax attributable to discontinued operations	–	(5,724)
Income tax expense recognised in profit or loss	(2,511)	(5,196)
Statement of comprehensive income		
Deferred tax related to other comprehensive income:		
Net loss / (gain) on fair value changes of FVOCI equity instruments	317	(3,060)

5. **Taxation (cont'd)**

(b) ***Relationship between tax (expense) / credit and accounting (loss) / profit***

A reconciliation between tax (expense) / credit and the product of accounting (loss) / profit multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 is as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
(Loss) / profit before tax	(55,476)	1,978
Statutory tax rate at 17% (2021: 17%)	9,431	(336)
Tax effect of:		
Income not subject to tax	2,579	3,544
Expenses not deductible for income tax purposes	(5,829)	(2,007)
Share of loss of associates	(3,847)	(318)
Tax deducted at source	(51)	(96)
Underprovision in respect of prior years	(1,219)	(183)
Deferred tax asset not recognised	(2,279)	(986)
Others	(1,296)	910
Tax (expense) / credit	(2,511)	528

The nature of income not subject to tax is as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Fair value adjustment for long-term investments	–	2,442
Exchange gain arising from revaluation of non-trade balances	1,904	800
Exempt dividend income	613	154
Tax exempted income	62	148
	2,579	3,544

5. Taxation (cont'd)

(b) *Relationship between tax (expense) / credit and accounting (loss) / profit (cont'd)*

The nature of expenses that are not deductible for income tax purposes are as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Fair value adjustment for long-term investments	(1,892)	–
Finance costs	(100)	(202)
Depreciation	(683)	(719)
Expenses relating to exempt income	(632)	(55)
General provision expenses	(2,216)	(294)
Others	(306)	(737)
	(5,829)	(2,007)

(c) *Deferred tax*

An analysis of the deferred tax assets and liabilities is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Deferred tax assets				
Unutilised tax losses	10,577	11,766	–	–
Unrealised fair value loss	551	234	–	–
	11,128	12,000	–	–
Deferred tax liabilities				
Undistributed profits in associates	(3,136)	(3,141)	–	–
Foreign interest income not remitted	(2,544)	(1,736)	(2,086)	(1,724)
Foreign dividend income not remitted	(247)	(248)	–	–
	(5,927)	(5,125)	(2,086)	(1,724)
Net deferred tax assets / (liabilities)	5,201	6,875	(2,086)	(1,724)

5. Taxation (cont'd)

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

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated balance sheet. The following is an analysis of the deferred tax balances of the Group for financial reporting purpose:

	Group	
	2022 S$'000	2021 S$'000
Net deferred tax assets recognised in the consolidated balance sheet	8,878	9,565
Net deferred tax liabilities recognised in the consolidated balance sheet	(3,677)	(2,690)
Net deferred tax assets	5,201	6,875

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. Based on approved business plans and budgets, the Group has considered it probable that future taxable profits would be available against which such tax losses can be used.

At the end of the reporting period, the Group had tax losses of approximately S$30,036,000 (2021: S$16,630,000) that were available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset was recognised. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

(d) *Tax consequences of proposed dividend*

There are no income tax consequences attached to the dividend to shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 6).

6. Dividend

	Group and Company	
	2022	**2021**
	S$'000	**S$'000**
Final one-tier tax exempt dividend for 2021 paid: 2.0 cents (2020: 2.0 cents) per ordinary share	6,420	6,496
Special one-tier tax exempt dividend for 2021 paid: 20.0 cents (2020: Nil) per ordinary share	64,205	–
	70,625	6,496

The directors propose that a final one-tier tax exempt dividend of 2.0 cents (2021: final one-tier tax exempt dividend of 2.0 cents and special one-tier tax exempt dividend of 20.0 cents) per ordinary share, amounting to S$6,286,000 (2021: S$70,625,000) be paid for the financial year ended 31 December 2022, subject to shareholders' approval at the Annual General Meeting. The financial statements do not recognise this dividend as a liability.

7. (Loss) / earnings per share

Basic and diluted (loss) / earnings per share ("EPS") are calculated by dividing the (loss) / profit from continuing operations (net of tax), profit from discontinued operations (net of tax) and profit for the year attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year:

	Group	
	2022	**2021**
	'000	**'000**
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	318,430	323,901

8. Property, plant and equipment

Group	Building S$'000	Plant and equipment S$'000	Computer and automation equipment S$'000	Office equipment S$'000	Furniture, fittings and leasehold improvements S$'000	Motor vehicles S$'000	Assets under construction S$'000	Total S$'000
Cost								
At 1 January 2021	18,895	839	6,058	891	11,735	870	–	39,288
Additions	–	29	968	85	638	–	380	2,100
Adjustments to cost	(667)	–	–	–	–	–	–	(667)
Disposals	–	–	(575)	(43)	(1,033)	–	–	(1,651)
Attributable to discontinued operations	–	–	(5,571)	(739)	(3,305)	(128)	–	(9,743)
Currency realignment	–	–	(99)	(24)	(15)	(2)	–	(140)
At 31 December 2021 and at 1 January 2022	18,228	868	781	170	8,020	740	380	29,187
Additions	–	3	68	8	476	–	8	563
Disposals	–	–	(2)	(6)	(6)	–	–	(14)
Reclassification	–	–	–	–	388	–	(388)	–
Currency realignment	–	–	(17)	(2)	–	–	–	(19)
At 31 December 2022	18,228	871	830	170	8,878	740	–	29,717

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the financial year ended 31 December 2022

8. Property, plant and equipment (cont'd)

Group	Building S$'000	Plant and equipment S$'000	Computer and automation equipment S$'000	Office equipment S$'000	Furniture, fittings and leasehold improvements S$'000	Motor vehicles S$'000	Assets under construction S$'000	Total S$'000
Accumulated depreciation								
At 1 January 2021	805	258	4,018	485	4,415	487	–	10,468
Charge for the year	638	173	734	98	1,890	157	–	3,690
Disposals	–	–	(574)	(43)	(968)	–	–	(1,585)
Attributable to discontinued operations	–	–	(3,458)	(385)	(1,831)	(93)	–	(5,767)
Currency realignment	–	–	(76)	(18)	(1)	(1)	–	(96)
At 31 December 2021 and at 1 January 2022	1,443	431	644	137	3,505	550	–	6,710
Charge for the year	667	173	113	30	1,682	148	–	2,813
Disposals	–	–	(2)	(6)	(1)	–	–	(9)
Currency realignment	–	–	(17)	(2)	–	–	–	(19)
At 31 December 2022	2,110	604	738	159	5,186	698	–	9,495
Net book value								
At 31 December 2021	16,785	437	137	33	4,515	190	380	22,477
At 31 December 2022	16,118	267	92	11	3,692	42	–	20,222

