Roxy-Pacific
Holdings Limited

STRONG PARTNERSHIPS FIRM FOUNDATION

ANNUAL REPORT 2020

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CORPORATE PROFILE

Established in May 1967, Roxy-Pacific Holdings Limited ("**Roxy-Pacific**" or the "**Group**"), an established property and hospitality group with an Asia-Pacific focus, was listed on the SGX Mainboard on 12 March 2008. The Group is principally engaged in the development and sale of residential and commercial properties ("**Property Development**"). The Group's recurring income streams are strengthened through its flagship hotel Grand Mercure Singapore Roxy hotel, self-managed upscale boutique hotels, *Noku Kyoto* and *Noku Osaka*, Japan, and first self-managed upscale resort *Noku Maldives*, and other investment properties in Asia-Pacific ("**Hotel Ownership and Property Investment**").

The Group's residential development projects typically comprise small-to-medium sized residential developments such as apartments and condominiums targeted at middle-to-upper income segments. Between 2004 and 2020, the Group developed and launched 54 small-to-medium sized developments comprising a total of more than 5,000 residential and commercial units in Singapore, Malaysia and Australia.

Grand Mercure Singapore Roxy hotel, a major asset of the Group, is self-managed under franchise agreement with international hotel operator, Accor Group. Beyond Singapore, the Group has opened its upscale boutique hotels under the *Noku hotels* brand name in Kyoto and Osaka, Japan, and upscale resort in Maldives. The Group's second upscale resort in Phuket, Thailand, is targeted to operate in 2022.

For Property Investment, the Group owns 52 retail shops at Roxy Square Shopping Centre in Singapore. In Australia, Roxy-Pacific owns a 45% interest in a freehold six-storey commercial building at 312 St Kilda Road on the fringe of the Melbourne CBD. The Group also owns a 40% interest in a centrally-located, 10-storey commercial building at 33 Argyle Street, Parramatta, New South Wales, and a 40% interest in a commercial tower located at 350 Queen Street, Melbourne, Australia. In Auckland, the Group owns NZI Centre and has a 50% interest in the office building at 205 Queen Street. In Tokyo, the Group recently acquired 49% interest in a retail property at renowned retail districts at Shibuya, expanding Roxy-Pacific's hospitality presence in Japan to the retail property sector.

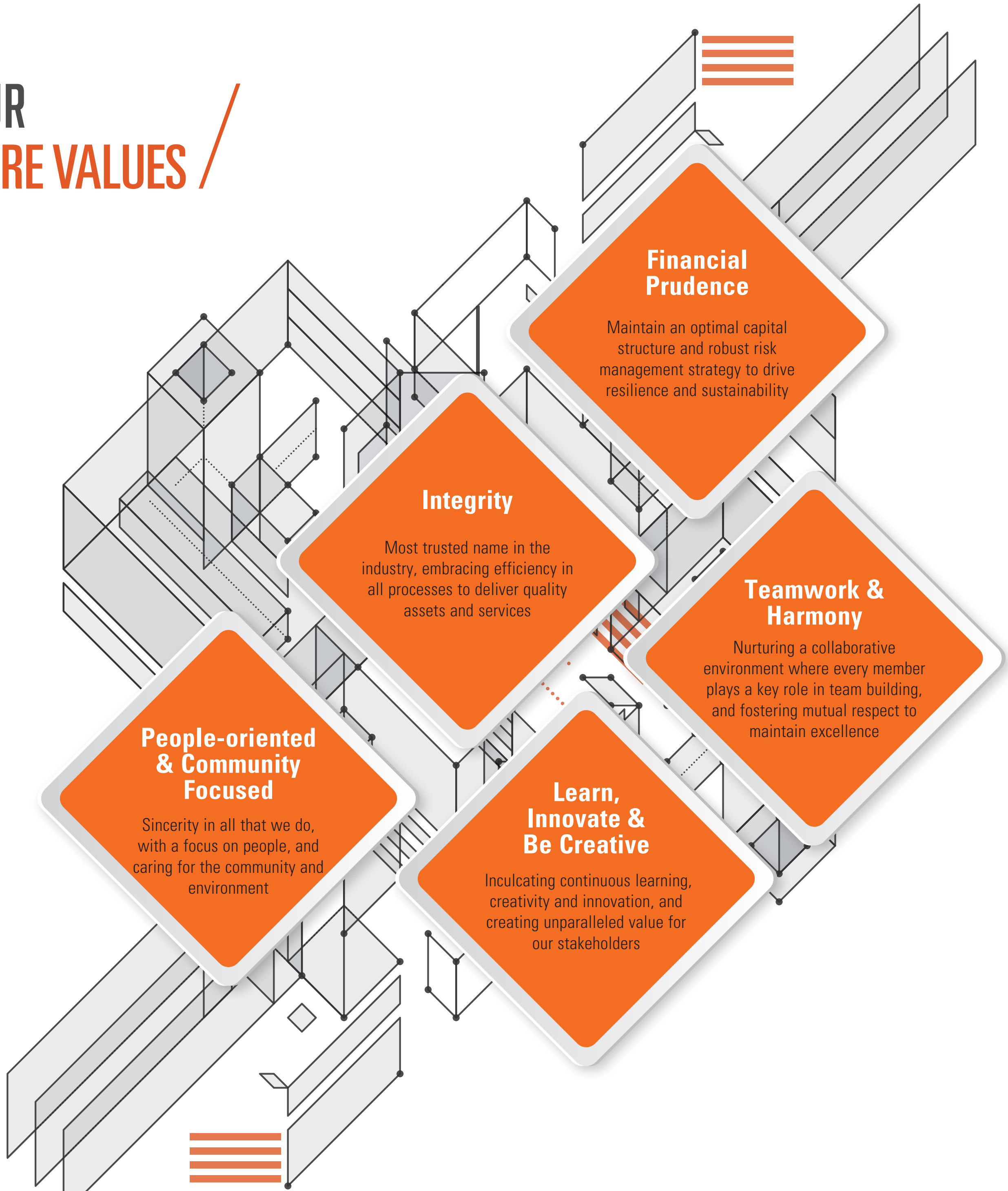
OUR VISION

To be the premier property and hospitality group with quality assets in key global cities

OUR MISSION

Maintain excellence in all that we do and deliver stable and sustainable returns to stakeholders

OUR CORE VALUES



FINANCIAL HIGHLIGHTS

Revenue (S$000)

2020	**198,431**
2019	444,030
2018	132,855
2017	246,813
2016	385,373

Total Comprehensive Income/(Loss) Attributable to Shareholders (S$000)

2020	**(29,489)**
2019	30,319
2018	21,292
2017	31,713
2016	49,804

Net Asset Value Per Share (cents)[1]

2020	**36.97**
2019	39.16
2018	38.06
2017	38.47
2016	41.20

	2020 Full Year	2019 Full Year	2018 Full Year	2017 Full Year	2016 Full Year	2015 Full Year	2014 Full Year	2013 Full Year	2012 Full Year	2011 Full Year
PERIOD	**Dec-20**	**Dec-19**	**Dec-18**	**Dec-17**	**Dec-16**	**Dec-15**	**Dec-14**	**Dec-13**	**Dec-12**	**Dec-11**
PROFIT & LOSS (SGD '000)			(restated)[5]	(restated)[3]						(restated)[2]
Revenue	198,431	444,030	132,855	246,813	385,373	460,942	317,810	369,047	190,556	183,651
Finance Costs	(23,376)	(25,190)	(16,341)	(18,512)	(15,187)	(13,124)	(9,107)	(5,476)	(4,394)	(4,650)
Share of (Loss)/Profit of Associates & Joint Ventures	(6,841)	8,478	20,062	13,863	18,641	11,134	54,858	9,944	3,974	288
(Loss)/Profit Before Tax	(31,500)	44,565	25,210	49,601	65,584	101,060	110,275	106,728	65,875	58,524
Total Comprehensive (Loss)/Income Attributable to Shareholders	(29,489)	30,319	21,292	31,713	49,804	85,096	96,653	92,250	58,447	51,807
BALANCE SHEET (SGD '000)										
No. of Ordinary Shares Issued ('000)	1,303,980	1,303,980	1,303,980	1,192,223	1,192,243	1,193,550	1,193,550	1,193,550	954,840	636,560
Share Capital	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399
Treasury shares	(3,954)	(3,954)	(3,954)	(564)	(555)	–	–	–	–	–
Revaluation Reserve	533	533	533	533	–	–	–	–	–	–
Fair Value Reserve	(5,583)	(10)	–	312	50	68	174	111	144	–
Translation Reserve	(2,279)	(22,992)	(18,558)	(4,517)	(2,146)	(8,083)	(3,168)	–	–	–
Retained Earnings	445,974	489,676	470,881	461,313	446,518	418,197	355,933	282,112	206,038	166,864
Equity Attributable to Owners of the Company	482,090	510,652	496,301	504,476	491,263	457,581	400,338	329,622	253,581	214,263
Non-Controlling Interests	(4,620)	(119)	4,533	5,136	3,745	629	515	347	199	–
Total Equity	477,470	510,533	500,834	509,612	495,008	458,210	400,853	329,969	253,780	214,263
Long Term Liabilities	380,482	227,046	240,630	334,573	303,643	344,114	300,931	133,129	89,657	100,820
Current Liabilities	758,304	859,755	965,933	673,518	662,967	606,457	731,535	835,846	580,697	433,522
Total Equity and Liabilities	1,616,256	1,597,334	1,707,397	1,517,703	1,461,618	1,408,781	1,433,319	1,298,944	924,134	748,605
Fixed Assets	263,859	261,970	231,028	215,507	175,527	129,680	120,309	81,942	76,147	73,928
Intangible Assets	119	221	393	541	68	86	–	–	1,672	1,672
Investment Properties	132,236	126,609	126,464	124,191	198,835	179,768	175,663	67,987	61,247	44,692
Investment in Associates and Joint Ventures	256,273	196,471	142,330	165,147	146,458	60,460	69,005	16,726	6,837	2,413
Other Non-Current Assets	28,132	28,008	–	2,275	12,689	68,141	1,574	2,207	1,684	–
Current Assets	935,637	984,055	1,207,182	1,010,042	928,041	970,646	1,066,768	1,130,082	776,547	625,900
Total Assets	1,616,256	1,597,334	1,707,397	1,517,703	1,461,618	1,408,781	1,433,319	1,298,944	924,134	748,605
FINANCIAL RATIOS (SGD)										
(Loss)/Earning Per Share (cents)[1]	(2.26)	2.33	1.63	2.42	4.17	7.13	8.10	7.73	4.90	4.34
Net Asset Value Per Share (cents)[1]	36.97	39.16	38.06	38.47	41.20	38.34	33.54	27.62	21.25	17.95
Return On Asset (ROA)	(1.8%)	1.9%	1.2%	2.1%	3.0%	6.0%	6.7%	7.1%	6.3%	6.9%
Return On Equity (ROE)	(6.1%)	5.9%	4.3%	6.3%	10.0%	19.0%	24.1%	28.0%	23.0%	24.2%
Total Liabilities to Equity Ratio (times)	1.54	1.48	1.84	1.36	1.31	1.39	1.54	1.87	1.64	1.43
Net Assets Value	482.09	510.65	496.30	504.48	491.26	457.58	400.34	329.62	253.58	214.26
Revaluation Surplus[4]	458.78	504.33	485.16	490.27	471.94	463.42	460.35	441.47	384.53	344.14
Adjusted Net Assets Value (S$m)	940.87	1,014.98	981.46	994.75	963.20	921.00	860.69	771.09	638.11	558.40
Adjusted Net Assets Value Per Share [1]	72.15	77.84	75.27	75.86	80.79	77.16	72.11	64.60	53.46	46.78
Net Debt to ANAV (times)	0.64	0.60	0.77	0.55	0.53	0.45	0.58	0.68	0.56	0.45

(1) Adjusted based on total issue of 1,303,979,944 (2019:1,303,979,944, 2018:1,303,979,944, 2017: 1,192,223,494, 2016: 1,192,243,494, 2011 – 2015: 1,193,549,994) ordinary shares.

(2) The figures have been restated to take into account of the retrospective effect of adoption of Amendments to FRS 12.

(3) The figures have been restated to take into account of the retrospective effect of First-time Adoption of International Financial Reporting Standards and then SFRS(I)s.

(4) Refer to revaluation surplus of the Grand Mercure Singapore Roxy, Noku Kyoto and office premise.

(5) The figures have been restated to present the contract liabilities as a separate item in the statement of financial position.

CALENDAR OF EVENTS

JANUARY

- Mr Teo Hong Lim has been appointed as member of the Nominating Committee with effect from 1 January 2020.

FEBRUARY

- Entered into Joint Venture agreement with Vivel SG Pte Ltd for acquisition of retail building at 23-10 Udagawa-cho, Shibuya-ku in Tokyo Japan.
- Cessation of quarterly reporting of financial results from FY2020 following the amendment of Listing Manual Rule 705.

MARCH

- Entered into an agreement for sale of retail property at Ginza, Chuo-ku in Tokyo, Japan at the price of JPY8,659,000,000.

MAY

- Mr Tay Kah Poh, the Lead Independent Director has retired as the Chairman of the Remuneration Committee and Nominating Committee and member of the Audit Risk Management Committee.
- Mr Tong Din Eu has been appointed as the Lead Independent Director and Chairman of the Remuneration Committee.
- Ms Cecilia Tan Hong Lye has been appointed as the Chairman of the Nominating Committee.
- Payment of final dividend of $1.09 cents per ordinary share for the financial year ended 2019.

JULY

- Invested in a 40% interest in TE-Roxy Commercial Trust I, a Singapore master trust for the acquisition of a commercial tower located at 350 Queen Street, Melbourne, Australia.

AUGUST

- Ms Shermin Chan Poh Choo has been appointed as joint secretary with Mr Koh Seng Geok.

OCTOBER

- Mr Yeo Wee Kiong has been appointed as Independent Director, member of the Audit Risk Management Committee, Nominating Committee and Remuneration Committee.

NOVEMBER

- Entered into an agreement to acquire a freehold residential site located at Jalan Molek and Guillemard Road.

OUR AWARDS

HOTEL OWNERSHIP:

EXCELLENT SERVICE AWARD (EXSA)

Silver Category – 6 Award Recipients

Gold Category – 3 Award Recipients

Star Category – 6 Award Recipients

EXSA is a national award that recognises individuals who have delivered outstanding service. It seeks to develop service models for staff to emulate, create service champions, professionalise services and raise the prestige of a career in service. The 2020 Excellent Service Award is supported by Enterprise Singapore and six industry Lead Associations – Association of Singapore Attractions, Land Transport Authority, Restaurant Association of Singapore, Singapore Hotel Association, Singapore Retailers Association and The Association of Banks in Singapore.

TOKEN OF APPRECIATION

This award is presented by Singapore Police Force in recognition of the hotel valuable contribution and support in Community safety and security efforts towards Marine Parade Neighbourhood Police Centre.

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of Roxy-Pacific, it is my pleasure to present to you the Annual Report for the full year ended 31 December 2020 ("**FY2020**").

NAVIGATING AMIDST VOLATILITIES

The COVID-19 outbreak sent economies around the world into a tailspin, causing a severe disruption to global economic activity. The impact on economies across the world has been broad and significant, affecting different sectors to varying degrees. In Singapore, for the whole of 2020, the economy contracted by 5.4 per cent, based on the statistics, mainly due to the impact of COVID-19[1]. Property analysts expect the Urban Redevelopment Authority's (URA) benchmark index for overall private home price to post growth ranging from zero per cent to 4 per cent in 2021.

Whilst 2020 ended on a stronger note with a vaccine being distributed, the effects of the pandemic are expected to linger on for years. According to the International Air Transport Association, air traffic volumes are not expected to return to pre-COVID-19 levels until 2024[2].

During the year, operationally, we have taken a conservative approach and re-aligned our businesses, focusing on attaining a lean and nimble business structure. We will continue to keep our focus on broadening our recurring income streams and taking a proactive asset management approach for greater resiliency, as we navigate through the macro volatilities.

FINANCIAL PERFORMANCE

Overall, the Group reported net loss attributable to equity holders of S$29.5 million in FY2020, compared to a net profit of S$30.3 million in FY2019. The net loss was largely due to impairment charges on its hotel properties and properties held by its overseas associated companies as well as additional tax expense incurred for its divested investment in Hong Kong amounting to S$34.6 million for FY2020, which represents 3.7% of the Group's total Adjusted Net Asset Value (ANAV) or 1.7% of the Revalued Total Assets.

The impairment charges are non-cash items which do not affect the Group's cashflow from operations, which remain strong at S$84.5 million in FY2020.

For FY2020, we recorded revenue of S$198.4 million, a 55% decrease from S$444.0 million recorded in the preceding financial year ("**FY2019**"), mainly due to significantly lower revenue from our Property Development and Hotel Ownership segments.

The Property Development segment reported revenue of S$165.8 million in FY2020, lower from S$385.9 million in FY2019, mainly due to the absence of revenue recognition from The Hensley and The Navian, as well as West End Glebe where most of the units' settlement occurred in 2019.

As at 31 December 2020, the Group's total attributable pre-sale revenue stood at S$552.1 million, with profits from the residential projects to be progressively recognised from 1 January 2021 to FY2023.