8. Property, plant and equipment (cont'd)

Company	Furniture, fittings and leasehold improvements S$'000
Cost	
At 1 January 2021	–
Additions	172
At 31 December 2021 and at 1 January 2022	172
Additions	326
At 31 December 2022	498
Accumulated depreciation	
At 1 January 2021	–
Charge for the year	15
At 31 December 2021 and at 1 January 2022	15
Charge for the year	64
At 31 December 2022	79
Net book value	
At 31 December 2021	157
At 31 December 2022	419

Assets pledged as security

Building of the Group with a carrying amount of S$16,118,000 (2021: S$16,785,000) is subject to a legal mortgage to secure one of the Group's bank loans.

9. Investment properties

	Group 2022 S$'000	Group 2021 S$'000
Freehold land, at cost	3,727	3,727

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

The investment properties held by the Group are as follows:

Description and location	Existing use	Tenure	Fair value 2022 S$'000	Fair value 2021 S$'000
Four plots of land Mukim Pulai, Johor Bahru, Malaysia	Vacant	Freehold	3,644	3,884

The fair value has been determined based on valuations performed by an accredited independent valuer. As at 31 December 2022, the fair value of these properties was slightly lower than the carrying amount due to the weakening of Malaysian Ringgit. The Group does not consider the investment properties to be impaired as the difference is insignificant. Further details may be found in Note 29.

10. Subsidiaries

	Company 2022 S$'000	Company 2021 S$'000
Unquoted shares, at cost	82,830	82,830
Loans to subsidiaries	173,319	187,308
Impairment losses	(18,550)	(15,332)
	237,599	254,806

The loans to subsidiaries have no fixed repayment dates. The repayment dates are determined by the subsidiaries based on the availability of funds. There are no contractual obligations for the subsidiaries to repay the loans. The Company has classified the loans as investments in subsidiaries.

During the financial year, management performed impairment tests on its subsidiaries. The recoverable amounts of its subsidiaries were determined based on fair value less costs to sell. As the subsidiaries were principally investment holding vehicles and their fair values were determined by the values of their underlying investments, changes in impairment losses were recorded as a result. The provision for impairment losses recognised in the financial year was S$3,218,000 (2021: write-back of S$4,279,000).

10. Subsidiaries (cont'd)

Discontinued operations and disposal group classified as held for sale

On 6 August 2021, the Company announced its decision to dispose of its 92%-owned subsidiary, Boardroom Limited ("Boardroom"), which was previously reported in the corporate services segment. The disposal is the culmination of the strategic review announced by the Company on 20 January 2021, with the view to maximise shareholder value for shareholders while positioning Boardroom for a new phase of growth.

As at 31 December 2021, the assets and liabilities related to Boardroom had been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results were presented separately on profit or loss as "Profit from discontinued operations, net of tax". The disposal of Boardroom was completed on 7 February 2022.

The financial results of Boardroom for the financial period from 1 January 2022 to 7 February 2022 were not significant. The effects of disposal were measured based on the value of assets and liabilities of Boardroom as at 31 December 2021, as summarised below:

	Boardroom S$'000
Property, plant and equipment	3,976
Right-of-use assets	14,329
Intangible assets	135,089
Trade and other debtors	27,069
Other current assets	122
Cash and bank balances	35,576
	216,161
Trade and other creditors	(28,660)
Lease liabilities	(12,208)
Bank borrowings	(29,850)
Provision for tax	(2,080)
Deferred tax liabilities	(4,894)
Foreign currency translation reserve	(3,646)
Cash flow hedge reserve	39
Non-controlling interests	(10,192)
Carrying value of net assets	124,670
Cash consideration, net of transaction costs	255,842
Cash and cash equivalents of Boardroom	(35,576)
Net cash inflow on disposal	220,266
Cash received	255,842
Net assets derecognised	(124,670)
Gain on disposal	131,172

11. Associates

The Group's investments in associates are summarised below:

	Group	
	2022	2021
	S$'000	S$'000
Opal HealthCare Group	90,685	135,498
Habitat Assets Pte Ltd	22,570	21,740
	113,255	157,238

The Group has not recognised losses relating to Bromius Capital Limited where its share of losses exceeds the Group's interest in the associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was S$6,774,000 (2021: S$6,430,000) of which S$344,000 (2021: S$1,206,000) was the share of current year's losses. The Group has no obligation in respect of these losses.

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

	2022	2021
	S$'000	S$'000
Profit / (loss) after tax, representing total comprehensive income / (loss)	11,284	(7,860)

11. Associates (cont'd)

Opal HealthCare Group

The summarised financial information in respect of Opal HealthCare Group, based on its financial statements, and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	2022 S$'000	2021 S$'000
Current assets	122,179	109,883
Non-current assets	2,134,922	2,117,926
Total assets	2,257,101	2,227,809
Current liabilities	(1,659,239)	(1,887,285)
Non-current liabilities	(433,308)	(82,285)
Total liabilities	(2,092,547)	(1,969,570)
Net assets	164,554	258,239
Proportion of the Group's ownership	48%	48%
Group's share of net assets	78,361	122,973
Goodwill on acquisition	15,602	15,602
Other adjustments	(3,278)	(3,077)
Carrying amount of the investment	90,685	135,498

Summarised statement of comprehensive income

	2022 S$'000	2021 S$'000
Revenue	897,773	831,367
(Loss) / profit after tax	(64,853)	1,445
Other comprehensive income	2,527	2,746
Total comprehensive (loss) / income	(62,326)	4,191

Dividends received from Opal HealthCare Group amounted to S$7,977,000 (2021: S$13,725,000) during the financial year.

12. Long-term investments

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
FVOCI				
Quoted equity securities	2,903	6,252	–	–
Unquoted equity securities	44,940	43,344	2,103	2,621
Other unquoted investments	1,319	1,800	–	–
FVPL				
Unquoted equity securities	20,354	21,324	–	–
Other unquoted investments	138,408	140,695	–	–
	207,924	213,415	2,103	2,621

Investments designated as FVOCI

The largest single investment that is designated as FVOCI is Health Island Co. Ltd, whose fair value at reporting date amounted to S$7,998,000 (2021: S$8,924,000).