In terms of Property Investment, revenue contributions remained relatively stable at S$7.4 million in FY2020, supported by rental income from both Roxy Square in Singapore and NZI Centre in Auckland, New Zealand.

Share of results of associates and joint venture fell to a loss of S$6.8 million in FY2020 compared to a profit of S$8.5 million in FY2019, mainly due to additional tax expenses for the divested investment in 8 Russell Street, Hong Kong in 2H2020, and provision of impairment loss on the properties in our overseas associated companies, although this was partially offset by the profit from the sale of property at Ginza, Japan in 1H2020.

We will continue to look for opportunities to unlock the potential in our investments, recycling our capital to prudently pursue potentially higher-yielding reinvestment opportunities as we seek to achieve rolling returns on our investment.

We have good headway with cash and bank balances of S$395.6 million and a comfortable net debt-to-adjusted net asset value ratio of 0.64 time.

DIVERSITY FOR RESILIENCE

PROPERTY DEVELOPMENT

Data from the URA showed a 2.1% increase in the private residential property index in 4Q2020, compared to the 0.8% increase in 3Q2020. For the whole of 2020, prices of private residential properties increased by 2.2%.

For Property Development, in Singapore, we have successfully launched all the sites in our land bank and will place priority on the sale and delivery of the remaining 438 units as of 7 February 2021 in both Singapore and Malaysia.

We continue to be highly selective in land acquisition, with a focus on freehold sites in Singapore. In November 2020, the Group acquired a freehold residential site at Jalan Molek and Guillemard Road at the purchase price of S$93,000,000 with a Plot Ratio of 2.8 and we intend to commence marketing in 2021. Subsequent to the financial year-end, in February 2021, we announced the acquisition of a 999-year leasehold residential site at 10A and

Artist's impression

CHAIRMAN'S STATEMENT

Artist's impression

10B Institution Hill in Singapore, through a joint venture with Macly Capital Pte Ltd and LWH Holdings Pte Ltd, at the purchase price of S$33,600,000 with a Plot Ratio of 2.8. The Group intends to amalgamate the site with another 999-year leasehold site at 11 Institution Hill after it exercises the Option To Purchase issued on 1 February 2021. The amalgamated site will have an estimated total land area of 14,300 sq ft with a total Gross Floor Area of 40,040 sq ft for residential development.

Other key considerations will be well-designed space and strategic locations with good connections to key amenities and public transportation. Meanwhile, with Phase 3 re-opening in Singapore in December 2020, we have stepped up our engagement with buyers through both physical and online marketing channels, including virtual showrooms, to showcase our apartment units.

The current situation remains a cause for concern and we will continue to monitor closely. On a positive note, the Qualifying Certificate ("**QC**") rule which was changed in February to allow housing developers to apply for exemption from the QC regime on the basis that they have a substantial connection to Singapore. The Company has obtained an exemption on October 2020 and has applied for QC exemption for the relevant subsidiaries and associate companies. The exemption is currently under review by the authorities. This allows developers like us to avoid penalties from QC due to the slower sales amidst an ongoing uncertain environment.

In Australia, the price index for residential properties for the weighted average of eight capital cities increased by 4.5% in the September quarter 2020 on a year-on-year basis, with rises in all capital cities except Darwin. During the quarter, the key city of Sydney, where the Group has a presence in, registered a gain of 5.4% year-on-year[3].

Our two remaining residential development projects in Sydney, Australia, the Octavia Killara and West End Glebe, have been completed and fully sold.

Overall, for Property Development, we will adopt a prudent approach, with a focus on well-located and unique sites, both locally and abroad.


Artist's impression


Artist's impression

HOTEL OWNERSHIP

On the hospitality front, latest statistics from the Singapore Tourism Board ("**STB**") showed that visitor arrivals fell by 85.7 per cent in 2020 to reach 2.7 million visitors (nearly all from the first two months of 2020), while tourism receipts declined by 78.4 per cent to S$4.4 billion in the first three quarters of 2020[4]. Due to macro headwinds and stiffer regional competition, STB expects tourism arrivals and tourism receipts to remain weak in 2021.

Our flagship Grand Mercure Singapore Roxy hotel joined a large number of hotels in providing their entire accommodation facilities to any person(s) that need to be isolated from the general population in a "Government Quarantine Facility" as a matter of precaution. In 2021, we will continue to sustain key capabilities through technology and upskilling of our staff, to prepare for when the market recovers, once cross-border travel resumes in a significant way.

Japan's travel bans for travellers from around 152 countries and regions resulted in a significant decrease in international visitor arrivals during the year under review. *Noku Osaka*, one of the Group's self-managed boutique hotels, has been closed for operations since November 2020 resulting from this development. On a brighter note, as part of its efforts to revive the domestic tourism industry, the government has unveiled a US$16 billion "Go To" campaign to subsidise domestic tourism. This has been temporary halted from 28 December 2020 and will continue to be suspended even after the government fully lifts the coronavirus state of emergency. Both of the Group's self-managed boutique hotels, *Noku Kyoto* and *Noku Osaka*, have stepped up its marketing activities to capture the domestic market upon resumption of the campaign.

We are pleased that the Maldives has reopened its tourist resorts on 15 July 2020 and received its first international flight in over three months and the Group's upscale resort in Maldives, *Noku Maldives*, has received positive enquiries since the travel restriction was lifted. Meanwhile, the Group's second resort asset in Thailand, *Noku Phuket*, is expected to operate in 2022.

CHAIRMAN'S STATEMENT

Our geographically-diversified portfolio will continue to provide some resilience. Our focus will be to self-manage where possible, and improving productivity, internal processes and operational efficiencies, to weather the volatilities brought on by the pandemic.

PROPERTY INVESTMENT

In Australia, the office sector is not expected to face an immediate structural shift in demand despite remote working measures implemented in response to COVID-19. On the other hand, office assets in Sydney and Melbourne are expected to continue to be highly sought after by investors given Australia's strong prospects for economic recovery, long-term growth potential, and 'safe haven' characteristics[5].

The Group's investment properties in Melbourne, Australia, namely the newly acquired 350 Queen Street and the conversion of Park Hotel Melbourne into a commercial development, are expected to benefit from this positive trend.

In Auckland, New Zealand, of our two key assets in New Zealand, 205 Queen Street, located in the core of Auckland's CBD, enjoyed high occupancy of 84% as of 31 December 2020. We will look for opportunities to raise occupancy to maximise rental yield. Additionally, our wholly-owned building, NZI Centre, situated in the western end of Auckland's CBD, is fully leased to a well-known tenant – IAG New Zealand Limited – the largest insurer in New Zealand.

In Japan, whilst vacancies are expected to rise and new opening demand anticipated to weaken, from Q1 2022, rents are projected to return to growth as the economy is expected to recover, limiting the net rent decrease over the next two years to 4.3%[6]. As part of our capital recycling strategy, the Group acquired a 49% stake in a 5-storey retail building, Vivel Shibuya, located at Shibuya-Ku, Tokyo, Japan, which is well-positioned in the central hub for youth culture in Tokyo, and divested our 53.07% stake in a retail building at Ginza in the same city.

Overall, the Group's investment properties in these countries maintained a high level of occupancy at 88% as at 31 December 2020.

We will continue to tap on strong partnerships with established industry veterans to prudently grow our footprint in this country and beyond. Proactive asset management will also remain a key focus as we look for opportunities to unlock value by reinvesting towards potentially higher yielding assets.


Artist's impression

WORDS OF APPRECIATION

I would like to thank our Board of Directors for their guidance in navigating the Group through this unprecedented global crisis. At this juncture, on behalf of the Board, I will like to warmly welcome our new Independent Director, Mr Yeo Wee Kiong, who joined in October 2020. Mr Yeo, who brings with him strong legal expertise and varied directorships in real estate, investments, healthcare transport and engineering, has been appointed as a member of the Audit Risk Management Committee, Nominating Committee and Remuneration Committee. On behalf of the Board, I would like to take this opportunity to express our appreciation to Mr Winston Tan Tien Hin, who will be stepping down from the Board at the forthcoming Annual General Meeting. Mr Tan has been an invaluable member of our Board for the past 14 years, and his strong commitment and expertise has contributed greatly to the Group's success.

I am also deeply appreciative of our senior management team, for their commitment and dedication in helping the Group to overcome challenges and adapt to the 'new normal', with the disruptions brought about by the global pandemic.

In closing, I would like to thank our management and staff for their dedication and contributions to Roxy-Pacific. Last but not least, I would like to extend our appreciation to our shareholders, clients, consultants, suppliers, partners and business associates for their ardent support as we remain focused on building strong partnerships for a firm foundation and sustainable growth.

TEO HONG LIM
Executive Chairman and Chief Executive Officer

15 March 2021

1 *Ministry of Trade and Industry, February 15, 2021 – MTI Maintains 2021 GDP Growth Forecast at 4.0 to 6.0 Per Cent*
2 *International Air Transport Association, November 24, 2020 – Deep Losses Continue Into 2021*
3 *Australian Bureau of Statistics, December 8, 2020 – Residential Property Price Indexes: Eight Capital Cities*
4 *STB, February 1, 2021 – Singapore's tourism sector emerges from 2020 with greater resilience and reinvention*
5 *Knight Frank, Asia-Pacific Real Estate Outlook 2021: Navigating The Post-Pandemic Recovery https://content.knightfrank.com/news/13704/6979-article-1.pdf*
6 *CBRE, Vacancy Rose in Ginza & Shinsaibashi; Demands Focused on Prime Locations*

FINANCIAL & OPERATIONS REVIEW

FY2020, the Group recorded revenue of $198.4 million, 55% lower than $444.0 million in FY2019. This was mainly due to lower revenue from the Property Development and Hotel Ownership segments.

The Property Development segment contributed S$165.8 million or 84% of the Group's total FY2020 revenue, a decrease from S$385.9 million recorded in FY2019. The decrease was largely due to absence of revenue recognition from The Hensley and The Navian upon settlement and TOP in 2019, as well as West End Glebe where most of the units' settlement occurred in 2019. Delay in construction for development projects due to the closure of construction sites also contribute to a lower recognition of revenue in FY2020.

Based on units sold from its ongoing development projects, the Group has total attributable pre-sale revenue of $552.1 million as at 7 February 2021, the profits of which will be recognised from 1 January 2021 to FY2023.

Construction of the Group's residential projects are expected to be delayed due to the earlier Circuit Breaker period as well as the implementation of precautionary and safe distancing measures. Going forward, the Group will continue to prioritise the sale and delivery of the units in its current land bank.

Since the Phase 3 re-opening in Singapore, the Group's showrooms have stepped up its engagement with buyers through physical and online marketing channels including virtual showrooms to showcase the apartment units. In November 2020, the Group acquired a freehold residential site at Jalan Molek and Guillemard Road at the purchase price of S$93,000,000. This freehold residential site has an estimated total land area of 37,131 sq ft and is allowed for residential development with a Plot Ratio of 2.8.

In February 2021, the Group announced that it has entered into an agreement to acquire a 999-year leasehold residential site in Singapore, 10A and 10B Institution Hill, through a joint venture with Macly Capital Pte Ltd and LWH Holdings Pte Ltd, at the purchase price of S$33,600,000. The Group intends to amalgamate the site with another 999-year leasehold site at 11 Institution Hill after it exercises the Option To Purchase issued on 1 February 2021. The amalgamated site will have an estimated total land area of 14,300 sq ft with a total Gross Floor Area of 40,040 sq ft for residential development.

PROPERTY DEVELOPMENT
Pre-sale revenue as at 7 February 2021

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value[(i)(ii)]	Attributable revenue recognised up to 31 December 2020	Balance attributable progress billings to be recognised from 1 January 2021
	Singapore		**%**	**Unit**	**Unit**	**$'m**	**$'m**	**$'m**
1	Harbour View Gardens	Residential	100%	57	57	$73.7	$61.0	$12.7
2	120 Grange	Residential	90%	56	56	$92.3	$28.5	$63.8
3	Bukit 828	Residential	80%	34	34	$32.2	$14.1	$18.1
4	Arena Residences	Residential	50%	98	98	$67.1	$15.2	$51.9
5	RV Altitude	Residential	100%	140	63	$100.6	$20.8	$79.8
6	Fyve Derbyshire	Residential	100%	71	51	$93.2	$10.9	$82.3
7	Wilshire Residences	Residential	40%	85	14	$9.3	$1.2	$8.1
8	Dunearn 386	Residential	100%	35	17	$29.5	$5.0	$24.5
9	View at Kismis	Residential	60%	186[(iv)]	166	$124.4	$7.2	$117.2
10	Neu at Novena	Residential	50%	87	72	$63.8	$1.8	$62.0
	Malaysia							
11	Wisma Infinitum – The Colony	Residential	47%	423	339	$60.2	$40.4	$19.8
	Wisma Infinitum – The Luxe	Residential	47%	300[(iii)]	167	$34.9	$23.0	$11.9
	Total			**1,572**	**1,134**	**$781.2**	**$229.1**	**$552.1**

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 7 February 2021.
(ii) For overseas projects, sale value is based on contract signed up to 7 February 2021.
(iii) Represents Block B – The Luxe by Infinitum. An additional 31 commercial units are pending launch.
(iv) Exclude 2 commercial units.

Overseas, the Group's residential development projects in Sydney, Australia, Octavia Killara and West End Glebe, have been completed and fully sold.

The Group's joint venture development in Malaysia, The Colony by Wisma Infinitum, is 80% sold as at 7 February 2021, while The Luxe by Infinitum has sold 55% of its residential units.

Amidst the weaker economic outlook and softened property market conditions, Roxy-Pacific will exercise prudence for its acquisitions in Singapore, with a focus on freehold sites. Overseas, the Group will continue to work closely with its partners to replicate the success of its development projects on future ventures.

HOTEL OWNERSHIP

Hotels in operations/under development

Properties	Grand Mercure Singapore Roxy	Noku Kyoto	Noku Osaka	Noku Maldives	Noku Phuket (under development)	Total
Location	50 East Coast Road	205-1 Okuracho Kyoto, Japan	Kita-Ku, Osaka City, Japan	Island of Kudafunafaru, Noonu Atoll, Maldives	48/13 Moo 6, Chaofa Road, Phuket, Thailand	na
Managed by	Roxy under franchise with Accor Group	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	na
Rooms	576 rooms	81 rooms	154 rooms	50 villas	91 rooms/villas	952 rooms/villas
Date of TOP/acquisition	TOP in Sep 2000	02-Oct-14	17-Oct-17	11-May-16	06-Nov-14	na
Tenure	Freehold	Freehold	Freehold	Remaining 36 years leasehold	Freehold	na
Approximate Land Area (sq m)	15,172	940	886	89,896	46,878	153,772
Gross Floor area (sq m)	35,336	4,780	3,672	16,830	17,973	78,591
Net Book Value as at 31 December 2020	S$60.1 million	S$30.4 million (JPY2.37 billion)	S$35.8 million (JPY2.80 billion)	S$44.3 million (US$33.5 million)	S$48.6 million (THB1.10 billion)	S$219.2 million
Valuation as at 31 December 2020	S$501 million	S$34.7 million (JPY2.71 billion)	S$35.8 million (JPY2.80 billion)	S$44.3 million (US$33.5 million)	S$48.6 million[1] (THB1.10 billion)	S$664.4 million

(1) Refers to Net Book Value. The estimated market value is S$53.4m (THB1.21b). The hotel is expected to commence operation in FY2022.

FINANCIAL & OPERATIONS REVIEW

Revenue from the Group's Hotel Ownership segment, which contributed 12% to the Group's turnover in FY2020, decreased 50% to S$25.2 million from S$50.4 million in 2019.

The Group's hotel operations were affected by the COVID-19 outbreak as many countries imposed border control measures, impacting the global tourism industry. Visitor arrivals in Singapore fell by 85.7 per cent in 2020 to reach 2.7 million visitors (nearly all from the first two months of 2020), while tourism receipts declined by 78.4 per cent to S$4.4 billion in the first three quarters of 2020.[1]

The Group's flagship Grand Mercure Singapore Roxy hotel joined a large number of hotels in providing their entire accommodation facilities to any person(s) that need to be isolated from the general population in a "Government Quarantine Facility" as a matter of precaution. For hospitality, the Group will continue to focus on training, improving productivity, internal processes and operational efficiencies, to prepare for when the market recovers.

To curb the spread of COVID-19, Japan has travel bans in place for travellers from around 152 countries and regions, which resulted in a significant decrease in international visitor arrivals. For November 2020, visitor arrivals to Japan stood at 56,700, a decline of 97.7%[2]. As a result, Noku Osaka, one of the Group's self-managed boutique hotels, has been closed for operations since November 2020. As part of its efforts to revive the domestic tourism industry, the government has unveiled a US$16 billion "Go To" campaign to subsidise domestic tourism. This has been temporary halted from 28 December and will continue to be suspended even after the government fully lifts the coronavirus state of emergency.

Meanwhile, the Maldives reopened its tourist resorts on 15 July 2020 and received its first international flight in over three months. The Group's upscale resort in the Maldives, Noku Maldives, has received positive enquiries since the travel restrictions were lifted.