The Group has elected to measure these investments at FVOCI due to the Group's intention to hold these investments for long-term appreciation. Dividends received from investments held at the end of the reporting period amounted to S$2,862,000 (2021: Nil).

During the financial year, the Group disposed several investments. The fair value at the date of derecognition amounted to S$3,104,000 (2021: S$21,638,000). Cumulative loss arising from the disposals amounted to S$813,000 (2021: S$9,893,000) and was transferred from fair value adjustment reserve to retained earnings.

13. Amounts receivable from subsidiaries

The short-term receivables from subsidiaries comprise unsecured loans repayable as follows:

	Company	
	2022	**2021**
	S$'000	**S$'000**
Repayable on demand at interest of 3.00% (2021: 3.00%) per annum	18,984	7,632
Repayable on demand at interest of 1.32% to 5.27% (2021: 1.10% to 1.20%) per annum	77,346	73,353
Repayable on demand at interest of 2.30% (2021: 2.30%) per annum	–	15,072
Repayable on demand at interest of 1.20% to 3.97% (2021: 0.85% to 1.20%) per annum	15,525	24,457
Repayable on demand, interest-free	4,424	9,849
	116,279	130,363

14. Trade debtors

	Group	
	2022	**2021**
	S$'000	**S$'000**
Amounts due from customers	280	221
Amounts due from brokers	–	2
	280	223

(a) *Amounts due from customers*

All invoices are due upon presentation.

(b) *Amounts due from brokers*

The amounts are not interest bearing and are settled within 2 days.

15. Other debtors

	Group 2022 S$'000	Group 2021 S$'000	Company 2022 S$'000	Company 2021 S$'000
Prepayments	308	213	130	45
Sundry deposits	263	443	188	400
Derivatives	2,540	486	224	–
Interest receivable	430	10	416	–
Others	910	797	–	–
	4,451	1,949	958	445

Derivatives

Derivative financial instruments included in the balance sheets as at 31 December are as follows:

Group	2022 Notional amount S$'000	2022 Assets S$'000	2022 Liabilities S$'000	2021 Notional amount S$'000	2021 Assets S$'000	2021 Liabilities S$'000
Interest rate swaps	25,000	2,316	–	25,000	486	–
Forward currency contracts	18,480	224	–	–	–	–
	43,480	2,540	–	25,000	486	–

Interest rate swaps are transactions in which counterparties exchange interest cash flows over a period of time. These contracts are used to manage interest rate exposures.

Forward currency contracts are transactions in which counterparties exchange cash flows in different currencies over a period of time. The contracts are used to manage currency exposures.

16. Short-term investments

	Group 2022 S$'000	Group 2021 S$'000
FVPL		
Quoted equity securities	35,435	37,429
Other unquoted investments	4,830	–
	40,265	37,429

17. Cash and bank balances

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Fixed deposits	76,000	–	76,000	–
Other cash and bank balances	20,821	18,411	1,143	277
	96,821	18,411	77,143	277

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprised the following at the end of the year:

	Group	
	2022 S$'000	2021 S$'000
Cash and bank balances		
Continuing operations	96,821	18,411
Discontinued operations	–	35,576
	96,821	53,987

Cash at bank earns interest at floating rates based on daily bank deposit rates. Fixed deposits are placed for varying periods from 1 to 3 months. The effective interest rates for financial year 2022 were 0.05% to 3.48% (2021: 0.01% to 0.07%).

18. Trade creditors

	Group		
	2022 S$'000	2021 S$'000	1.1.2021 S$'000
Customers' advances and deposits	1,093	851	7,137
Contract liabilities	25	11	3,142
Amounts due to suppliers	158	226	2,425
GST payable	74	29	322
	1,350	1,117	13,026

Significant changes in contract liabilities are explained as follows:

	Group	
	2022 S$'000	2021 S$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	11	3,058

19. Other creditors

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Accruals	30,922	5,195	13,346	3,505
Amounts due to suppliers (non-trade)	290	185	107	112
Unclaimed dividends	1,102	1,110	–	–
Interest payable	75	277	46	37
Security deposits from tenants	5	52	5	52
Provision for reinstatement cost	293	293	–	–
Others	835	828	–	–
	33,522	7,940	13,504	3,706

Unclaimed dividends relate to dividends received for shares registered in the name of a subsidiary as nominees of its customers and not claimed by the customers as at the end of the reporting period.

20. Bank borrowings

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Current				
Revolving credit facility	38,356	80,083	15,525	38,381
Term loan:				
Singapore dollar loan	1,300	1,300	–	–
Australian dollar loan 1	–	15,071	–	15,071
Australian dollar loan 2	–	29,954	–	–
Australian dollar loan 3	–	14,601	–	–
	39,656	141,009	15,525	53,452
Non-current				
Term loan:				
Singapore dollar loan	28,125	29,425	–	–
	67,781	170,434	15,525	53,452

20. Bank borrowings (cont'd)

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

	2022		2021	
	Current S$'000	Non-current S$'000	Current S$'000	Non-current S$'000
At 1 January	141,009	29,425	89,840	122,444
Cash flows	(95,059)	–	(6,979)	–
Non-cash changes:				
Foreign exchange movement	(7,594)	–	(505)	(4,516)
Attributable to discontinued operations	–	–	(3,800)	(26,050)
Others [1]	1,300	(1,300)	62,453	(62,453)
At 31 December	39,656	28,125	141,009	29,425

[1] This represents the reclassification of non-current portion of bank borrowings due to the passage of time.

(a) *Revolving credit facility*

The revolving credit loans are unsecured, repayable within 3 months, and bear interest rates from 3.97% to 4.07% (2021: 0.85% to 1.20%) per annum.

The loans are denominated in the following currencies:

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Australian dollar	38,356	46,058	15,525	21,559
Japanese yen	–	34,025	–	16,822
	38,356	80,083	15,525	38,381

(b) *Singapore dollar term loan*

The loan is subject to periodic re-pricing, bears interest rates from 1.70% to 4.55% (2021: 1.68% to 1.77%) per annum and is repayable quarterly from April 2020 to March 2032. It is secured by a first mortgage over the land and building owned by Allium Healthcare (Singapore) Pte Ltd with a carrying value of S$36,539,000 (2021: S$38,050,000). The Company has provided a corporate guarantee on the loan. The Group has entered into interest rate swaps to swap the floating rate loan into a fixed rate loan (Note 15).