The Group's second resort asset in Thailand, Noku Phuket, is expected to commence operations in 2022.

PROPERTY INVESTMENT

	Location	Description	Date of TOP/ acquisition	Group's stake	Net Lettable Area/Floor Area (sq m)	Occupancy (%) as at 31 December 2020 (on lettable area)	Valuation[1] ($)	Estimated Total Annual Gross Income[3] (S$)
	Held by subsidiary company							
1	50 East Coast Road, Roxy Square, Singapore	49 shop units[2]	1984/1998	100%	2,371	85%	S$67.3m	S$1.1m
2	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	6-Storey commercial building	15-Dec-17	100%	9,446	100%	S$64.9m (NZ$68.0m)	S$6.7m (NZ$7.0m)
	Total				**11,817**		**$132.2m**	
	Held by Associate company							
3	205 Queen Street, Auckland, New Zealand	2 office towers with retail podium	20-Dec-17	50%	25,368	84%	S$190.5m (NZ$199.5m)	S$13.3m (NZ$13.9m)
4	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	23-Jan-18	45%	9,887	85%	S$88.5m (A$87.0m)	S$5.6m (A$5.5m)
5	33 Argyle Street, Parramatta NSW, Australia	Office building comprising retail ground floor suite and café, 3 levels of above ground parking, 6 office levels and roof top plant rooms	08-Jan-19	40%	5,281	92%	S$44.6m (A$43.8m)	S$3.0m (A$2.9m)
6	350 Queen Street, Melbourne, Australia	21 levels of Commercial Office Tower	19-Jan-21	40%	21,823	89%	S$159.8m[4] (A$157m)	S$8.4m (A$8.3m)
7	23-10 Udagawacho, Shibuya-ku, Tokyo	5-storey retail building	28-Feb-20	49%	679	100%[5]	S$71.5m (JPY5.58b)	S$2.5m (JPY192.4m)
	Total				**63,038**		**$554.9m**	

(1) Based on latest valuations as of 31 December 2020
(2) Excludes 3 units which are for owner-use premises
(3) Based on occupancy as at 31 December 2020
(4) Based on valuation as of 30 September 2020. The Group has completed the purchase on 19 January 2021
(5) The occupancy as of February 2021 is 14%

The Property Investment segment contributed to the remaining 4% of the Group's FY2020 revenue, recording S$7.4 million of segment revenue compared to S$7.7 million in FY2019. The segment revenue comprised rental income from Roxy Square and NZI Centre.

To further enhance its recurring income stream, the Group, together with its joint venture partner, has announced the investment for a 40% interest in a commercial tower located at 350 Queen Street, Melbourne, Australia. The freehold property comprises a commercial tower with offices, retail offerings and community amenities, situated in the Central Business District of Melbourne, Australia. Additionally, the Group's re-development of the former Melbourne House at 360 Little Bourke in Melbourne, Australia into Park Hotel Melbourne, will be converted into a commercial development to tap on steady recurring income stream.

During the year, the Group acquired a 49% stake in a 5-storey retail building, Vivel Shibuya, located at Shibuya-Ku, Tokyo, Japan, in the central hub for youth culture in this city. This building is strategically located in close proximity to the Shibuya Station and adjacent to the famous Shibuya scramble crossing, which is in close proximity to immense amounts of foot traffic from both foreign tourists and domestic shoppers.

Overall, the Group's investment properties maintained a high level of occupancy at 88% as at 31 December 2020.

GROSS PROFIT

FY2020 gross profit fell to S$33.3 million from S$106.2 million in FY2019.

The Property Development segment contributed 52% to the Group's FY2020 gross profit. The gross profit margin for the Property Development segment was 10% in FY2020 as compared to 19% in FY2019, mainly due to lower profit margins for some projects in Singapore as well as unexpected project cost escalation for Octavia Killara.

The gross profit margin of the Hotel Ownership segment decreased by 9 percentage points to 39% in FY2020, mainly due to lower profit margin from the overseas hotels. Gross profit margin of the Property Investment segment decreased 5 percentage points to 81% in 2020 from 86% in FY2019 mainly due to rental rebates given to tenants.

The Group's overall gross profit margin in FY2020 was 17%, lower than the 24% recorded in FY2019, mainly due to lower profit margin from Property Development and Hotel Ownership segments.

NET LOSS

Share of results of associates and joint venture fell to a loss of S$6.8 million in FY2020 compared to a profit of S$8.5 million in FY2019, mainly due to additional tax expenses for the divested investment in 8 Russell Street, Hong Kong in 2H2020 and provision of impairment loss on its properties in the overseas associated companies, although this was partially offset by the profit from the sale of property at Ginza, Japan in 1H2020.

Other operating income increased 129% to S$16.4 million in FY2020 mainly due to government grant received for Job Support Scheme, higher foreign exchange gain and higher fair value gain from investment property at Roxy Square, partially offset by fair value loss from investment property at NZI Centre.

As a result of the above, the Group reported net loss attributable to equity holders of S$29.5 million in FY2020, compared to a net profit of S$30.3 million in FY2019.

BALANCE SHEET

The Group's balance sheet remained healthy with cash and bank balances of S$395.6 million and a comfortable net debt-to-adjusted net asset value ratio of 0.64 time.

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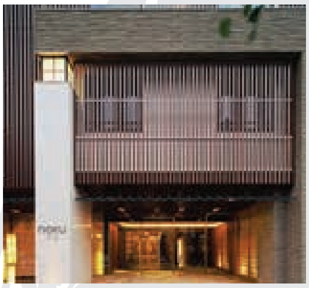
1 *STB, February 1, 2021 – Singapore's tourism sector emerges from 2020 with greater resilience and reinvention*

2 *Japan National Tourism Organization, Overseas Residents' Visits to Japan, January 8 2021*

GLOBAL PRESENCE

JAPAN



Hotel properties
Noku Kyoto
Noku Osaka

Commercial properties
Vivel Shibuya

THAILAND

Hotel under development
Noku Phuket

Artist's impression

MALDIVES

Hotel properties
Noku Maldives

MALAYSIA

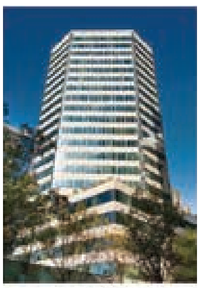
Properties for sale under development
Wisma Infinitum

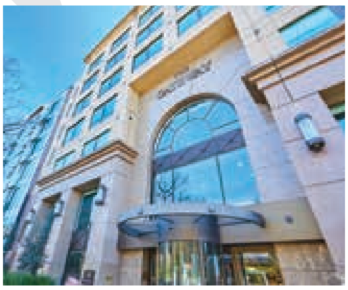
Artist's impression

INDONESIA

Land held for development/investment
Kramat, Jakarta

AUSTRALIA





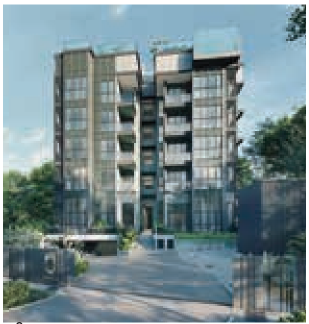
Commercial properties
350 Queen Street, Melbourne
312 St Kilda, Melbourne
33 Argyle Street, Parramatta NSW

Land held for development/investment
New World Towers, South Brisbane
Bracks Street, North Fremantle
Little Bourke, Melbourne

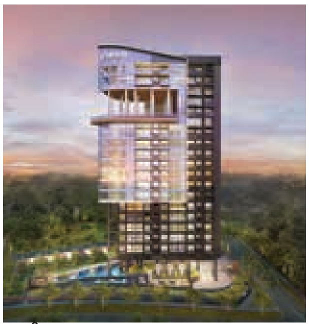
NEW ZEALAND

Commercial properties
205 Queen Street, Auckland
NZI Centre, Auckland

SINGAPORE

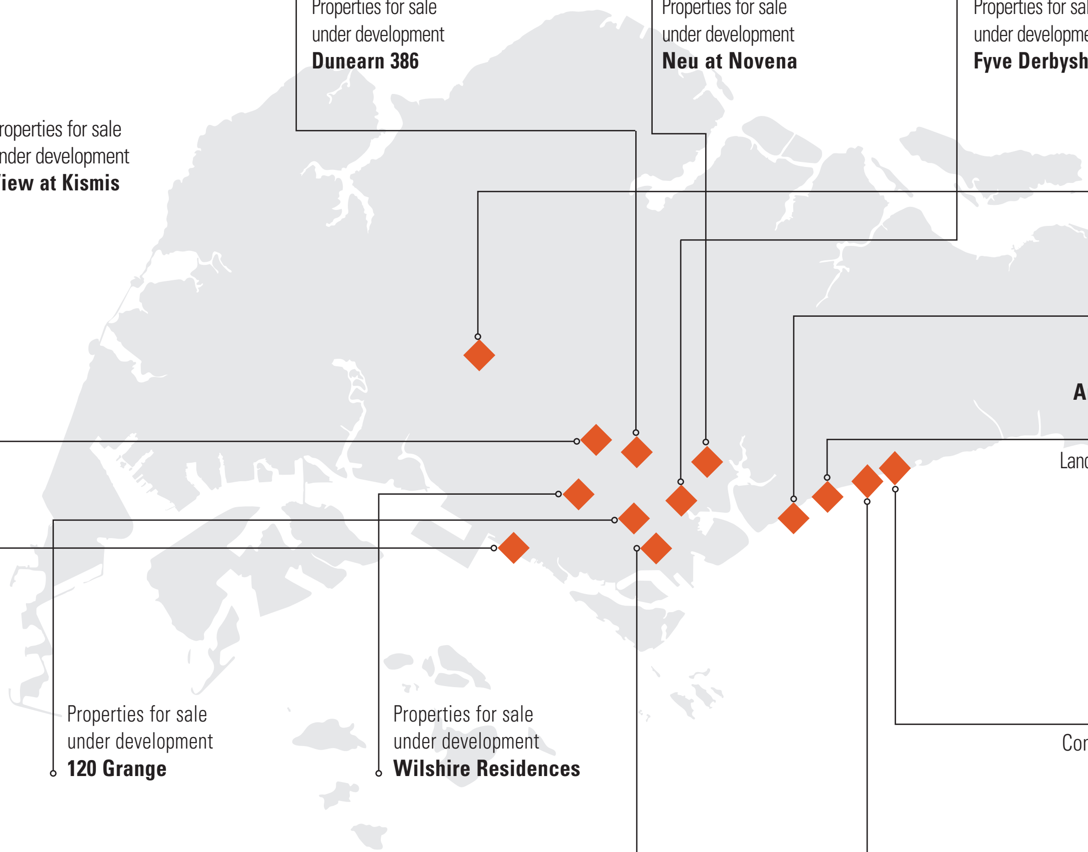


Properties for sale
under development
Dunearn 386



Properties for sale
under development
Neu at Novena

Properties for sale
under development
Fyve Derbyshire



Properties for sale
under development
View at Kismis

Properties for sale
under development
Bukit 828

Properties for sale
under development
Arena Residences

Land held for development
Jalan Molek and Guillemard Road

Properties for sale
under development
120 Grange

Properties for sale
under development
Wilshire Residences

Commercial properties
Roxy Square

Properties for sale
under development
Harbour View Gardens

Properties for sale
under development
RV Altitude

Artist's impression

Hotel properties
Grand Mercure Singapore Roxy

BOARD OF DIRECTORS

TEO HONG LIM
Executive Chairman and Chief Executive Officer

Teo Hong Lim has been a Director of our Company since 20 May 1993 and was appointed Managing Director on 19 April 2018. He was last re-elected as Director on 6 April 2018 and is appointed a member of the Nominating Committee on 1 January 2020. Mr Teo sets out our Group's strategies and leads overall management. Outside of the Group, Mr Teo is currently School Advisory Board Chairman of Tanjong Katong Secondary School and Chairman of Montfort Care, a network of programmes committed to improving the lives of individuals, families and the community facing transitional challenges. He believes in contributing back to society especially for the less fortunate. Mr Teo graduated from the National University of Singapore with an honours degree in Accountancy. He worked for DBS Bank Ltd as assistant treasurer before joining our Company.

First appointment as Director
20 May 1993

Appointment as Executive Chairman
12 March 2008 (upon admitted to the Official list of the SGX-Main Board)

Last re-election as Director
6 April 2018

Board committees
Nominating Committee (Member)

Present directorships in other listed companies and principal commitments
Nil

Other appointments
Chairman of Montfort Care
School Advisory Board Chairman of Tanjong Katong Secondary School

Past directorships in other listed companies and principal commitments held in the preceding five years
Nil

CHRIS TEO HONG YEOW
Executive Director and Deputy Chief Executive Officer

Chris Teo Hong Yeow joined our Group in 1993. He was last re-elected as Director on 23 April 2019 and was appointed Deputy Chief Executive Officer on 23 March 2018. His main task was in the planning and facilities design of Grand Mercure Singapore Roxy Hotel. From 2015, Mr Teo created and develop Noku hotels and resorts in Kyoto, Osaka, Maldives and Phuket. Mr Teo is primarily responsible for all aspects of our Hotel Ownership business, including ongoing evaluation, investment and improvement of the hotel segment. He supports the Executive Chairman and Chief Executive Officer in the formulation of corporate strategies and the future direction of the Group. Mr Teo graduated from Michigan State University with a Bachelor of Arts degree in Hotel, Restaurant and Institutional Management. Mr Teo has more than 30 years of experience in the hospitality industry. He is also Director of Shatec Global Limited. He has previously held managerial appointments at several international hotels in Asia, such as the Oriental Hotel in Singapore, the Amanpuri in Phuket, Thailand and the Amandari in Bali, Indonesia.

First appointment as Director
4 January 1993

Last re-election as Director
23 April 2019

Board committees
Nil

Present directorships in other listed companies and principal commitments
Nil

Other appointments
Director of Shatec Global Limited

Past directorships in other listed companies and principal commitments held in the preceding five years
Nil

KOH SENG GEOK
Executive Director and Deputy Chief Executive Officer

Koh Seng Geok has been the Executive Director of our Company since 1 September 2001 and was last re-elected as Director on 4 May 2020. Mr Koh was appointed Deputy Chief Executive Officer on 23 March 2018. Prior to this appointment, he served as Chief Financial Officer, managing the financial, banking, accounting and legal aspects of our Group. Mr Koh supports the Executive Chairman and CEO in the formulation of corporate strategies and the future direction of the Group. He is concurrently our Joint Company Secretary and also oversees our Human Resource and Administration department. Mr Koh joined our Group in February 2000 as the Financial Controller of Grand Mercure Singapore Roxy Hotel. He graduated from the National University of Singapore with a Bachelor of Accountancy degree and he is a non-practising member of the Institute of Singapore Chartered Accountants. He also holds a Master in Business Administration from the University of Leicester. Prior to joining our Group, Mr Koh worked as an auditor in Deloitte and Touche and Haw Par Brothers International Limited, and held appointments as the Finance Manager of Goldtron Electronics Pte Ltd and Equant Integration Services Pte Ltd.

First appointment as Director
1 September 2001

Last re-election as Director
4 May 2020

Board committees
Nil

Present directorships in other listed companies and principal commitments
Nil

Other appointments
Nil

Past directorships in other listed companies and principal commitments held in the preceding five years
Nil

TONG DIN EU
Lead Independent Director

Tong Din Eu was appointed as an Independent Director of Roxy-Pacific Holdings Limited on 2 October 2017 and was last re-elected as Director on 6 April 2018. He is Chairman of Audit Risk Management Committee and Remuneration Committee and is a Member of Nominating Committee. Mr Tong is a Director of Midas Holdings Limited. He holds a Bachelor Degree in Accountancy from the National University of Singapore and passed the examinations to be a Chartered Financial Analyst. Mr Tong has many years of experience in corporate finance and had advised many regional initial public offerings and merger & acquisitions transactions.

First appointment as Director
2 October 2017

Last re-election as Director
6 April 2018

Board committees
Lead Independent Director
Remuneration Committee (Chairman)
Audit Risk Management Committee (Chairman)
Nominating Committee (Member)

Present directorships in other listed companies and principal commitments
Executive Director of Midas Holdings Limited (under liquidation)

Other appointments
Nil

Past directorships in other listed companies and principal commitments held in the preceding five years
Lead Independent Director of Midas Holdings Limited

BOARD OF DIRECTORS

CECILIA TAN HONG LYE
Independent Director

Cecilia Tan Hong Lye was appointed as an Independent Director of Roxy-Pacific Holdings Limited on 1 October 2019 and was last re-elected as Director on 4 May 2020. She is the Chairman of the Nominating Committee, as well as a Member of Audit Risk Management Committee and a Member of Remuneration Committee. Ms Tan has more than 20 years of working experience in the areas of corporate finance, investment banking, real estate direct investment and real estate fund management. She is currently the Senior Strategic Adviser to the Chairman of Sasseur Group. Ms Tan holds a Master of Applied Finance from Macquarie University, Australia. She graduated with a Bachelor Degree in Business Administration (Second Upper Class Honours) from the National University of Singapore.