20. Bank borrowings (cont'd)

(c) *Australian dollar term loan 1*

For the financial year ended 31 December 2021, the loan bore interest rate of 2.30% per annum and was repayable half-yearly from June 2020 to December 2022. It was secured by the shares of Boardroom Limited that were owned by Salacca Pte Ltd. As at 31 December 2021, the fair value of the loan was S$15,165,000. The loan was fully repaid as at 31 December 2022.

(d) *Australian dollar term loan 2*

For the financial year ended 31 December 2021, the loan bore interest rate of 2.33% per annum and was repayable half-yearly from January 2020 to July 2022. It was secured by the shares of Boardroom Limited that were owned by Salacca Pte Ltd. The Company provided a corporate guarantee on the loan. As at 31 December 2021, the fair value of the loan was S$29,975,000. The loan was fully repaid as at 31 December 2022.

(e) *Australian dollar term loan 3*

For the financial year ended 31 December 2021, the loan was subject to periodic re-pricing, bore interest rate of 1.72% to 1.76% per annum and was repayable quarterly from June 2020 to December 2022. It was secured by a charge over the shares of Habitat Assets Pte Ltd that were owned by Allium Healthcare Holdings Pte Ltd. The Company provided a corporate guarantee on the loan. The loan was fully repaid as at 31 December 2022.

21. Share capital

	Group and Company			
	2022		2021	
	Shares	S$'000	Shares	S$'000
Issued and fully paid ordinary share capital				
At 1 January	322,044,337	191,987	324,810,137	191,987
Cancellation	(7,761,200)	–	(2,765,800)	–
At 31 December	314,283,137	191,987	322,044,337	191,987

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

The Company acquired 7,761,200 (2021: 2,765,800) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S$7,374,000 (2021: S$3,109,000) and these shares were subsequently cancelled by the Company.

22. Leases

Group as a lessee

The Group has lease contracts for various items of land, office premises and office equipment used in its operations. Leases of office premises and office equipment generally have lease terms between 2 to 5 years. The land has a lease term of 30 years. The Group's obligations under its leases are secured by the lessors' title to the leased assets.

The Group also has leases of office premises with lease terms of 12 months or less, and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

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

Group	Land and office premises S$'000	Office equipment S$'000	Total S$'000
At 1 January 2021	33,327	429	33,756
Additions	8,737	49	8,786
Disposals	(307)	(5)	(312)
Depreciation expense	(4,626)	(143)	(4,769)
Attributable to discontinued operations	(14,003)	(326)	(14,329)
Currency realignment	(88)	(4)	(92)
At 31 December 2021 and at 1 January 2022	23,040	–	23,040
Additions	835	–	835
Depreciation expense	(1,393)	–	(1,393)
At 31 December 2022	22,482	–	22,482

The land with a carrying amount of S$20,421,000 (2021: S$21,265,000) is subject to a legal mortgage to secure one of the Group's bank loans.

Company	Office premises S$'000
At 1 January 2021	920
Additions	1,931
Disposals	(307)
Depreciation expense	(806)
At 31 December 2021 and at 1 January 2022	1,738
Additions	732
Depreciation expense	(503)
At 31 December 2022	1,967

22. Leases (cont'd)

Group as a lessee (cont'd)

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

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
At 1 January	1,802	12,440	1,762	835
Additions	828	8,488	726	1,921
Accretion of interest	38	483	38	72
Payments	(565)	(6,952)	(518)	(760)
Derecognition of lease	–	(312)	–	(306)
Attributable to discontinued operations	–	(12,208)	–	–
Currency realignment	–	(137)	–	–
At 31 December	2,103	1,802	2,008	1,762
Current	598	414	548	374
Non-current	1,505	1,388	1,460	1,388
	2,103	1,802	2,008	1,762

Payments of S$565,000 (2021: S$6,952,000) included principal repayments of S$527,000 (2021: S$6,469,000). The maturity analysis of lease liabilities is disclosed in Note 31.

The following are the amounts recognised in profit or loss:

	Group	
	2022	2021
	S$'000	S$'000
Depreciation expense of right-of-use assets	(1,393)	(4,769)
Interest expense of lease liabilities	(38)	(483)
Expense relating to short-term leases	–	(353)
Expense relating to leases of low-value assets	(9)	(59)
Total amount recognised in profit and loss	(1,440)	(5,664)

The Group's total cash outflows relating to leases amounted to S$574,000 (2021: S$7,364,000).

The leases for office premises contain extension options for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations.

22. Leases (cont'd)

Group as a lessor

The Group has entered into subleases on part of its office premises. The leases have terms of 3 to 4 years. All leases are classified as operating leases from the lessor's perspective.

The following are the amounts recognised in profit or loss:

	Group	
	2022 S$'000	2021 S$'000
Rental income	4	236

23. Other commitments

Other commitments not provided for in the financial statements comprise obligations to make additional investments in the following:

	Group	
	2022 S$'000	2021 S$'000
Long-term investments	66,541	42,825
Property, plant and equipment	–	147
	66,541	42,972

24. Contingent assets and liabilities

(a) *Contingent consideration asset*

On 17 August 2021, Boardroom Pty Limited ("BPL"), an indirect wholly-owned subsidiary of Boardroom Limited ("Boardroom"), entered into a share sale and purchase deed ("Share Sale Deed") with an external party ("Purchaser") to dispose its entire interest of 31.5% in the capital of Definitiv Group Pty Ltd ("Definitiv"), on the terms and subject to the conditions of the Share Sale Deed ("Definitiv Disposal"). The consideration comprised the aggregate of:

(i) an amount received in cash of AUD7,901,000 (equivalent to S$7,743,000) during the year from the Purchaser; and

(ii) amounts receivable in cash ("Earn-Out Amount") from the Purchaser, if Definitiv's annual recurring revenue, to be calculated as at 30 June 2022, 30 June 2023 and 31 December 2023 in accordance with the terms of the Share Sale Deed, exceeds certain agreed targets ("Earn-Out Revenue Targets"), subject to a maximum Earn-Out Amount of up to AUD6,149,000 (equivalent to S$6,026,000).