First appointment as Director
1 October 2019

Last re-election as Director
4 May 2020

Board committees
Nominating Committee (Chairman)
Remuneration Committee (Member)
Audit Risk Management Committee (Member)

Present directorships in other listed companies and principal commitments
Nil

Other appointments
Senior Strategic Adviser to the Chairman of Sasseur Group

Past directorships in other listed companies and principal commitments held in the preceding five years
Nil

WINSTON TAN TIEN HIN
Independent Director

Winston Tan Tien Hin has been a Non-Executive Director of our Company since 14 December 2006. Mr Tan was re-designated from the position of Non-Executive and Non-Independent Director to Independent Director on 12 January 2012 and was last re-elected as Director on 6 April 2018. He is a Member of Roxy-Pacific Holdings Limited's Audit Risk Management Committee, Nominating Committee and Remuneration Committee. Mr Tan is a Executive Chairman of Winmark Investment Holdings Limited and Non-Executive Director of Plastoform Holdings Limited. He is currently the Managing Director for Winmark Investments Pte. Ltd., Corporate Brokers International Pte. Ltd. and ZhenXing Commercial Consultancy (Shanghai) Co. Ltd. Amongst others, he was also previously an Independent Non-Executive Director of Pteris Global Limited and Singapore Technologies Engineering Ltd.; Director of Singapore Technologies Kinetics Limited; Director of Ascendas Pte. Ltd. and AETOS Security Management Pte Ltd; General Manager of Deutsche Bank AG (Singapore Branch) and Vice-President at Citibank N.A. Mr Tan graduated from the University of Singapore with a Bachelor of Science (Physics) degree.

First appointment as Director
14 December 2006

Last re-election as Director
6 April 2018

Board committees
Nominating Committee (Member)
Remuneration Committee (Member)
Audit Risk Management Committee (Member)

Present directorships in other listed companies and principal commitments
1. Non-executive director of Plastoform Holdings Limited
2. Executive Chairman of Winmark Investment Holdings Limited

Other appointments
1. Managing Director of Winmark Investment Pte. Ltd.
2. Managing Director of Corporate Brokers International Pte. Ltd

Past directorships in other listed companies and principal commitments held in the preceding five years
1. Non-Executive Independent Director of Pteris Global Limited
2. Director of Singapore Technologies Kinetics Limited

YEO WEE KIONG
Independent Director

Yeo Wee Kiong was appointed as an Independent Director of Roxy-Pacific Holdings Limited on 1 October 2020. He is a Member of Roxy-Pacific Holdings Limited's Audit Risk Management Committee, Nominating Committee and Remuneration Committee. He has had more than 22 years of practice experience as a corporate finance lawyer and has retired since 2012. Prior to that, he was an investment banker with NM Rothschild & Sons (Singapore) Limited in Singapore. His first work experience was with the Singapore Economic Development Board (EDB). He is currently a member of the board of Heliconia Capital Management Pte Ltd, a subsidiary of Temasek Holdings. Mr Yeo holds a Bachelor of Engineering (First Class Honours) degree from the University of Singapore, a Bachelor of Laws (Honours) degree from the University of London, and a Master of Business Administration degree from the National University of Singapore. He was awarded the Public Service Medal National Day Award in 2011.

First appointment as Director
1 October 2020

Last re-election as Director
NA

Board committees
Nominating Committee (Member)
Remuneration Committee (Member)
Audit Risk Management Committee (Member)

Present directorships in other listed companies and principal commitments
1. Independent and Non-Executive Director of AF Global Limited
2. Non-Independent and Non-Executive Director of Asian Healthcare Specialists Limited
3. Independent and Non-Executive Director of Bonvests Holdings Limited
4. Independent and Non-Executive Director of Pacific Century Regional Development Limited
5. Independent and Non-Executive Director of SUTL Enterprise Limited

Other appointments
1. Director of Heliconia Capital Management Pte Ltd, a subsidiary of Temasek Holdings
2. Independent Director of Sabana Real Estate Investment Management Pte Ltd (Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust)

Past directorships in other listed companies and principal commitments held in the preceding five years
Nil

SENIOR EXECUTIVE OFFICERS

FOO YONG KIT STEVE
Senior Director – Developments

Foo Yong Kit Steve is the Senior Director (Developments), for the Group's Property Development business. Mr Foo joined the Group in May 2007 as Project Manager and he oversees all aspects of our development projects from review of development designs, evaluation of tender and administration of construction and maintenance programmes. As head of the Contract, Project and Property Management division he ensures successful initiation, completion and handover of our development projects. He also supports the Group overseas Hospitality development projects. Mr Foo has more than 35 years of experience in the field of construction and property management. Prior to joining our Group, Mr Foo was employed by the Keppel Club as Manager overseeing the Club maintenance and development of a new Master Plan project. Mr Foo holds a certificate in Architectural Studies and a Diploma in Building from Singapore Polytechnic and also holds a certificate in Common Examination for Housing Agents from the Singapore Institute of Surveyors and Valuers (SISV). He is also a certified Fire Safety Manager as awarded by the Singapore Civil Defence Force (SCDF).

SHERMIN CHAN POH CHOO
Director – Finance and Administration

Shermin Chan Poh Choo is the Director of Finance and Administration. She joined the Group in May 2007 as Assistant Finance Manager. Her duties and responsibilities include overseeing the Group's financial and accounting functions, as well as corporate reporting, secretarial and banking matters. Concurrently as the Director for Administration department, she oversees the Human Resource and Office Administration functions. Ms Chan was trained and started her career as an auditor for a mid-tier Singapore public accounting firm for 10 years. Prior to joining our Group, she worked for Xpress Print Pte Ltd in the accounting and finance department. Ms Chan obtained her professional qualification in accountancy from The Association of Chartered Certified Accountants and is a non-practising member of the Institute of Singapore Chartered Accountants.

ANGELA KHOO YING HUI
Director – Sales and Marketing/Director – Business Development and Investment

Angela Khoo Ying Hui is the Director of Sales & Marketing and Director of Business Development and Investment. She joined the Group in 2010 as the Manager of Sales and Marketing. Her current responsibilities includes the entire spectrum of sales and marketing for the Group's projects as well as overseeing commercial leasing portfolios. In addition, Ms Khoo also support the Group's CEO in the areas of Business Development and Investment for the Company. Ms Khoo has accumulated more than 16 years of real estate experience. Formerly, she was with Knight Frank Pte Ltd as a Residential Tenancy & Leasing Manager handling a large portfolio of multinational clients. Prior to that, she joined The American Embassy of Singapore and was under the Property Leasing Department dealing with residential leases for the diplomats. Ms Khoo holds a Bachelor of Science degree with honours in Business and Management from the University of Bradford (UK) and a Diploma in Building and Real Estate Management from Ngee Ann Polytechnic.

MELVIN POON TUCK MENG
Director – Hotel Operations

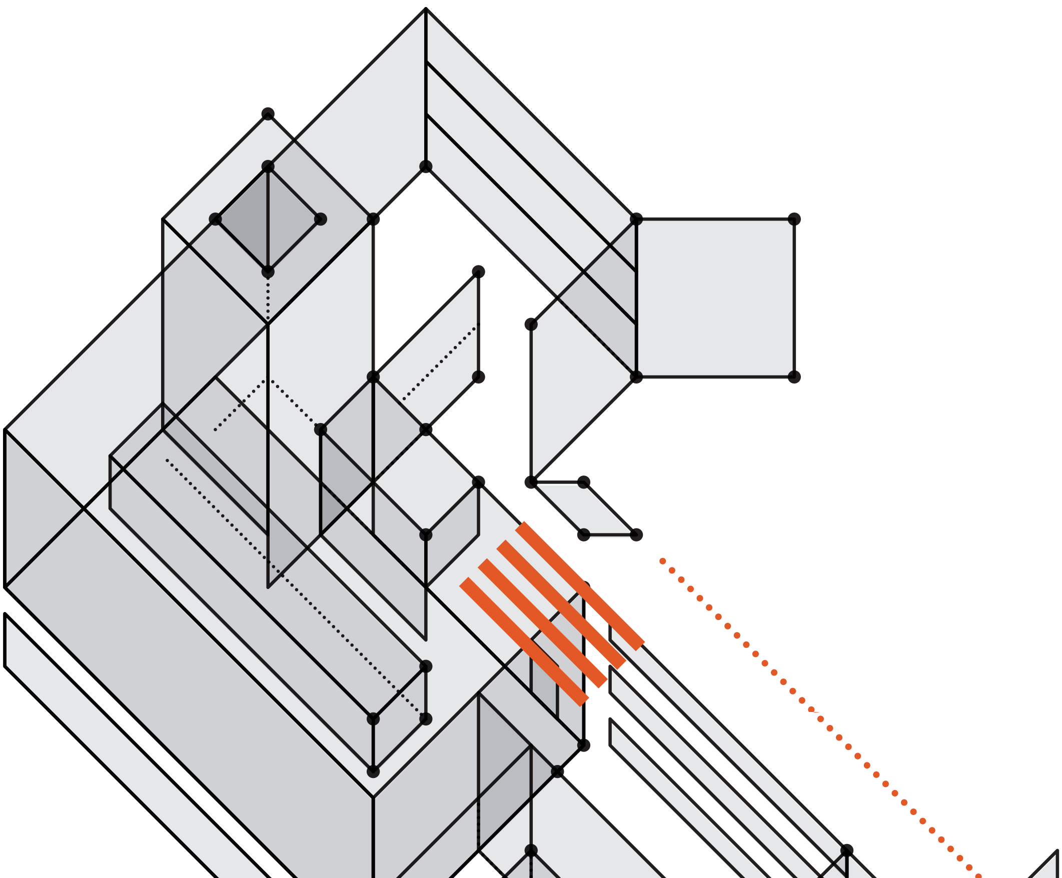
Melvin Poon Tuck Meng is the Director (Hotel Operations) and is responsible for the overall business and operational matters of the Group's hotels. Mr Poon joined Grand Mercure Singapore Roxy Hotel in 2002 as a Financial Controller and was subsequently promoted to Finance and Administration Director. Mr Poon has more than 30 years of experience in hotel financial management and administration. Prior to joining our Group, he was the executive assistant manager of Yuda Palace Hotel in Zhengzhou, China. Previously, he held appointments as the Financial and Accounts Controller of other hotels in Singapore, namely Golden Landmark Hotel, Boulevard Hotel and Orchard Parade Hotel. Mr Poon holds two Master degrees; a Master of International Business degree from the University of Wollongong, Australia and a Master of Business in Accounting degree from Victoria University of Technology, Melbourne, Australia.

PRISCILLA NG WAI PENG
General Manager – Grand Mercure Singapore Roxy

Priscilla Ng is the General Manager of Grand Mercure Singapore Roxy Hotel, effective on 1 October 2020. Ms Priscilla entered the hotel industry after graduating from Cesar Ritz College in Switzerland and brings with her 30 years of experience. She first joined Meritus Mandarin Singapore, moving through ranks of the hotel from front lines to back of the house and eventually joined Grand Mercure Singapore Roxy in January 2006 as Front Office Manager with strong background in rooms operations. Since then she has been promoted several times including Hotel Manager role where she has been assigned since January 2020.

LIBBY WALSH
Director – Australia and New Zealand

Libby Walsh was appointed as Director of Australia and New Zealand in August 2019. She originally joined the Group in July 2015 as a Development Manager working on the Sydney and Melbourne assets & development projects. Ms Walsh has been involved in managing development projects throughout Australia, primarily in Sydney, Melbourne and Perth and has worked across a range of project fields including residential, commercial, hospitality, mixed-use, retail and healthcare. She began her career in property as a Consulting Engineer for Wood & Grieve Engineers (now part of Stantec) in Perth and Melbourne before moving into Project & Development Management in Sydney. She has also served as the Treasurer on the Board of the Ausdance National Council, a Not-For-Profit Arts organisation supporting the professional dance sector. Ms Walsh holds a Bachelor of Engineering (Mechanical) from the University of Western Australia (UWA) as well as a Graduate Certificate in Applied Finance and Investment (Major in Property Investment) from FINSIA and has completed the Foundations of Directorship Course with the Australian Institute of Company Directors (AICD) in Sydney. She is also a Green Star Accredited Professional by the Green Building Council of Australia.



CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER:
196700135Z

REGISTERED OFFICE:
50 East Coast Road #B1-18 Roxy Square
Singapore 428769

BOARD OF DIRECTORS:
Teo Hong Lim *(Executive Chairman and Chief Executive Officer)*
Chris Teo Hong Yeow *(Executive Director and Deputy Chief Executive Officer)*
Koh Seng Geok *(Executive Director and Deputy Chief Executive Officer)*
Tong Din Eu *(Lead Independent Director)*
Winston Tan Tien Hin *(Independent Director)*
Cecilia Tan Hong Lye *(Independent Director)*
Yeo Wee Kiong *(Independent Director)*

COMPANY SECRETARY:
Koh Seng Geok, *CA*
Shermin Chan Poh Choo, *CA*

INVESTOR RELATIONS:
Dolores Phua
Citigate Dewe Rogerson, Singapore Pte Ltd.
105 Cecil Street
#09-01 The Octagon, Singapore 069534
Tel: (65) 6534 5122
Fax: (65) 6534 4171

SHARE REGISTRAR AND SHARE TRANSFER OFFICE:
KCK CorpServe Pte. Ltd.
333 North Bridge Road #08-00
KH KEA Building, Singapore 188721

AUDIT RISK MANAGEMENT COMMITTEE:
Tong Din Eu *(Chairman)*
Winston Tan Tien Hin
Cecilia Tan Hong Lye
Yeo Wee Kiong

NOMINATING COMMITTEE:
Cecilia Tan Hong Lye *(Chairman)*
Tong Din Eu
Winston Tan Tien Hin
Yeo Wee Kiong
Teo Hong Lim

REMUNERATION COMMITTEE:
Tong Din Eu *(Chairman)*
Winston Tan Tien Hin
Cecilia Tan Hong Lye
Yeo Wee Kiong

PRINCIPAL BANKERS:
DBS Bank Limited
Hong Leong Finance Limited
Malayan Banking Berhad
Overseas-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited

AUDITORS:
Foo Kon Tan LLP
(a principal member of HLB International)
Public Accountants Chartered Accountants
24 Raffles Place
#07-03 Clifford Centre, Singapore 048621

(Partner-in-charge: Mr Chan Ser, CA)
(Appointed from the financial year ended 31 December 2019)

Artist's impression

GROUP STRUCTURE

Note:

* In members' voluntary liquidation.

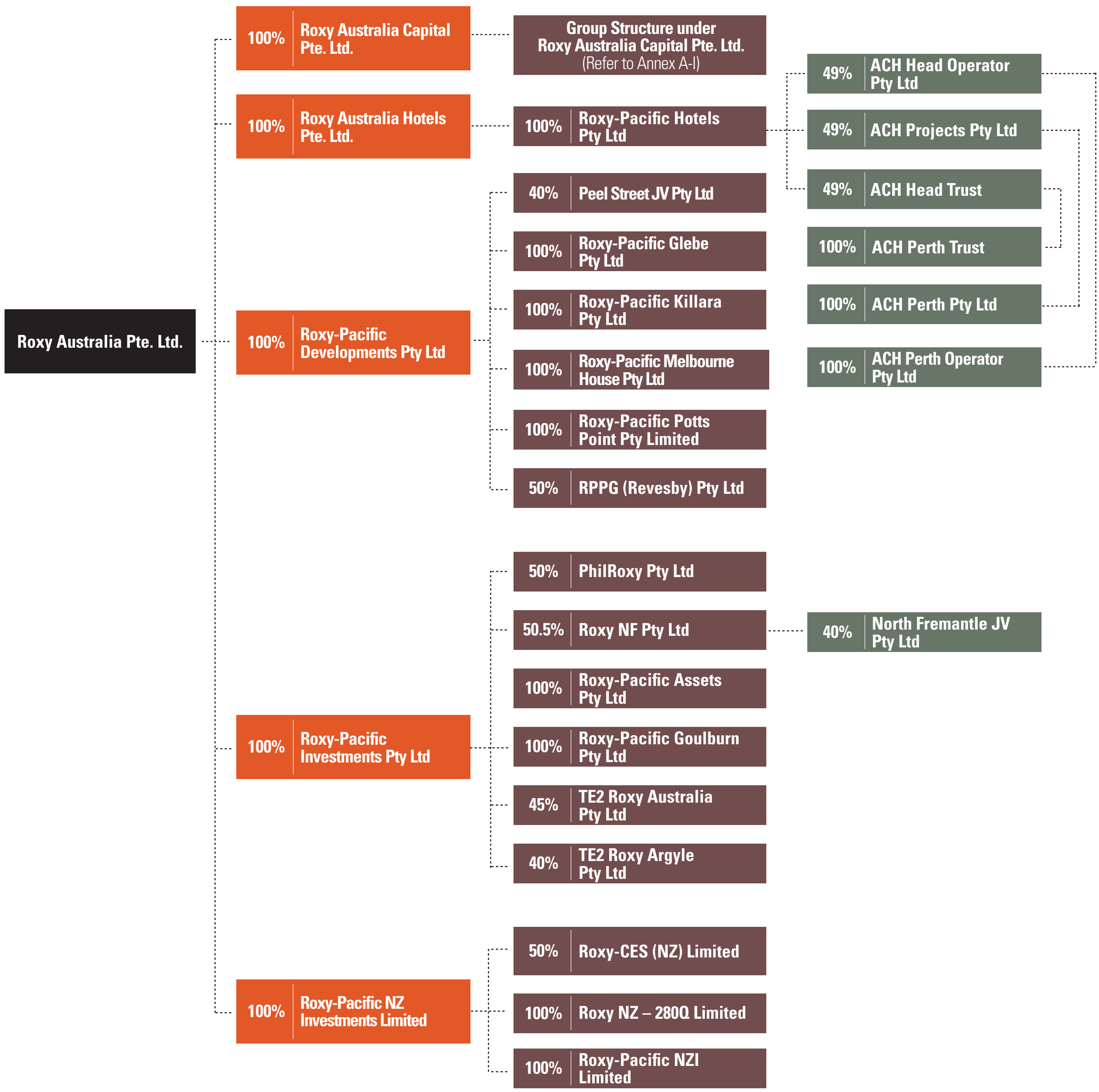
Updated on 4 March 2021

GROUP STRUCTURE

Annex A

Sub-Group Structure

Held under Roxy Australia Pte. Ltd.

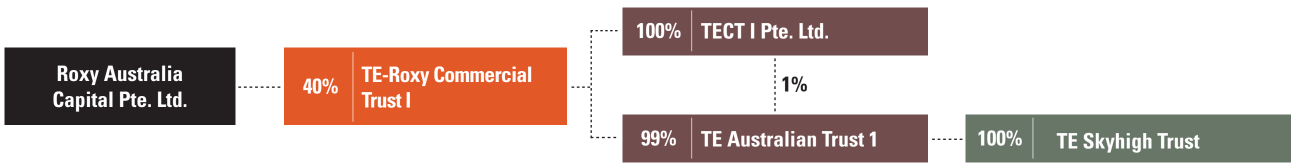


Updated on 4 March 2021

Annex A-I

<u>Sub-Group Structure</u>

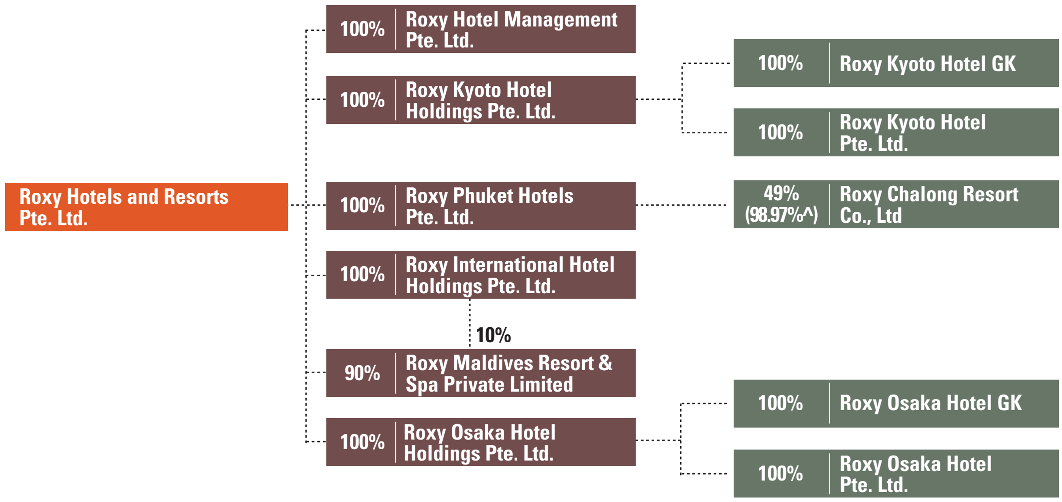
Held under Roxy Australia Capital Pte. Ltd.



Annex B

<u>Sub-Group Structure</u>

Held under Roxy Hotels and Resorts Pte. Ltd.



^ based on voting rights

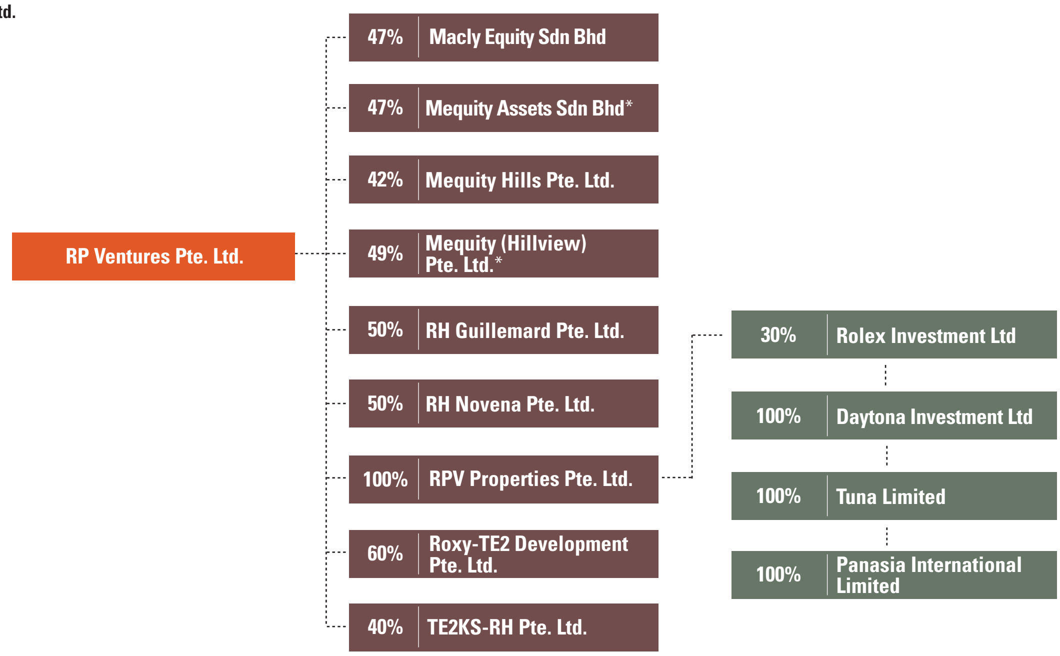
Updated on 4 March 2021

GROUP STRUCTURE

Annex C

Sub-Group Structure

Held under RP Ventures Pte. Ltd.



Annex D

Sub-Group Structure

Held under RPV Two Pte. Ltd.

Note:

PS-OnS: Preferred Shares – Onshore

SS-OffS: Specified Shares – Offshore

PS-OffS: Preferred shares – Offshore

TK: Tokumei Kumiai Agreement

Note:

* In members' voluntary liquidation

Updated on 4 March 2021

INVESTOR RELATIONS

1ST QUARTER

- Release of 4Q2019 and FY2019 financial results
- Cessation of quarterly reporting of financial results from FY2020 following the amendment of Listing Manual Rule 705

2ND QUARTER

- Annual General Meeting
- Payment of 2019 final dividends

3RD QUARTER

- Release of 1H2020 financial results

SUSTAINABILITY REPORT

CONTENTS

OVERVIEW

BOARD STATEMENT

The Year 2020 had been an extraordinary time for each one of us here at Roxy-Pacific Holdings Limited ("the Group"). Economic uncertainties caused by the trade war and Brexit as well as climate events were drastically worsened by the COVID-19 pandemic that brought about major disruption to the world.

As the hotel and tourism industry took one of the largest and most direct hits from the pandemic, the Group poured in substantial efforts to support and sustain our hospitality arm through these challenging months. Just days after the Circuit Breaker was announced nationwide, Grand Mercure Singapore Roxy ("the Hotel") heeded the government's call for temporary accommodation to house returning Singaporeans. Since then, our Hotel has responded effectively to the needs of the Government by adapting the property based on the changing phases of the pandemic and corresponding needs of the managing agency. As of January 2021, the Hotel remains contracted as a Government Quarantine Facility and seeks to meet the lodging needs of community members under quarantine orders. Despite the uncertain environment, our hospitality team remains committed to providing the best service possible while adhering to existing guidelines.

Our management has also kept a close watch on the progress of the pandemic while taking into consideration the safety and wellbeing of our employees. The Group has implemented an alternate team arrangement since March 2020 to ensure business continuity. Currently, our employees are still encouraged to work from home and limit their time in office premises for their safety and wellbeing. The Group has also implemented various safety measures and efforts for the wellbeing of all our stakeholders and the details are disclosed in the respective sections of this report.

With regards to our community and social responsibility activities, the Group has continued to engage our communities and core charity groups. Despite being unable to hold our physical fundraising activities and events, we have remained flexible and sought alternative channels of communication and outreach with our beneficiaries to ensure that they continue to receive our support. Over the 12 months, our Corporate Social Responsibility (CSR) network has provided approximately S$68,000.00 in assistance to various charity organisations and community arms.

Against this challenging backdrop, the Group remains committed to building a sustainable business and will continue to reach out to all our stakeholders. The material factors covered in this report remains relevant and we strive to improve on our efforts in managing the environment, social and governance (ESG) factors, especially in this unprecedented climate. Roxy-Pacific Holdings Limited hopes that we, together with our stakeholders, will emerge stronger from this pandemic and economic downturn by turning this period of challenges into new opportunities and growth for the years ahead.

ABOUT THE REPORT

This Sustainability Report is published annually to provide an overview of the Group's impact to the economy, the environment, and the society, which will translate to an indication of our Group's contribution to sustainable development from 1 January to 31 December 2020. This report for the financial year ended 31 December 2020 has been prepared in compliance with the requirement of SGX-ST Listing Rules 711A and 711B. This report is in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. The GRI Index and its relevant references are presented on page 44 onwards. All data in this report is presented in good faith and to the best of our knowledge.

CORPORATE PROFILE

Founded in May 1967, Roxy-Pacific Holdings Limited is an established property and hospitality group with an Asia-Pacific focus and was listed on the SGX Mainboard on 12 March 2008. The Group is principally engaged in the development and sale of residential and commercial properties ("Property Development"). The Group's recurring income streams are strengthened through its flagship hotel Grand Mercure Singapore Roxy, self-managed upscale boutique hotels – Noku Kyoto and Noku Osaka, Japan, and its first self-managed upscale resort – Noku Maldives, as well as other investment properties in Asia-Pacific ("Hotel Ownership" and "Property Investment"). In the last 7 years, these 3 main arms have extended their reach beyond Singapore, to countries such as Malaysia, Australia, New Zealand, Thailand, Japan, and Maldives.

SUSTAINABILITY REPORT

SCOPE AND MATERIAL TOPICS

The scope of this report listed below covers the business activities and developments/properties in Singapore, Australia, and New Zealand which the Group has operational control.

SCOPE	SINGAPORE	AUSTRALIA	NEW ZEALAND
DEVELOPMENT	RV Altitude	360 Lt. Bourke Street, Melbourne	NZI Centre, 1 Fanshawe Street, Auckland
	Fyve Derbyshire		205 Queen Street, Auckland
	Dunearn 386		
	View at Kismis		
HOTEL	Grand Mercure Singapore Roxy		

The Group will expand the scope of reporting to include other overseas operations when its sustainability efforts mature.

As part of our efforts to continuously improve on our sustainability reporting, we welcome stakeholders to submit their comments and feedback to us via info@roxypacific.com.sg

Following last year's review, the Group continues to report on the following material topics based on GRI Standard in FY2020. The material factors have been streamlined as seen in table below to enhance the structure of the report.

GROUP OF MATERIAL TOPICS	ECONOMIC	ENVIRONMENTAL	SOCIAL	GOVERNANCE

MATERIAL TOPICS	APPLICABLE OPERATION		
	SINGAPORE	AUSTRALIA	NEW ZEALAND
1. ECONOMIC PERFORMANCE (GRI 201-1)	Economic	Economic	Economic
2. ANTI-CORRUPTION (GRI 205-3)	Economic, Governance	Economic, Governance	Economic, Governance
3. MATERIALS (GRI 301-1)	Environmental		
4. ENERGY (GRI 302-1 & GRI 302-3)	Environmental	Environmental	Environmental
5. WATER AND EFFLUENTS (GRI 303-3 & GRI 303-5)	Environmental	Environmental	Environmental
6. CONTRACTOR ENVIRONMENTAL AND SOCIAL ASSESSMENT (GRI 308-1 & GRI 414-1)	Environmental, Social		
7. EMPLOYMENT (401-1)	Social	Social	
8. OCCUPATIONAL HEALTH AND SAFETY (GRI 403-1 TO GRI 403-7 & GRI 403-9)	Social	Social	
9. TRAINING AND EDUCATION (GRI 404-1)	Social	Social	
10. COMPLIANCE WITH LAWS AND REGULATIONS (I.E., ENVIRONMENTAL (GRI 307-1), MARKETING AND LABELLING (GRI 417-3), CUSTOMER HEALTH AND SAFETY (GRI 416-2) AND SOCIOECONOMIC COMPLIANCE (GRI 419-1))	Environmental, Social, Governance	Environmental, Social, Governance	

SUSTAINABILITY REPORT

GOVERNANCE STRUCTURE AND STAKEHOLDERS

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's sustainability efforts are under the oversight of the Board of Director and supported by our Sustainability Steering Committee (SSC). The senior executive officers drive the sustainability initiatives together with the Sustainability Task Force (STF). The STF comprises of the department representatives, which are the data owners, and they assist in the development of sustainability efforts. Together, the SSC and STF monitors the performance of each factor as well as the production of this report.

STAKEHOLDER ENGAGEMENT

The Group maintains an open communication channel with our stakeholders through various platforms. We work together to address any concerns and issues highlighted to strive for a positive and lasting working relationship.

Stakeholder	Topic Raised	Method & Frequency	Outcome
Shareholders & Investors	Sustainable growth and future goals/ vision Timely and transparent reporting	• Annual Report • Annual General Meeting • The Group's Investor Relations webpage	Refer to Chairman's Statement, Financial & Operations Review in the Annual Report
Business/ Strategic Partners (joint venture partners, contractors, service providers, banks etc)	Profitable and dependable partnerships Satisfactory corporate governance	• Weekly regular meeting with partners when project is on-going • Annual Report	Refer to Statement of Corporate Governance in Annual Report Refer to Governance section below
Employees	Stability of the company and health & safety in the workplace	• Annual appraisal • New Hires survey • Formal or informal internal meeting and discussion	Refer to Employment, Occupational Health and Safety, and Training and Education sections below
Customers	Consistent products and service quality	• On-going and constant review on customer's satisfactory score and feedback form, both online and offline	Refer to Compliance with Laws and Regulations section below
Community	Responsible business practices and positive contribution towards the environment and community	• Annual corporate charity event • Accessible feedback channel for residents within development's vicinity	Refer to Corporate Social Responsibility and Compliance with Laws and Regulations sections below
Regulators	Compliance to regulations and corporate governance	• Regulatory briefings and filings	Refer to Governance section below

SUSTAINABILITY REPORT

ECONOMIC

ECONOMIC PERFORMANCE (GRI 201-1)

Revenue (S$000)

Year	Revenue
2020	**198,431**
2019	444,030
2018	132,855
2017	248,813
2016	385,373

Total Comprehensive Income/(Loss) Attributable to Shareholders (S$000)

Year	Total Comprehensive Income/(Loss)
2020	**(29,489)**
2019	30,319
2018	21,292
2017	31,713
2016	49,804

Net Asset Value Per Share (cents)[1]

Year	Net Asset Value Per Share
2020	**36.97**
2019	39.16
2018	38.06
2017	38.47
2016	41.20

The highlights of the economic performance should be read in conjunction with its financial statement in the Annual Report for a comprehensive interpretation of the Group's creation and distribution of economic value.

ENVIRONMENT

MATERIALS (GRI 301-1)

As a property developer and investor, we recognise that the materials used in the construction is an integral and important component in our developments. This essential element ultimately affects and shapes the outcome of our buildings. As such, we constantly work with numerous design consultants (architects and engineers) and contractors in developing and improving our buildings. Through prudently exerting our influence, we strive to encourage our contractors to utilise environmentally friendly construction methods and sustainable raw materials as part of the built process. Likewise, we seek to convey our vision for a greener and a more sustainable building to our design consultants early in the design stage, so that they will be able to better implement our suggestions.

We will continue to be involved in all stages of our design and build strategy by engaging closely with our various stakeholders, including contractors and consultants, to optimise the ESG impacts along the value chain and ensure that our projects are developed with the environment in mind.

To demonstrate our efforts in consistently developing quality and sustainable housing options, we will submit our developments for the Construction Quality Assessment System (CONQUAS) under the Building and Construction Authority (BCA). The CONQUAS, which was introduced in 1989, is a national standard for assessing the quality of building projects. The assessment consists of three main components – structural, architectural, and mechanical & electrical (M&E) works.

Recent updates in the CONQUAS standards have allowed for more comprehensive reviews of the properties under assessment, thereby allowing more areas for improvement to be identified. This in turn helps developers and contractors to further raise the quality of future developments. We have applied for assessment on our developments, namely RV Altitude, Fyve Derbyshire and Dunearn 386. The CONQUAS scores for these developments are yet to be awarded.