24. Contingent assets and liabilities (cont'd)

(a) *Contingent consideration asset (cont'd)*

On 15 December 2021, Boardroom declared a contingent interim dividend of up to AUD0.021 per Boardroom share for the financial year ended 31 December 2021, which is to be funded from the Earn-Out Amount(s), net of all and any estimated taxes, expenses, and foreign currency exchange costs, of the Definitiv Disposal. The payment is subject to and conditional upon:

(i) the Earn-Out Revenue Targets being met and/or exceeded in accordance with the terms of the Share Sale Deed; and

(ii) receipt by Boardroom, BPL or any other subsidiaries of Boardroom of any Earn-Out Amount(s) in accordance with the terms of the Share Sale Deed.

As of 31 December 2022, the Earn-Out Revenue Target for 2022 had been achieved and part of the Earn-Out Amount was paid to the Boardroom group. The Earn-Out Amount is subject to taxes and the final amount to be received by Boardroom's shareholders will be determined after finalisation of Boardroom's tax submissions. Given the uncertainty surrounding the amount receivable by the Group, the Group has not recognised its 92% equity interest in the contingent interim dividend declared by Boardroom. The Group will continue to monitor the situation and recognise its share of any amounts when they become receivable.

(b) *Corporate guarantees*

In addition to general undertakings on banking facilities granted to subsidiaries, the Company had at the end of the reporting period provided corporate guarantee to a bank for a S$29,425,000 (2021: S$30,725,000) term loan granted to Allium Healthcare (Singapore) Pte Ltd.

The Company does not expect that it will be required to make any payments for the corporate guarantees issued.

25. Employees' compensation and related costs

Details of employees' compensation and related costs for the respective financial years ended 31 December are as follows:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Employees' benefits expense (including directors)		
Salaries and bonuses	(25,459)	(12,630)
Defined contributions	(1,083)	(924)
Other short-term benefits	(801)	(721)
	(27,343)	(14,275)

26. Related party disclosures

(a) *Sale and purchase of services*

The following transactions between the Group and related parties took place on normal commercial terms agreed between the parties during the financial year:

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Subsidiaries				
Interest income	–	–	4,003	3,035
Service income	–	–	5,014	2,391
Professional fees	–	–	–	63
Fellow subsidiaries				
Rental income	–	30	–	30
Service income	660	669	–	–
Directors				
Service income	–	25	–	–
Companies related to directors				
Service income	–	8	–	–
Professional fees	6	16	–	–

(b) Compensation of key management personnel

	Group	
	2022 S$'000	2021 S$'000
Short-term employee benefits	17,033	6,823
Defined contributions	57	43
Total compensation	17,090	6,866
Comprise amounts paid to:		
Directors of the Company	16,230	6,113
Other directors of its wholly-owned subsidiaries	860	753
	17,090	6,866

Key management personnel of the Group comprise directors of the Company and its wholly-owned subsidiaries. The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

27. Segmental results

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments: (1) investment holding; (2) corporate services, and (3) aged care services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Income taxes are managed on a group basis and are not allocated to operating segments.

Inter-segment assets and liabilities relate to intercompany loans and balances.

Group 2022	Investment holding S$'000	Corporate services (discontinued operation) S$'000	Aged care services S$'000	Adjustments and elimination S$'000	Total S$'000
Revenue					
External revenue	(11,568)	–	7,758	–	(3,810)
Inter-segment revenue	–	–	–	–	–
Total revenue	(11,568)	–	7,758	–	(3,810)
Results					
Interest income	1,724	–	–	–	1,724
Finance costs	(1,377)	–	(1,191)	–	(2,568)
Depreciation and amortisation	(755)	–	(3,451)	–	(4,206)
Fair value adjustments	(17,532)	–	–	–	(17,532)
Share of profit / (loss) of associates	6,429	–	(29,061)	–	(22,632)
Other income	–	131,172	–	(131,172)	–
Segment profit / (loss)	(14,977)	131,172	(40,499)	(131,172)	(55,476)
Assets					
Investment in associates	–	–	113,255	–	113,255
Additions to non-current assets	1,102	–	296	–	1,398
Segment assets	479,739	–	166,436	(136,675)	509,500
Unallocated assets					8,878
Total assets					518,378
Liabilities					
Segment liabilities	72,074	–	169,357	(136,675)	104,756
Unallocated liabilities					4,029
Total liabilities					108,785

27. Segmental results (cont'd)

Group 2021	Investment holding S$'000	Corporate services (discontinued operation) S$'000	Aged care services S$'000	Adjustments and elimination S$'000	Total S$'000
Revenue					
External revenue	19,798	123,896	6,479	(123,896)	26,277
Inter-segment revenue	–	100	–	(100)	
Total revenue	19,798	123,996	6,479	(123,996)	26,277
Results					
Interest income	11	572	–	(572)	11
Finance costs	(2,286)	(1,516)	(1,025)	1,516	(3,311)
Depreciation and amortisation	(1,051)	(7,442)	(3,407)	7,442	(4,458)
Fair value adjustments	17,366	(7)	–	7	17,366
Share of profit / (loss) of associates	–	202	(1,870)	(202)	(1,870)
Segment profit / (loss)	12,421	24,029	(10,443)	(24,029)	1,978
Assets					
Investment in associates	–	–	157,238	–	157,238
Additions to non-current assets	2,168	10,150	(206)	–	12,112
Segment assets	390,590	216,161	205,011	(117,620)	694,142
Unallocated assets					9,565
Total assets					703,707
Liabilities					
Segment liabilities	133,182	77,692	165,731	(117,620)	258,985
Unallocated liabilities					3,278
Total liabilities					262,263

Geographical information

	Non-current assets 2022 S$'000	Non-current assets 2021 S$'000
Singapore	42,704	45,517
Malaysia	3,727	3,727
Total	46,431	49,244

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

28. Financial instruments by category

At the reporting date, the aggregate carrying amounts of the Group's financial instruments were as follows:

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Financial assets:				
FVOCI				
Quoted equity securities	2,903	6,252	–	–
Unquoted equity securities	44,940	43,344	2,103	2,621
Other unquoted investments	1,319	1,800	–	–
FVPL				
Derivatives	2,540	486	224	–
Quoted equity securities	35,435	37,429	–	–
Unquoted equity securities	20,354	21,324	–	–
Other unquoted investments	143,238	140,695	–	–
At amortised cost				
Amounts receivable from subsidiaries	–	–	116,279	130,363
Trade debtors	280	223	–	–
Other debtors [1]	1,603	1,250	604	400
Cash and bank balances	96,821	18,411	77,143	277
	349,433	271,214	196,353	133,661
Financial liabilities:				
At amortised cost				
Trade creditors [2]	1,276	1,088	–	–
Other creditors [3]	33,229	7,647	13,504	3,706
Lease liabilities	2,103	1,802	2,008	1,762
Bank borrowings	67,781	170,434	15,525	53,452
	104,389	180,971	31,037	58,920

(1) Excluding prepayments and derivatives.
(2) Excluding GST payable.
(3) Excluding provision for reinstatement cost.