ENERGY (GRI 302-1 & GRI 302-3)

Scope	2020 Energy Intensity	Performance	Target for 2020
Singapore*	53.67 kWh/occupant	Increased from 27.78 kWh/occupant in FY2019 ➢ Did not meet target set	Maintain energy intensity level or an increase no higher than 5% of historical average
Australia**	0 kWh/m²	➢ Not applicable	
New Zealand***	78.87 kWh/m²	Decreased from 94.56 kWh/m² in FY2019 ➢ Met target set	
*Singapore refers to Grand Mercure Singapore Roxy ** Australia refers to 360 Lt. Bourke St *** New Zealand refers to NZI Centre and 205 Queen Street			i) Singapore base year is FY2016 ii) New Zealand base year is FY2018

The Group is committed to the detailed monitoring and regulations of energy consumption in our buildings. This is a part of our endeavour to lower the total greenhouse gas emissions that is a key cause of global warming and climate change.

Grand Mercure Singapore Roxy's energy consumption is derived solely from purchased grid electricity. Singapore's electricity is mainly generated from natural gas according to Energy Market Authority (EMA). The total energy consumption of the Hotel for FY2020 is 5,956,033 kWh. The total energy consumption has reduced by 1,439,537 kWh as compared to FY2019 and a total reduction of 1,707,763 kWh compared to the base year. This is due to the significant drop of hotel occupants, resulting from the COVID-19 pandemic travel restrictions and lockdowns.

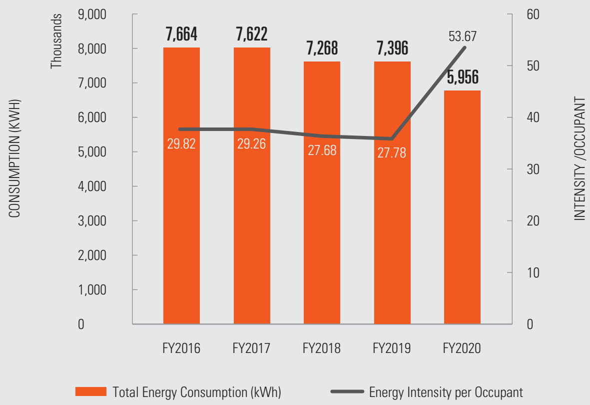
Even with the lower usage in electricity, the energy intensity for the Hotel in FY2020 has increased by 25.89 kWh/occupant compared to last year. This is due to the continuous usage of electricity in common areas such as lobby, corridors, restrooms, and kitchens as well as the running and maintenance of the Hotel during the whole duration. For the past 12 months, our Hotel has been working together with government managing agency and operating as a Government Facility for returning Singaporeans under the Stay Home Notice (SHN), Leave of Absence (LOA) or Quarantine Order (QR) scheme.

On the other hand, our Australia property in Melbourne did not consume any electricity during the year as the electrical substation has been removed in the first quarter prior to construction.

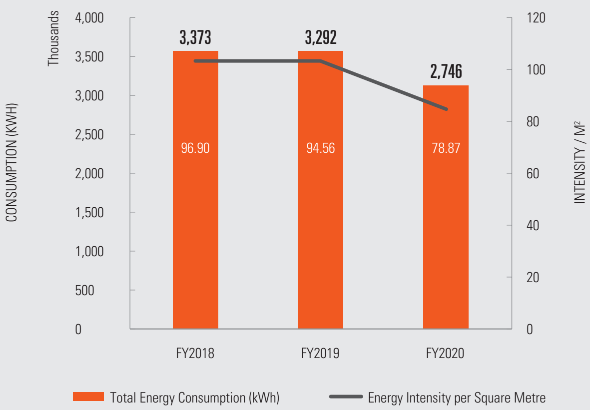
Overall, the total energy consumption for the New Zealand properties in FY2020 is 2,745,954 kWh. This is a decrease of 546,179 kWh compared to last year. The energy intensity is 78.87 kWh/m² which is a reduction of 18.03 kWh/m² compared to the base year. This is largely due to work from home arrangements that are practiced by a large majority of companies across the country. With most occupants working from home, electricity consumption has dropped significantly for both buildings.

Total Energy Consumption and Intensity

Singapore



New Zealand



SUSTAINABILITY / REPORT

WATER AND EFFLUENTS (GRI 303-3 & GRI 303-5)

Scope	2020 Water Consumption	Performance	Target for 2020
Singapore*	64.50 ML[1]	Decreased from 83.62 ML in FY2019 ➢ Met target set	Maintain water consumption rate or an increase no higher than 5% of historical average
Australia**	0.21 ML	Decreased from 0.43 ML in 2019 ➢ Met target set	
New Zealand***	13.27 ML	Decreased from 19.00 ML in FY2019 ➢ Met target set	
***Singapore refers to the Grand Mercure Singapore Roxy **Australia refers to 360 Lt. Bourke Street ***New Zealand refers to NZI Centre and 205 Queen Street*			*i) Singapore base year is FY2017 ii) New Zealand base year is FY2018*

Singapore was scored and ranked as one of the 33 countries that may face extremely high-water stress in 2040 according to World Resources Institute, a measure of competition and depletion of surface water in 167 countries by 2020, 2030 and 2040, using an ensemble of climate models and socioeconomic scenarios[2]. In preparation to mitigate the risk and work towards securing sufficient water supplies, Singapore's National Water Agency (PUB) embarked on multiple strategies, such as the Four National Taps, and turned the nation's water vulnerability into a strategic asset. Likewise, as a responsible corporate citizen, we strive to monitor and manage our Group's water consumption as efficiently as possible.

Grand Mercure Singapore Roxy withdraws water from a third-party – supplied by PUB, and currently there is no collection or harvesting of surface water (i.e., rainwater). Throughout the operation, the used water has been discharged through the city's sewerage system, where it is treated and recycled at the water reclamation plants, according to international standards stipulated by the U.S Environmental Protection Agency and World Health Organisation[3]. During the Hotel's operation, no used water is discharged directly into the environment.

For FY2020, the total water consumption for the Hotel is 64.50 ML, a reduction of 35.66 ML compared to the base year. The significant reduction in water consumption is due to an approximately 58% drop in total occupants in FY2020 compared to FY2019.

In Australia, our development in Melbourne is currently vacant and will be undergoing major construction for the future development. As such, the water supply has been turned off for the second half of the year, as such the total water consumption for the first half of the year was 0.21 ML. Compared to last year's water consumption for the same period, there is a decrease of 0.22 ML from 0.43 ML.

In FY2020, our buildings in New Zealand have recorded 13.27 ML in total water consumption. This is a reduction of 3.31 ML as compared to the base year. The substantial decrease in water consumption is due to the work-from-home arrangements arising from COVID-19, as mentioned in the Energy section.

Total Water Consumption

1 1 megalitre (ML) = 1,000 cubic metres (m^3)
2 https://www.wri.org/blog/2015/08/ranking-most-water-stressed-countries-2040
3 https://www.pub.gov.sg/usedwater

CONTRACTOR ENVIRONMENTAL & SOCIAL ASSESSMENT (GRI 308-1 & GRI 414-1)

Contractor Environmental & Social Awareness	Target for 2020
100% of all new contractors were screened, where applicable, using the vendor evaluation form and/or consultant's recommendation	Continue to screen 100% of the new contractors, where applicable, using the vendor evaluation form and/or consultant's recommendation

As a developer, we endeavour to build lasting partnerships with like-minded associates and contractors. As such, initiating due diligence from the onset of the collaboration can mitigate and resolve potential impact in our supply chain. For each of our developments, we have an appointed main contractor, various suppliers and vendors that will assist and work together with us during the construction period. Each new vendor is screened through a range of vendor selection criteria, including their environmental and social compliance in daily operations. All our new vendors in FY2020 had been screened using the vendor evaluation form and/or through consultant's recommendations, thus meeting the target for the year. The Group assessment of new vendors applies to contracts more than S$500,000.00 with a contract period of more than 6 months.

SOCIAL

EMPLOYMENT (GRI 401-1)

<table>
<tr><th>Scope</th><th>2020 Total Headcount</th><th>Performance</th><th>Target for 2020</th></tr>
<tr><td>Roxy-Pacific Holdings Limited*</td><td>56</td><td>Rate of Turnover: 9%
➢ Met target set</td><td rowspan="2">Maintain employee turnover rate or an increase no higher than 8% of base year (FY2017)</td></tr>
<tr><td>Grand Mercure Singapore Roxy</td><td>187</td><td>Rate of Turnover: 24%
➢ Met target set</td></tr>
<tr><td colspan="2">*Roxy-Pacific Holdings Limited refers to both the Singapore office and Australia office</td><td colspan="2">Base year:
Roxy-Pacific Holdings Limited turnover rate is 6.38%
Grand Mercure Singapore Roxy is 23.4%</td></tr>
</table>

Human capital remains one of the most important assets of the Group. We recognise that the contribution and the support provided by all our employees are key to the continued success of the Group. This is especially evident in the current challenging climate. As such the Group's priority is to maintain job stability and support for all our employees during this difficult period.

In 2020, our Singapore and Australia office reported a turnover rate of 9% and this is our lowest record since 2017, the first year of our reporting. The Group is heartened by the low turnover rate and seeks to maintain the trust and confidence that our staff have in us as their employer.

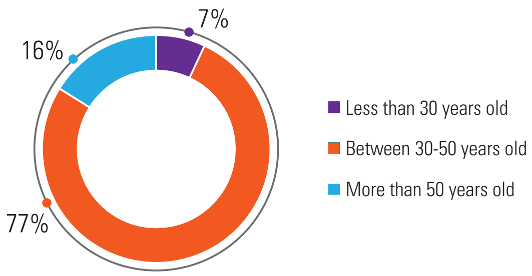
Our staff's health and wellbeing are of utmost importance to us. As such, our Human Resource department have also worked tirelessly with all the Heads of Department together with the authorities and related agencies to ensure the safety and wellbeing of our employees since the onset of the pandemic.

Similarly, Grand Mercure Singapore Roxy, reported a turnover rate of 24%, a decrease of 2% compared to FY2019. Despite taking the full brunt of the impact of COVID-19, in which the entire tourism industry was battered, our Hotel has managed to retain their staff and record a dip in turnover rate. Some of the measures taken by the Hotel management during this challenging period are to re-deploy several staff to assist the facilities management team on safe entry procedures at the Roxy Square Shopping Centre and granting some staff the ability to return to Malaysia on a No-Pay-Leave arrangement.

SUSTAINABILITY REPORT

EMPLOYEE DEMOGRAPHICS – GENDER & AGE GROUP BREAKDOWN

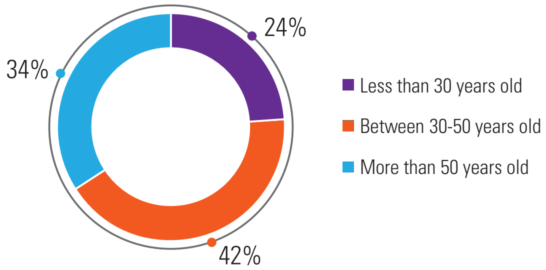
Singapore & Australia Office




Female
34 | 61%


Male
22 | 39%

Grand Mercure Singapore Roxy

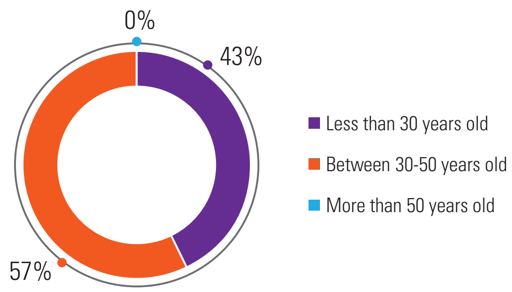



Female
83 | 44%


Male
104 | 56%

EMPLOYEE DEMOGRAPHICS – NEW HIRES & TURNOVER

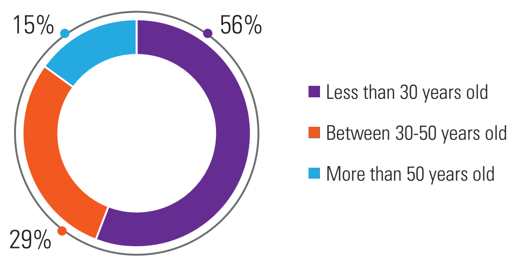
New Hires – Gender & Age Group Breakdown




Female
9 | 43%


Male
12 | 57%

Turnover – Gender & Age Group Breakdown




Female
48 | 49%


Male
49 | 51%

OCCUPATIONAL HEALTH AND SAFETY (GRI 403-1 TO GRI 403-7 & GRI 403-9)

Performance Data	2020	2019	2018	2017	2016
Lost-Time Injury Rate (LTIR)[4]					
Roxy-Pacific Holdings Limited*	0	0	0	0	0
Grand Mercure Singapore Roxy	14.8	9.4	7.7	7.5	10.7
Injury Severity Rate (ISR)[5]					
Roxy-Pacific Holdings Limited*	0	0	0	0	0
Grand Mercure Singapore Roxy	33.9	71.6	40.3	161.2	186.8
Target • Zero workplace fatalities • 5% reduction in Lost-Time Injury Rate and Injury Severity Rate compared to base year FY2016					
**Roxy-Pacific Holdings Limited refers to both the Singapore office and Australia office*					

The safety and wellbeing of employees at the workplace is regulated by the Workplace Safety and Health Act (WSH). The Group has followed the framework closely and implemented the measures set out in the WSH by the Ministry of Manpower. In our Singapore office, the Human Resource department conducts regular safety audits in the office premise. If there are any risk identified, safety measures will be put in place if the hazard is unable to be removed immediately. Employees are also informed on the protocol and policies regarding workplace related injuries or incidents. These incidents are to be reported to the Human Resource department for immediate attention and for proper inquiry, if necessary. Apart from ensuring sufficient insurance coverage for our employees, we have also proposed additional insurance and health check-up that employees are able to opt-in based on their own needs. On top of this, regular emails or notifications will also be sent by the Human Resource department to inform and remind employees of the importance of workplace safety, best practices and/or any new safety measures.

At the Hotel, all employees, including part timers must undergo a detailed health and safety meeting at the commencement of their employment. Detailed health and safety information is also readily available in their staff handbook. The Hotel has designated a Workplace Safety Officer who is bizSAFE3 certified and together with the security team, they conduct regular safety checks in and around the Hotel premise. During their regular safety checks, any hazard identified must be removed immediately or clearly marked out.

We recognised that employees in the hospitality and F&B industry are often exposed to higher risks of occupational injuries therefore our Hotel has put in place additional safety procedures to minimize such risks. The Hotel also takes every incident seriously, regardless of the severity of each case. The head of each department and the security team will be required to conduct a prompt review and submit a detailed report to the management as a standard procedure. Thereafter, rectification on the procedures and improvements on the task process are immediately implemented. This initiative has been effective in reducing the occurrences and severity of injuries in recent years.

In response to the COVID-19 pandemic and adhering to the Government's regulation and guidance, various safe distancing and sanitisation practices have been implemented and carried out since March in our office premises. Our Human Resource department, together with all Heads of Department have worked tirelessly to implement and remind employees of the necessary safety precautions as well as best practices for working in both the office and at home.

Considering the worsening situation in March, our Group implemented a split team system as part of the Business Continuity Plan for COVID-19. As part of the arrangement, half of our employees was stationed at the satellite office while the other half continued to work from the main office. Various safety measures, such as safe distancing, health declarations and temperature taking were also implemented as a precaution. Shortly thereafter, the Circuit Breaker was announced, and all non-essential business premises were ordered to be closed. Due to the quick implementation of the business continuity plan, all employees were able to convert to working from home easily.

During the early days of the Circuit Breaker, the Human Resource department collaborated closely with the Ministry of Trade and Industry to allow a limited number of Directors and employees to return to the office in order to deal with

[4] *Lost-Time Injury Rate – Number of workplace injuries per million man-hours worked*
[5] *Injury Severity Rate – Number of man-days lost to workplace injuries per million man-hours worked*

SUSTAINABILITY REPORT

urgent and time sensitive issues. During that period, both the Human Resource and IT departments worked closely to create an online intranet platform where staff can conveniently submit health declarations and keep track of the latest policies so as to minimize physical contact while efficiently keeping track of vital information.

As Singapore transitioned into Phase One, our Group has decided to maintain work from home arrangements for the safety and wellbeing of our employees. Employees who need to return to the office were able to do so while complying with the safety measures that have been set in place. This includes shorter working hours to avoid peak hours while commuting, mask wearing, health declarations, temperature taking and maintaining safe distance while working in office. The office premise, meeting rooms, pantries and various common areas have also been labelled in line with all necessary safe distancing regulations.

When the Government announced the beginning of Phase Two, our Group decided to allow employees to return to the office on alternate day arrangements with staggered working hours. Our employees remain in two teams throughout the whole period as part of the business continuity plan and all necessary safe distancing measures continue to be in force in our office premises.

Our Hotel has taken all the measures required by government and the managing agency as the Hotel has been operating as a Government Facility since the onset of the COVID-19 pandemic and as of January 2021. In addition, to minimise the mingling of staff and the general public during meal hours, the Hotel has started serving lunch and dinner in-house for all the staff on duty since April. They have also set up separate meal and resting areas for each department to minimise intermingling between staff of different departments. Hotel staff who are on duty are also issued Personal Protection Equipment (PPE) and regular briefings are conducted to teach and remind staff on the proper usage and disposal of the PPE.