29. 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 markets for identical assets or liabilities that the Group can access at the measurement date;

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

Level 3 – Unobservable inputs for the asset or liability.

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

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

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

Group 2022	**Quoted prices in active markets for identical instruments (Level 1) S$'000**	**Significant observable inputs other than quoted prices (Level 2) S$'000**	**Significant unobservable inputs (Level 3) S$'000**	**Total S$'000**
Assets measured at fair value:				
FVOCI				
Quoted equity securities	2,903	–	–	2,903
Unquoted equity securities	–	–	44,940	44,940
Other unquoted investments	–	–	1,319	1,319
FVPL				
Derivatives	–	2,540	–	2,540
Quoted equity securities	35,435	–	–	35,435
Unquoted equity securities	–	–	20,354	20,354
Other unquoted investments	–	14,447	128,791	143,238
	38,338	16,987	195,404	250,729

29. Fair value of assets and liabilities (cont'd)

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

Group 2021	Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
Assets measured at fair value:				
FVOCI				
Quoted equity securities	6,252	–	–	6,252
Unquoted equity securities	–	–	43,344	43,344
Other unquoted investments	–	–	1,800	1,800
FVPL				
Derivatives	–	486	–	486
Quoted equity securities	37,429	–	–	37,429
Unquoted equity securities	–	–	21,324	21,324
Other unquoted investments	–	14,924	125,771	140,695
	43,681	15,410	192,239	251,330

The Group also has investment properties amounting to S$3,727,000 (2021: S$3,727,000) whose fair value is measured using significant unobservable inputs (Level 3). The valuation is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market. There has been no change in the valuation technique.

As at 31 December 2022 and 2021, all unquoted equity securities held by the Company were classified under Level 3 of the fair value hierarchy.

(c) *Level 2 fair value measurements*

The unquoted investments are valued at the price or net asset value released by the investment manager or fund administrator as at the end of the reporting period. They are categorised as Level 2 as their underlying investments are mainly quoted securities.

The interest rate swaps and forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves.

29. Fair value of assets and liabilities (cont'd)

(d) *Level 3 fair value measurements*

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

	Group	
	2022 S$'000	2021 S$'000
At 1 January	192,239	170,471
Gains or losses:		
Included in profit or loss	(9,439)	18,119
Included in other comprehensive income	(4,984)	1,120
Purchases	35,838	30,168
Disposals	(16,183)	(27,639)
Transfer to Level 1	(2,067)	–
At 31 December	195,404	192,239

These investments are valued using the price or net asset value released by the investment manager or fund administrator as at the end of the reporting period, or valuation techniques which may include using recent arm's length market transactions between knowledgeable, willing parties and the current fair value of comparable companies, taking into account the potential impact of the COVID-19 pandemic and market uncertainties.

30. Hedging activities

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date, as well as the cumulative change in time value and forward element of interest rate swaps not designated as hedging instruments in hedge relationships.

31. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key risks include price risk, interest rate risk, foreign currency risk, liquidity risk and credit risk. The board of directors reviews and agrees on policies for managing each of these risks and they are summarised in the following sections.

(a) *Price risk*

The Group is exposed to price risk on the quoted equity securities, as well as the unquoted unit trust funds it holds. The prices of quoted equity securities are monitored daily by the management. The performance of the unquoted unit trust funds is monitored monthly or quarterly by reviewing the financial statements and performance reports from fund managers.

The Group's exposure to quoted equity securities in the various stock markets is as follows:

	Group			
	FVPL investments		FVOCI investments	
Stock market	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Singapore	5,993	3,705	–	–
Kuala Lumpur	933	–	1,546	3,211
Tokyo	15,159	19,203	–	–
Australia	5,057	6,460	–	–
Hong Kong	1,110	3,152	–	–
London	1,518	–	1,357	3,041
New York	5,421	4,295	–	–
Others	244	614	–	–
Total	35,435	37,429	2,903	6,252

Sensitivity analysis for price risk

The table below summarises the impact of increases/decreases of the relevant stock market indices on the Group's profit and other comprehensive income for the financial year. The analysis is based on the assumption that the stock market has increased/decreased by 5% (2021: 5%) with all other variables held constant and all the Group's equity instruments move according to the historical correlation with the index.

31. Financial risk management objectives and policies (cont'd)

(a) *Price risk (cont'd)*

Sensitivity analysis for price risk (cont'd)

Indices	Group			
	Impact on profit		Impact on other comprehensive income	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Straits Times Index	301	177	–	–
Kuala Lumpur Composite Index	38	–	58	131
Tokyo Stock Price Index	872	1,092	–	–
S&P/ASX 200 Index	235	317	–	–
Hang Seng Index	73	148	–	–
FTSE Index	110	–	52	46
S&P 500 Index	271	131	–	–

Profit for the financial year would increase/decrease as a result of higher/lower gains on quoted equity securities classified as FVPL financial assets. Other comprehensive income would increase/decrease as a result of higher/lower gains on quoted equity securities classified as FVOCI financial assets.

The unquoted unit trust funds are discretionary and broad-based and the Group has no control over the investments held by each fund. Therefore, the performance of the funds cannot be benchmarked against the stock market index.

(b) *Interest rate risk*

The Group's exposure to interest rate risk relates primarily to its bank borrowings which bear interest rates pegged to the lender's cost of funds or prevailing market interest rates, and cash deposits with financial institutions. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. Interest rate risk is managed by interest rate swaps, and placing deposits on varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

As at 31 December 2022, if market interest rates at that date had been 25 basis points (2021: 25 basis points) higher/lower with all other variables held constant, profit for the financial year would have been S$83,000 higher/lower (2021: S$251,000 lower/higher).

31. Financial risk management objectives and policies (cont'd)

(b) *Interest rate risk (cont'd)*

Interest rate benchmark reform

The Group has bank borrowings and interest rate swaps that were previously benchmarked to the Singapore Swap Offer Rate, which will be discontinued after 30 June 2023. As at 31 December 2022, transition to an alternative benchmark rate had been completed.

(c) *Foreign currency risk*

The Group holds assets and liabilities denominated in currencies other than Singapore dollars, the functional currency of the Company. Consequently, the Group is exposed to foreign currency risk since the value of these assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. Bank borrowings and currency swaps are used to reduce currency exposures. The Group conducts reviews periodically to ensure that the net exposure is kept at an acceptable level.

The Group has net foreign currency exposures mainly in 3 currencies: United States dollar ("USD"), Australian dollar ("AUD") and Japanese yen ("JPY").

Group	USD S$'000	AUD S$'000	JPY S$'000
2022			
Long-term investments	148,772	–	21,037
Short-term investments	5,421	5,057	15,159
Cash and bank balances	2,100	8,182	1
Trade and other debtors	208	7	525
Trade and other creditors	(237)	(725)	–
Bank borrowings	–	(38,356)	–
	156,264	(25,835)	36,722
2021			
Long-term investments	144,933	–	21,005
Short-term investments	4,295	6,460	19,203
Cash and bank balances	152	940	4,392
Trade and other debtors	–	–	596
Trade and other creditors	(1)	(872)	(27)
Bank borrowings	–	(105,685)	(34,024)
	149,379	(99,157)	11,145

31. Financial risk management objectives and policies (cont'd)

(c) *Foreign currency risk (cont'd)*

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. During the financial year, the structural currency exposure arising from Group's investment in Australian subsidiary Allium Holdings Pty Ltd was partially mitigated by bank borrowings.

Sensitivity analysis for foreign currency risk

At 31 December 2022, if the SGD had weakened/strengthened 5% against the USD with all other variables held constant, profit for the financial year would have been S$6,832,000 (2021: S$6,723,000) higher/lower, and other comprehensive income would have been S$981,000 (2021: S$746,000) higher/lower.

If the SGD had weakened/strengthened 5% against the AUD with all other variables held constant, profit for the financial year would have been S$1,292,000 (2021: S$4,958,000) lower/higher. There would be no change to other comprehensive income.

If the SGD had weakened/strengthened 5% against the JPY with all other variables held constant, profit for the financial year would have been S$1,541,000 (2021: S$367,000) higher/lower, and other comprehensive income would have been S$295,000 (2021: S$189,000) higher/lower.

(d) *Liquidity risk*

The Group manages liquidity risk arising from financial liabilities by maintaining an adequate level of cash and bank balances, and committed stand-by credit facilities with two different banks. The Group monitors its liquidity risk using a recurring liquidity planning tool. This tool considers the maturity of its financial assets and liabilities, including the extent of credit float opportunities, and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

31. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities, including commitments, at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	One year or less S$'000	One to five years S$'000	Over five years S$'000	Total S$'000
2022				
Trade creditors [(1)]	1,276	–	–	1,276
Other creditors [(2)]	33,154	–	–	33,154
Lease liabilities	632	1,548	–	2,180
Bank borrowings [(3)]	41,124	10,458	26,265	77,847
Other commitments	66,541	–	–	66,541
	142,727	12,006	26,265	180,998
2021				
Trade creditors [(1)]	1,088	–	–	1,088
Other creditors [(2)]	7,370	–	–	7,370
Lease liabilities	438	1,432	–	1,870
Bank borrowings [(3)]	142,776	7,402	25,727	175,905
Other commitments	42,972	–	–	42,972
	194,644	8,834	25,727	229,205

Company	One year or less S$'000	One to five years S$'000	Over five years S$'000	Total S$'000
2022				
Other creditors [(2)]	13,458	–	–	13,458
Lease liabilities	578	1,500	–	2,078
Bank borrowings [(3)]	15,578	–	–	15,578
	29,614	1,500	–	31,114
2021				
Other creditors [(2)]	3,669	–	–	3,669
Lease liabilities	398	1,432	–	1,830
Bank borrowings [(3)]	53,871	–	–	53,871
	57,938	1,432	–	59,370

[(1)] Excluding GST payable.
[(2)] Excluding provision for reinstatement cost and interest payable.
[(3)] Including interest payable.

31. Financial risk management objectives and policies (cont'd)

(e) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the balance sheets. The financial assets are not secured by any collateral or credit enhancements.

Management has a credit policy in place and the exposure to credit risk is managed through credit approvals, credit limits and monitoring procedures on an ongoing basis. Where appropriate, the Group will obtain collateral from its clients.

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 that a default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 forward-looking information which includes the following indicators:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

31. Financial risk management objectives and policies (cont'd)

(e) *Credit risk (cont'd)*

The Group determined that its financial assets are credit-impaired when:

- there is significant difficulty of the issuer or the debtor;
- there is a breach of contract, such as a default or past due event;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- there is a disappearance of an active market for that financial asset because of financial difficulty.

The Group has no significant concentration of credit risks. Cash is placed with a number of creditworthy financial institutions. The Group does not have revenue concentration from major customers.

Trade debtors

The Group provides for lifetime ECL for all trade debtors using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has determined that the ECLs on trade debtors is insignificant.

Other debtors

The Group has assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate, and concluded that there has been no significant increase in the credit risk since initial recognition of the financial assets. Accordingly, the Group has determined that the ECLs on other debtors is insignificant.

32. Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate gearing ratio in order to support its business and maximise shareholders' 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 processes during the financial years ended 31 December 2022 and 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to manage the balance sheet prudently with a mixture of capital and debt.

Net debt includes bank borrowings, less cash and bank balances. Total capital includes equity attributable to Owners of the Company, less capital reserve.

The Group has no externally imposed capital requirements.

	Group	
	2022	**2021**
	S$'000	**S$'000**
Bank borrowings	67,781	170,434
Less: Cash and bank balances	(96,821)	(18,411)
Net (cash) / debt	(29,040)	152,023
Equity attributable to Owners of the Company	409,593	431,252
Less: Capital reserve	(137)	(137)
Total capital	409,456	431,115
Capital and net debt	409,456	583,138
Gearing ratio	nm	26%

nm = not meaningful

33. Authorisation of consolidated financial statements

The consolidated financial statements of the Group for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 15 March 2023.