During FY2020, our Group recorded zero workplace fatalities, with both Singapore and Australia having zero workplace incidents that resulted in injuries. For the Hotel, there was an increase of 5.4 in Lost-Time Injury Rate (LTIR) compared to base year, even though the Injury Severity Rate (ISR) remained low at 33.9, a decrease of 152.9 compared to base year. This indicates that while the number of incidents had increased during the year, the severity of each cases was milder in comparison.

TRAINING AND EDUCATION (GRI 404-1)

Scope	2020 Average Training Hours	Performance	Target for 2020
Roxy-Pacific Holdings Limited*	23	➢ Met target set	15 hours per employee per year
Grand Mercure Singapore Roxy	60	➢ Met target set	30 hours per employee per year

**Roxy-Pacific Holdings Limited refers to both Singapore office and Australia office, and the following employees are excluded from the tabulation of training hours*

i) Office Assistant, Pantry Assistant and consultants

ii) Contract and intern-based employees in the Australia office

Our Group strongly believes in the importance of lifelong learning and the need for constant upskilling to allow our employees to remain relevant and competitive in this dynamic business environment. As such, the Group strongly encourages our staff to go for training sessions and holistic courses to strengthen both their soft and technical skills.

The average training hours clocked in by employees from the Singapore and Australia office was 22 hours. The increase in total training hours was mainly fuelled by the Circuit Breaker implemented in Singapore. To make efficient use of their time, employees were strongly encouraged to attend online trainings and webinars at home as business activity slowed due to the pandemic. We also urged our Hotel staff to do likewise and we observed a high uptake in online training during the Circuit Breaker, Work-from-Home and claimed absentee period. During this period, our Hotel's concierge team also attended three modules of security courses so that they will be able to assist their colleagues at security checkpoints. We are heartened that our employees have been supportive of this initiative and view this as a good opportunity to enhance their knowledge.

AVERAGE TRAINING HOURS – GENDER BREAKDOWN

Singapore & Australia Office

Female
22 hours

Male
24 hours

Grand Mercure Singapore Roxy

Female
79 hours

Male
45 hours

GOVERNANCE

ANTI-CORRUPTION (GRI 205-3)

Number of Confirmed Incidents of Corruption	Target for 2020
No confirmed incident of corruption in the year ended 31 December 2020	Zero confirmed incident of corruption concerning employees or business partners

The Group maintains zero tolerance towards corruption and bribery, and we make every effort to maintain the highest standard of ethics and integrity in all the business dealings. All employees are informed during their onboarding and induction about the seriousness of engaging in activities that may result in a conflict of interest or unethical behaviour. This information is also made available to all employees in the Staff Code of Conduct and the company intranet. In the year 2020, there are no confirmed incidents of corruption within the Group. During the same period, there are no confirmed incidents that led to termination or non-renewal of contracts with business partners due to corruption related cases.

COMPLIANCE WITH LAWS AND REGULATIONS (GRI 307-1, GRI 417-3, GRI 416-2 & GRI 419-1)

Number of Incidents of Non-Compliance	Target for 2020
No incident of non-compliance with laws and regulations resulting in significant fines[6] or sanction in FY2020	Zero incidents of non-compliance with laws and regulations resulting in significant fines or sanctions

For the year 2020, the Group recorded zero incidents of non-compliance to laws and regulations that resulted in significant fines or sanctions This includes environmental and socioeconomics regulations, marketing guidelines, and the health and safety impact of products and services.

The Group maintains a strong adherence to corporate governance practices and all its applicable laws and regulations. Our Group abides by the Code of Corporate Governance 2012, the listing rules and regulations set out by Singapore Exchange (SGX), the Monetary Authority of Singapore (MAS) as well as other applicable laws and regulations.

Our developments, whether locally or overseas adheres strictly to building codes issued by the regulatory authorities and agencies.

From the onset of the pandemic, our Group has adhered strictly to the regulations and safety measures that were announced by the Government. Apart from safeguarding our employees' wellbeing, we also took safety measures seriously in all our show flats for the safety and wellbeing of our agents and visitors. Our Sales & Marketing department regularly obtained updated guidelines and regulations set out by the Controller of Housing (COH) and took prompt actions to ensure safe distancing measures were implemented. As such, all our show flats were adequately labelled to ensure safe distancing is practiced by both agents and visitors. For crowd control and contact tracing purposes, an online appointment system has been set up for all visitors and their agents.

6 *Significant fines indicate fine amounting to S$50,000 and above*

CORPORATE SOCIAL RESPONSIBILITY

Chinese New Year Lunch for clients of TOUCH Community Services

In year 2020, we journeyed through one of the worst pandemics the world has ever experienced. The COVID-19 pandemic has altered and affected the lives of many as businesses and communities struggle to get through this unprecedented time.

Unfortunately, the need for social distancing has disrupted our normal operations which has led to the cancellation of our annual carwash fundraising event and numerous activities that we usually organize during the festive period for our beneficiaries. However, this has not stop us from adapting and thinking of new ideas to engage with our beneficiaries while ensuring the safety and wellbeing of all.

Prior to COVID-19, in January 2020, TOUCH's fund-raising event was held in our Hotel with Mrs. Goh Chok Tong as the Guest of Honor. Apart from sponsoring both the dining venue and meal, we had 28 staff who volunteered to serve the elderly patrons their meal as well.

The following month, we funded another Chinese New Year lunch for 100 senior citizens from the Marine Parade Foo Hai Elderly Lodge. The meal was conducted in the safety and comfort of their centre due to the onset of the pandemic.

As per previous years, Roxy Foundation continued to commit a sum of $25,000 to the South East Community Development Council. The funds will be used to purchase essential items for needy families across six of their family services centres. This year, South East CDC received an increased number of requests, especially for help in purchasing infant formula and other essentials due to the loss of income and financial uncertainty faced by numerous families because of the pandemic.

In April, during the peak of the COVID-19 cases in Singapore, we donated a sum of $10,000 to the Real Estate Developer's Association of Singapore (REDAS) to aid their efforts in helping affected migrant workers in the built environment/construction sector.

During the Hari Raya festival in May, we partnered with WeCare Marine Parade to reach out to 30 low-income families in the Marine Parade housing estate by giving them $150 worth of Hari Raya cooking and food items each. In addition, we also donated $5,000 through the Roxy Foundation Strong Families initiative to WeCare Marine Parade for their year-end event in which Book Prizes, Outstanding Student Awards and Partnership in Parenting Awards were given out to nominated students and parents.

In November, countries like Philippines, Cambodia, Laos, and Vietnam experienced one of the worst storm surges and torrential floods in recent history. These events severely impacted their communities, which were already suffering due to the pandemic. In response to the Singapore Red Cross' public appeal, we donated a sum of $10,000 to aid in disaster relief and recovery operations in these affected countries.

Hari Raya goodies bags distribution for families in Marine Parade

Recipients of Roxy Foundation Strong Families Award

CORPORATE SOCIAL RESPONSIBILITY

December was a busy month for us both locally and internationally. As part of our year end collaboration with WeCare, we organized a New Year Giveaway on 29 December with the help of 20 staff volunteers. Our volunteers, together with the Guest of Honor Dr Tan See Leng, distributed goodies bags to 100 families residing in Marine Parade. As part of our overseas efforts, we sponsored a Christmas dinner and prepared gifts for the children at the Salvation Army Evangeline Booth Girl's Home in Medan.

Lastly, our team in Australia/New Zealand continued with their annual support to the Make a Wish Foundation by donating NZ$11,500 to the Over the Edge for Wishes event and by sponsoring our 205 Queen Street building as the venue. Unfortunately, due to the unpredictability of the current situation, the event was cancelled due to a sudden lockdown. Regardless, we look forward to supporting the foundation again next year and through other means if necessary.

Notwithstanding, the challenges and uncertainties brought by the pandemic, we look forward to more engagements and charity events in the year to come.

Distribution of New Year goodies bags for Marine Parade residents with WeCare@Marine Parade

Children from Salvation Army Girl's Home in Medan attending Christmas Dinner

GRI CONTENT INDEX PAGE

GLOBAL REPORTING STANDARD (GRI)		Notes/Page Number(s)
102-1	Name of the organisation	Roxy-Pacific Holdings Limited
102-2	a. Description of the organisation's activities b. Primary products and services	Corporate Profile Global Presence, page 14 Property Summary Report, page 47
102-3	Location of organisation headquarter	Corporate Information, page 22
102-4	Location of operations a. Number of countries where organisation operates, and the name of the countries where it has significant operations and/or that are relevant to the topics covered in the report	Corporate Information, page 22 Financial & Operations Review, page 10
102-5	Ownership and legal form	Corporate Information, page 22 Financial & Operations Review, page 10
102-6	Market served a. Include geographic location where products and services are offered b. Sectors served c. Types of customers and beneficiaries	Financial & Operations Review, page 10
102-7	Scale of organisation a. Number of employees & number of operatives b. Net sale & net profit c. Quantity of products	Employment, page 37 Financial & Operations Review, page 10
102-8	Employment a. No. permanent and part time, by gender b. No. permanent and part time, by region c. Employment type, by gender d. Significant portion of work by non-employee (explain nature and scale of work) e. Employment affected by seasonal variation, e.g. tourism and agricultural industries f. Explanation on how data is obtained, include assumption	Employment, page 37 Temporary and part-time staff are not material enough for disclosure A significant portion of work is done by employees Employment is not affected by seasonal variation Data is obtained from the Human Resource department database
102-9	Supply chain a. Description of supply chain and including its main elements as they relate to the organisation's activities, products, and services.	Contractor Environmental and Social Assessment, page 37
102-10	Significant change to organisation and supply chain a. Any changes to location or location of operation b. Change in share capital c. Change in supply chain – location of supplier	No significant changes in FY2020
102-11	Precautionary Principle a. Whether and how the organisation applies	The precautionary principle is embedded in our general approach to sustainability
102-12	External Initiatives	Our Awards, page 3

GLOBAL REPORTING STANDARD (GRI)		Notes/Page Number(s)
102-13	Memberships of industry or association	a. Real Estate Developers' Association of Singapore (REDAS) b. Singapore Business Federation (SBF) c. Singapore Hotel Association (SHA) d. Singapore National Employers Federation (SNEF)
102-14	Statement from Senior decision maker	Board Statement, page 29
102-16	Description of the organisation's values, principles, standards, and norms of behaviours	Chairman's Statement, page 4
102-18	a. Governance structure b. Committee responsible for decision making concerning ESG	Governance Structure and Stakeholders, page 32
102-40	List of Stakeholder groups	Governance Structure and Stakeholders, page 32
102-41	Collective bargaining agreements	The Hotel has entered into collective agreement with the Food, Drinks & Allied Workers' Union
102-42	a. The basis for identifying and selecting stakeholders	Governance Structure and Stakeholders, page 32 Stakeholders are selected based on the level of influence they have over our business and the level of influence our business has over them
102-43	Organisation's approach to engage stakeholder, include a. Frequency, by type, by group and an indication if any engagement is taken specifically for this report	Governance Structure and Stakeholders, page 32
102-44	Key topics raised a. How organisation respond b. Which group that raised what topics	Governance Structure and Stakeholders, page 32
102-45	Entities include in consolidated financial statements	Notes to the Financial Statements, page 98
102-46	Define report content and topic boundaries a. Explanation of the process for defining content and boundaries b. How organisation implement reporting principle	Scope and Material Topics, page 30 Boundaries are defined by our operational control
102-47	List of material topics	Scope and Material Topics, page 30
102-48	Restatement of information – Change of base year, M&A	NA
102-49	Changes of reporting – Change from previous period in list of material topics and boundaries	NA
102-50	Reporting period	1st January – 31st December 2020
102-51	Date of most recent report	25 March 2020
102-52	Reporting cycle	Annual
102-53	Contact point	info@roxypacific.com.sg
102-54	Claims of reporting in accordance with GRI	About the Report, page 29
102-55	GRI Content Index	GRI Content Index, page 44
102-56	Description of organisation's policy and current practice with regard to seeking external assurance	Currently, we do not seek external assurance, however, we may do so in the future

GRI CONTENT INDEX PAGE

GLOBAL REPORTING STANDARDS (2016)		Notes/Page Number(s)
103-1	Explanation of the material topic and its boundary	About the Report, page 29 Governance Structure and Stakeholders, page 32 Scope and Material Topics, page 30 Management initiatives are discussed within the section for each material topic
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Economic		
201-1	**Economic Performance** Direct economic value generated and distributed	Notes to the Financial Statements, page 98 Economic Performance, page 34
205-3	**Anti-Corruption** Confirmed incidents of corruption and actions taken	Anti-Corruption, page 41
Environment		
301	**Materials** Qualitative information *Detailed information on material type, weight, and volume from our contractors (and subcontractors) are unavailable. We will continue to engage our stakeholders closely to optimise the ESG impacts along the value chain.*	Materials, page 34
 302-1 302-3	**Energy** Energy consumption within the organisation Energy intensity	Energy, page 35
 303-3 303-5	**Water and Effluents** Water withdrawal Water consumption	Water and Effluents, page 36
 308-1 414-1	**Contractors Environmental and Social Assessment** New suppliers that were screened using environmental criteria New suppliers that were screened using social criteria	Contractors Environmental and Social Assessment, page 37
Social		
 401-1	**Employment** New employee hires and employee turnover	Employment, page 37
403-1 to 403-7	**Occupational Health and Safety** Management Approach Disclosures	Occupational Health and Safety, page 39
 403-9	**Occupational Health and Safety** Work-related injuries	Occupational Health and Safety, page 39
 404-1	**Training and Education** Average hours of training per year per employee	Training and Education, page 40
Governance		
 307-1 417-3 416-2 419-1	**Compliance with Laws and Regulations** a. Non-compliance with environmental laws and regulations b. Incidents of non-compliance concerning marketing communications c. Incidents of non-compliance concerning the health and safety impacts of products and services d. Non-compliance with laws and regulations in the social and economic area	Compliance with laws and regulations, page 41

PROPERTY SUMMARY REPORT

SUMMARY OF PROPERTIES HELD BY THE GROUP AS AT 31 DECEMBER 2020

Hotel properties							
Name	**Location**	**Managed by**	**No of units**	**Approximate Land Area (sq m)**	**Approximate GFA (sq m)**	**Effective interest**	**Tenure**
Grand Mercure Singapore Roxy	50 East Coast Road, Singapore	The Company under franchise with Accor Group	576 rooms	15,172	35,336	100%	Freehold
Noku Kyoto	205-1, Okuracho, Karasuma-dori, Marutacho Kudaru, Nakagyo-ku, Kyoto city, Kyoto, Japan	NOKU hotels	81 rooms	940	4,780	100%	Freehold
Noku Osaka	10-17, 2-chome, Tenma, Kita Ku, Osaka City, Osaka, Japan	NOKU hotels	154 rooms	886	3,672	100%	Freehold
Noku Maldives	Island of Kudafunafaru, Noonu Atoll, Maldives	NOKU hotels	50 villas	89,896	16,830	100%	Leasehold
Hotel under development							
Name	**Location**	**Estimated Completion**	**No of units**	**Approximate Land Area (sq m)**	**Approximate GFA (sq m)**	**Effective interest**	**Tenure**
Noku Phuket	48/13 Moo 6, Chaofa Road, Phuket, Thailand	2021	91 rooms/villas	46,878	17,973	99%[1]	Freehold
Commercial properties							
Name	**Location**	**Description**			**Approximate net lettable area (sq m)**	**Effective interest**	**Tenure**
Roxy Square	50 East Coast Road, Singapore 428769	49 shop units[2]			2,371	100%	Freehold
205 Queen Street	205 Queen Street, Auckland, New Zealand	2 office towers with retail podium			25,368	50%	Leasehold
NZI Centre	1 Fanshawe Street, Auckland, New Zealand	6-storey commercial building			9,446	100%	Leasehold
312 St Kilda	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels			9,887	45%	Freehold
33 Argyle Street	33 Arygle Street, Parramatta NSW 2150, Australia	Lower B-grade office building comprising a quasi-retail ground floor suite and café, three levels of above ground parking providing 138 car spaces, 6 upper office levels and roof top plant rooms			5,281	40%	Freehold
350 Queen Street[3]	350 Queen Street, Melbourne, Australia	21 levels of commercial office tower			21,823	40%	Freehold
Vivel Shibuya	23-10 Udagawacho, Shibuya-ku, Tokyo, Japan	5-storey retail building			679	49%	Freehold

PROPERTY SUMMARY REPORT

SUMMARY OF PROPERTIES HELD BY THE GROUP AS AT 31 DECEMBER 2020 (CONTINUED)