STATISTICS OF SHAREHOLDINGS

As at 3 March 2023

Class of equity securities	:	Ordinary share
Number of equity securities	:	314,283,137
Number of treasury shares	:	Nil
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	68	1.03	3,445	0.00
100 – 1,000	1,078	16.27	927,651	0.30
1,001 – 10,000	4,520	68.25	17,642,311	5.61
10,001 – 1,000,000	945	14.27	36,532,852	11.62
1,000,001 and above	12	0.18	259,176,878	82.47
Total	6,623	100.00	314,283,137	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	GKG Investment Holdings Pte Ltd	197,648,722	62.89
2	Tay Kwang Thiam	18,500,000	5.89
3	DBS Nominees (Private) Limited	9,015,873	2.87
4	United Overseas Bank Nominees (Private) Limited	6,882,550	2.19
5	Citibank Nominees Singapore Pte Ltd	6,519,877	2.07
6	Raffles Nominees (Pte.) Limited	4,073,743	1.30
7	Morph Investments Ltd	3,882,031	1.24
8	Estate of Mrs Lim Kam Foong @ Tai Kam Foong @ Tai Kim Fong, Deceased	3,200,000	1.02
9	OCBC Nominees Singapore Private Limited	2,848,404	0.91
10	CGS-CIMB Securities (Singapore) Pte. Ltd.	2,679,669	0.85
11	Lim Keng Jin	2,580,000	0.82
12	OCBC Securities Private Limited	1,346,009	0.43
13	Phillip Securities Pte Ltd	961,497	0.31
14	Choo Meileen	759,800	0.24
15	Tan Eng Seng	730,100	0.23
16	Yeo Ah Moey	700,000	0.22
17	Ong Kim Guan or Neo Ah Thin	618,123	0.20
18	See Beng Lian Janice	470,664	0.15
19	Choo Ah Seng	452,669	0.14
20	Tang Chon Luang	447,954	0.14
Total		264,317,685	84.11

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

Names of substantial shareholders	No. of shares in which shareholders have a direct interest	%[1]	No. of shares in which shareholders are deemed to have an interest	%[1]
GKG Investment Holdings Pte Ltd[2]	201,837,722	64.22	–	–
Goh Geok Khim[3]	–	–	201,837,722	64.22
Goh Yew Lin[4]	–	–	201,873,722	64.23
Tay Kwang Thiam	18,500,000	5.89	–	–

Notes:

(1) "%" is based on 314,283,137 issued shares as at 3 March 2023.

(2) Based on the records of The Central Depository (Pte) Limited as at 3 March 2023, GKG Investment Holdings Pte Ltd ("**GKGI**") has a direct interest of 197,648,722 shares in the Company which does not take into account the 4,189,000 ordinary shares that were acquired by GKGI from the market between 1 March 2023 to 3 March 2023.

(3) The deemed interest of Mr Goh Geok Khim arises from his controlling interest in GKGI.

(4) Mr Goh Yew Lin is deemed interested in the shares held by GKGI and his family members.

PUBLIC FLOAT

As at 3 March 2023, 29.58% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSIDIARY HOLDINGS

As at 3 March 2023, the Company does not have any subsidiary holdings (as defined in the Listing Manual of the SGX-ST).

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	Mr Goh Yew Lin	Mr David Lim Teck Leong
Date of appointment	28 March 1990	23 April 2013
Date of last re-appointment	22 June 2020	22 June 2020
Age	63	66
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment	The re-election of Mr Goh Yew Lin as Executive Director and Managing Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration his qualifications, expertise and past experiences.	The re-election of Mr David Lim Teck Leong as Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration his qualifications, expertise and past experiences.
Whether the appointment is executive, and if so, the area of responsibility	Executive. Mr Goh Yew Lin is responsible for overall management and strategic direction of the Group.	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director	Chairman of Remuneration and Nominating Committees; Member of Audit Committee
Professional qualifications	• Bachelor of Science (Economics), University of Pennsylvania's Wharton School	• LLB (Hons), King's College London • Barrister-at-law, Gray's Inn London • Advocate & Solicitor of Supreme Court of Singapore • Fellow Member of the Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	2008 to Present: Managing Director, G. K. Goh Holdings Limited	1990 to Present: Founder & Managing Partner, David Lim & Partners LLP
Shareholding interest in the listed issuer and its subsidiaries	Refer to Directors' Statement on pages 37 to 39	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Goh Yew Lin is the son of Mr Goh Geok Khim, Executive Chairman of G. K. Goh Holdings Limited	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

	Mr Goh Yew Lin	Mr David Lim Teck Leong
Other principal commitments including directorships	Past (for the last 5 years) Directorships: • Boardroom Pte Ltd • G. K. Goh Capital Pte Ltd (struck off) • National Arts Council • National University of Singapore Board of Trustees • Seatown Capital Pte Ltd • Seatown Holdings Pte Ltd • Temasek Holdings Pte Ltd • Yong Siew Toh Conservatory of Music Present Directorships: • Direct and indirect subsidiaries and associates of the G. K. Goh Group • Duke-NUS Medical School • GKG Investment Holdings Pte Ltd • Leedon Park Holdings Pte Ltd • Magrathea Pte Ltd • Seviora Holdings Pte Ltd • Singapore Symphonia Company Ltd • Trailblazer Foundation Ltd • Verveine Pte Ltd • Xora Innovation Pte Ltd	Past (for the last 5 years) Directorships: • Argo Group Pte Ltd (struck off) • L&T IDPL Trustee Manager Pte Ltd (struck off) • New Toyo International Holdings Ltd • T. M. Tarah Pte Ltd (struck off) Present Directorships: • Allium Healthcare (Singapore) Pte Ltd • Capital 1818 Pte Ltd • Cepu Pte Ltd • Cybermax Pte Ltd (gazetted to be struck off) • Dandelion Investment Holdings Limited • Eastlog Holding Pte Ltd • Eastlog Projects Limited • Eastlog Project Services Sdn Bhd • Elite Commercial REIT Management Pte Ltd • Eruca Limited • Growth Asia Investments Limited • Indo Port Holding Pte Ltd • Joy Big Investments Limited • LCG Holdings Pte Ltd • Mezzanine Holdings Limited • Quad Energy Pte Ltd • Racha Resort Co Ltd • Spink (Asia) Pte Ltd • Wellcorp Holdings Pte Ltd • Wong Circuits (Holding) Pte Ltd Other principal commitments: • Partner of David Lim & Partners LLP • Commissioner of PT Bahari Sindo Persada • President Commissioner of PT East Java Development • President Commissioner of PT Eastern Logistics • Commissioner of PT Peak Energy

	Mr Goh Yew Lin	Mr David Lim Teck Leong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

	Mr Goh Yew Lin	Mr David Lim Teck Leong
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

	Mr Goh Yew Lin	Mr David Lim Teck Leong
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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

EQUITY

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