Properties for sale under development								
Project name	**Location**	**Description**	**Stage of completion**[7]	**Expected completion**	**Approximate land area (sq m)**	**Gross floor area (sq m)**	**Effective interest**	**Tenure**
120 Grange	120 Grange Road, Singapore	56 residential units	32%	2Q 2022	1,466	3,079	90%	Freehold
Harbour View Gardens	221 & 223 Pasir Panjang Road, Singapore	57 residential units	83%	3Q 2021	2,856	3,998	100%	Freehold
Bukit 828	828 Upper Bukit Timah Road, Singapore	34 residential units	45%	1Q 2022	953	2,382	80%	Freehold
Arena Residences	20 Guillemard Crescent, Singapore	98 residential units	25%	1Q 2022	2,458	6,882	50%	Freehold
RV Altitude	344 River Valley Road, Singapore	140 residential units	25%	2Q 2022	2,675	7,491	100%	Freehold
Fyve Derbyshire	5 Derbyshire Road, Singapore	71 residential units	15%	4Q 2022	1,777	4,976	100%	Freehold
Wilshire Residences	30 Farrer Road, Singapore	85 residential units	15%	1Q 2023	3,635	6,572	40%	Freehold
Dunearn 386	386 Dunearn Road, Singapore	35 residential units	21%	2Q 2022	1,784	2,747	100%	Freehold
View at Kismis	15, 17, 19, 21, 23 & 25 Lorong Kismis, Singapore	186 residential units & 2 commercial units	7%	1Q 2023	9,322	13,050	60%	Leasehold
Neu at Novena	27 Moulmein Rise, Singapore	87 residential units	3%	1Q 2023	2,062	6,084	50%	Freehold
Wisma Infinitum	18 Jalan Dewan Sultan Sulaiman, Kuala Lumpur, Malaysia	423 residential units in Block A, and 300 residential units in Block B & 31 commercial units	81%	3Q 2021	5,622	64,912	47%	Freehold

Land held for development/investment								
Project name	**Location**	**Description**	**Stage of completion**	**Expected completion**	**Approximate land area (sq m)**	**Gross floor area (sq m)**	**Effective interest**	**Tenure**
New World Towers	64 Peel Street and 9 Cordelia Street, South Brisbane, Australia	Commercial and residential development	*	TBC	2,597	TBC	40%	Freehold
The Mavis Quad[4]	34-36 Mavis Street, Revesby NSW 2212, Australia	Industrial development	*	TBC	8,433	TBC	50%	Freehold
Bracks Street**	54 & 85 Bracks Street, North Fremantle, Perth, Australia	Industrial land; to be rezoned for commercial and residential use	*	TBC	45,456	TBC	20%	Freehold
Kramat, Jakarta**	Jalan Kramat, Raya No 110, Jakarta, Indonesia	Commercial development	*	TBC	1,703	7,350	49%	Freehold
Little Bourke**[5]	360 Little Bourke Street, Melbourne, Australia	Commercial development	*	TBC	939	10,726	100%	Freehold
Jalan Molek and Guillemard Road**[6]	1/1A, 3/3A, 5/5A, 7/7A, 9/9A, 11/11A, 13/13A, 15/15A, 17/17A, 19/19A and 21/21A all of Jalan Molek and 217/217A, 219/219A, 221/221A and 223/223A all of Guillemard Road, Singapore	Residential development	*	TBC	3,450	9,659	100%	Freehold

* Construction of these properties has yet to commence as of 31 December 2020.
** Project name has yet to be confirmed

(1) Based on voting rights
(2) Excludes 3 units which are for owner-use premises
(3) Completion of purchase on 19 January 2021
(4) On 2 March 2021, the Group enter into agreement to sell the property for A$10.8 million
(5) The Group's re-development of the property into a hotel will be converted into a commercial development for rental income
(6) Completion of purchase on 19 February 2021
(7) As at 31 December 2020

FINANCIAL CONTENTS

STATEMENT OF CORPORATE GOVERNANCE

Roxy-Pacific Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") are committed to ensuring and maintaining a high standard of corporate governance in complying with the Code of Corporate Governance. The Board and Management believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance. The Board and its committees have established policies and rules on good governance, and they are guided by their respective written Terms of References. The Company will continue to review and refine its corporate governance framework based on best practices that we are aware of and which are appropriate for the needs and circumstances of the Group. The Company has complied with Listing Rule 710 by describing in this report its corporate governance practices with specific reference to the updated principles and provisions in the revised Code of Corporate Governance 2018 ("**2018 Code**"). Where the Company's practices differ from the principles and provisions under the 2018 Code, the Company's position and reasons in respect of the same are explained in this report.

CORPORATE GOVERNANCE FRAMEWORK

CHAIRMAN
TEO HONG LIM
Key Objective

Responsible for leadership of the Board and for creating conditions for overall Board, Board Committee and individual Director effectiveness

THE BOARD OF ROXY-PACIFIC HOLDINGS LIMITED
7 DIRECTORS:
4 Independent Directors and 3 Executive Directors
Key Objectives

To set strategic aims, establish a framework of prudent and effective controls and review management performance.

To identify key stakeholder groups and to consider sustainability issues as part of its strategy formulation

To create value for shareholders and to ensure the long-term success of the Group

AUDIT RISK MANAGEMENT COMMITTEE	
4 Independent Directors	**Key Objectives**
CHAIRMAN **TONG DIN EU**	**Audit** Assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management **Risk Management** Ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determine the nature and extent of the material risks that the Board is willing to take in achieving the Group's strategic objectives **Sustainability** Consider sustainability issues as part of its strategy formulation

NOMINATING COMMITTEE	
4 Independent Directors and 1 Executive Director	**Key Objectives**
CHAIRMAN **CECILIA TAN HONG LYE**	Establish and review the profile of Board members; make recommendations to the Board on the appointment, re-nomination and retirement of Directors; review the independence of Directors; assist the Board in evaluating the performance of the Board, Board Committees and Directors; and develop and review the Company's corporate governance practices

REMUNERATION COMMITTEE	
4 Independent Directors	**Key Objectives**
CHAIRMAN **TONG DIN EU**	Oversee the remuneration of the Board and Key Management Personnel and set appropriate remuneration framework and policies to deliver annual and long term performance of the Group

GROUP CHIEF EXECUTIVE OFFICER	
TEO HONG LIM	**Key Objectives** Manage the Group's business and implement strategy and policy

MANAGEMENT	
Chief Executive Officer ("CEO")	**Key Objectives**
Executive Director and Deputy CEO	Direct management on operational policies and activities
Key Management Personnel	

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS

Board's Conduct of its 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.*

Provision 1.1
Board's Role

The Board of Directors of the Company (the "**Board**") provides leadership to the Group by setting the corporate policies and strategic aims. The Board recognises that the Directors are fiduciaries who should act objectively in the best interests of the Group and hold Management accountable for performance. The Board oversees the Group's affairs and is accountable to shareholders for the management of the Group business and its performance. The Board has put in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Provision 1.2
Directors' Duties and Responsibilities

Board Charter

The Board has a Board Charter which sets out the responsibilities for it to oversee the business affairs of the Group and document internal guidelines that govern the composition of the Board, process for appointment and resignation of Directors, proceedings of Board meetings and matters reserved for Board's approval and the process for seeking Board's approval.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with the Management to make objective decisions in the interest of the Group.

The Company has in place a financial authority matrix and approval guidelines for investments, divestments, corporate exercises and arrangements. New investments, banking facilities, business acquisitions and divestments exceeding certain thresholds require approval of the Board.

The principal responsibilities of the Board include the following:

(a) To provide entrepreneurial leadership, set strategic objectives which include focus on value creation, innovation and sustainability;

(b) To ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(c) To establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;

(d) To constructively challenge management and review its performance;

(e) To instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture;

(f) To identify the key stakeholder groups and ensure transparency and accountability to key stakeholder groups; and

(g) To approve interested persons transactions.

STATEMENT OF CORPORATE GOVERNANCE

Compliance with Listing Requirements

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the Singapore Exchange Trading Limited ("**SGX-ST**"). The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of Listing Rules to undertake to use their best endeavours to comply with the SGX-ST Listing Rules and to procure that the Company shall so comply. A similar undertaking has been executed by the Director of Finance and Administration in her capacity as executive officer as required by the SGX-ST Listing Rules.

The Board ensures timely, reliable and full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Rules of the SGX-ST.

Sustainability of the Group

The Board recognises that to ensure business is sustainable; the Group has to strike a balance between its business needs and the need of the society and the environment in which the Group operates. The Board believes that to grow sustainably as a forward-looking corporate entity, the Group has to regularly reach out to all stakeholders, from its employees to the community, and to be responsible stewards of its natural environment. The Group's efforts to ensure customers' health and safety, its attempts to employ eco-friendly and sustainable value chain processes, its development and training programs for its employees, its interaction and cooperation with the communities, its anti-corruption procedures and the relevant policy to ensure health, safety and welfare of its employees and other initiatives on sustainability issues in FY2020 are set out in the Sustainability Report and Corporate Social Responsibility Section on page 28 to page 46.

Orientation, Continuous Training and Development of Directors

The Company has in place an orientation process. A new incoming Director is issued a formal letter of appointment setting out his or her duties and obligations, as well as explaining the policies and practices of the Group. New Directors also receive an information pack that contains the Group's organisation structure, the Company's Annual Report, Board Charter, respective Board committees' terms of reference, annual budget, internal audit and risk management reports, the Group's policy relating to disclosure of interests in securities and prohibition on dealings in the Company's securities. Directors are given appropriate briefings by the management on the business activities of the Group and its strategic directions.

Incoming Directors joining the Board will be briefed by the Nominating Committee on their Directors' duties and obligations and introduced to the Group's businesses and governances practices and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive and trade sensitive information.

The Incoming Director will meet up with senior management and the Company Secretary to familiarise himself or herself with their roles, organisation structure and businesses practices. This will enable him or her to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary.

Mr Yeo Wee Kiong who joined the Board as an Independent Director on 1 October 2020 has undergone the aforesaid orientation process and briefings.

The Directors are continually and regularly updated on the Group's businesses and governances practices, including changes in laws and regulations, financial reporting standards and code of corporate governance so as to enable Directors to effectively discharge their duties. The Company will fund Directors' participation at industry conferences, seminars or any training programs in connection with their duties as Directors. All Directors are also encouraged to be members of SID and for them to receive journal updates and training from SID. Information on training programs, seminars and workshops organised by various professional bodies and organisations were circulated to the Directors on a regular basis.

STATEMENT OF CORPORATE GOVERNANCE

Provision 1.3
Internal Guidelines on Matters Requiring Board Approval

Matters specifically reserved to the Board for its approval as set out in the Board Charter are: -

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

(b) Strategic policies of the Group;

(c) Annual budgets;

(d) Material acquisitions and disposal of assets;

(e) Corporate or financial restructuring; and

(f) Share and bond issuances, interim dividends and other returns to shareholders.

Provision 1.4
Delegation of Authority to Board Committees

In carrying out and discharging its duties and responsibilities efficiently and effectively, the Board is assisted by various Board Committees namely, the Audit Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**").

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

		Board Committees		
Name of director	**Board Membership**	**Audit Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Teo Hong Lim	Executive Chairman	–	Member[1]	–
Chris Teo Hong Yeow	Executive Director	–	–	–
Koh Seng Geok	Executive Director	–	–	–
Tong Din Eu	Lead Independent Director	Chairman	Member	Chairman
Winston Tan Tien Hin	Independent Director	Member	Member	Member
Cecilia Tan Hong Lye	Independent Director	Member	Chairman	Member
Yeo Wee Kiong[2]	Independent Director	Member	Member	Member

[1] Appointed on 1 January 2020
[2] Appointed on 1 October 2020

These Board Committees function within clearly defined terms of references and operating procedures including procedures for dealing with conflicts of interest. A Board Committee member is required to disclose his interest and recuse himself from discussions and decisions involving a conflict of interest. The Board also constantly reviews the effectiveness of each Committee. The segments of this report under Principle 4 to 10 detailed the activities of the NC, RC and ARMC.

STATEMENT OF CORPORATE GOVERNANCE

Provision 1.5
Meetings of Board and Board Committees and Attendance Records of the Board Members

During FY2020, the Board met half yearly for the purpose of approving the release of the financial results. Other than the half-yearly Board meetings, ad hoc Board and Board Committee Meetings were convened during FY2020. Where exigencies prevent a director from attending a Board meeting in person, the Constitution of the Company permits the director to participate via teleconferencing or video conferencing. The Board and Board Committees may also make decisions by way of resolutions in writing. Directors are free to seek clarifications and explanations from Management on the reports and papers submitted to the Board.

During FY2020, Independent Directors met on an ad hoc basis with the CEO, Executive Directors and senior management team to discuss and update on the on-going matters, including issues faced. The Company benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committees meetings.

The Board and Board Committee meetings on the results this year were conducted through video-conferences, in line with the Government advisories amidst the Covid-19 pandemic. The table below sets out the number of Board and Board Committee meetings which were convened during FY2020:

	Board	**Audit Risk Management**	**Remuneration**	**Nominating**	**General Meeting**
Number of meetings held	3	4	1	3	1
Name of Directors			**Number of meetings attended**		
Teo Hong Lim[1]	3	4	1	2	1
Chris Teo Hong Yeow[2]	3	4	NA	NA	1
Koh Seng Geok[3]	3	4	1	1	1
Winston Tan Tien Hin	3	4	1	2	1
Tay Kah Poh[4]	1	1	1	1	1
Tong Din Eu	3	4	1	3	1
Cecilia Tan Hong Lye	3	4	1	2	1
Yeo Wee Kiong[5]	1	1	–	–	–

1. Mr Teo Hong Lim was appointed member of the NC on 1 January 2020 and invited to attend the ARMC and RC meetings
2. Mr Chris Teo Hong Yeow was invited to attend the ARMC meetings
3. Mr Koh Seng Geok attended the committee meetings in his capacity as Joint Company Secretary
4. Mr Tay Kah Poh retired on 4 May 2020
5. Mr Yeo Wee Kiong was appointed Independent Director and member of the NC, RC and ARMC on 1 October 2020

NA – Not applicable as the Directors are non-members of the Board Committees

The NC takes into consideration other listed board representations held by the Directors and ensures that Directors give sufficient time and attention to the affairs of the Group. While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by board members in other forms including periodic review, level of discussion at board meetings, provision of guidance and advice on various matters relating to the Group.

The Constitution of the Company provides for Directors to conduct meetings by teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circular resolutions.

STATEMENT OF CORPORATE GOVERNANCE

Provision 1.6
Board's Access to information

To enable the Board to make informed decisions and to fulfil its responsibilities, the Management provides complete, accurate and adequate information in a timely manner. A system of communication between the Management and the Board and Board committees has been established and improved over the time. All scheduled Board and Board committees' meetings are planned 12 months ahead. The Board, its committees and every Director have separate and independent access to the Management and are free to request for additional information as needed to make informed decisions.

All Directors are furnished with information concerning the Company on a periodic and timely basis to enable them to be fully cognisant of the decisions and actions of the Company's management team. Management also provides the Board with regular management reports, which includes budgets, forecasts and half yearly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Management provides Directors with information whenever necessary and board papers are sent to Directors prior to each Board and Board Committee meeting. In carrying out its duties, the Board has unrestricted access to the Company's records and information.

Provision 1.7
Board's Access to Management, Company Secretary and External Advisers

The Board has separate and independent access to the Management and Company Secretary at all times.

The role of the Company Secretary includes, *inter alia*, advising the Board on all matters regarding the proper functioning of the Board, compliance with the Company's Constitution and applicable regulations, requirements of the Companies Act, Cap. 50 ("**Companies Act**"), the Securities and Futures Act and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual. The Company Secretary assists the Board in implementing and strengthening corporate governance policies and procedures.

Under the direction of the Chairman, the Company Secretary ensures good information flow to and within the Board and its committees and between the Management and Non-Executive Directors.

The Company Secretary is supported on company secretarial matters by the Company's external secretarial agent KCK CorpServe Pte. Ltd and also guided in this role by the Company's external legal advisor, Shook Lin & Bok LLP.

During FY2020, the Company Secretary attended all Board meetings, and Board committees' meetings as directed by the respective committees' chairpersons. The minutes of Board and Board committees' meetings were promptly circulated to all members of the Board and Board committees.

The Company Secretary ensures that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and the removal of the Company Secretary are subject to the Board's approval.

The Board takes independent professional advice as and when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

STATEMENT OF CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1
Strong and Independent Element of the Board

As at the date of this Report, the Board of Directors comprises seven members; of whom four are independent:

Teo Hong Lim	Executive Chairman and Chief Executive Officer
Chris Teo Hong Yeow	Executive Director and Deputy Chief Executive Officer
Koh Seng Geok	Executive Director and Deputy Chief Executive Officer
Tong Din Eu	Lead Independent Director and Chairman of ARMC and RC
Winston Tan Tien Hin	Independent Director
Cecilia Tan Hong Lye	Independent Director and Chairman of NC
Yeo Wee Kiong	Independent Director

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

The independence of each Independent Director is reviewed annually by the NC, based on the definition of independence as stated in the Code and the Listing Rules of SGX-ST.

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the provisions as set out in the Code and the Listing Rules of SGX-ST. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code or the Listing Rules. Each of the Independent Directors has confirmed his independence based on the provisions as set out in the Code and the Listing Rules of SGX-ST.

The Board noted that under the Listing Rules of SGX-ST which take effect from 1 January 2022, an independent director will not be considered independent if he has served on the Board for more than nine years. Mr Winston Tan Tien Hin who was appointed on 14 December 2006 has served for more than nine years on the Board.

The Board recognises that Independent Directors may over time develop significant insights in the Group's businesses and operations and can continue to provide noteworthy and valuable contributions to the Board. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

The NC has assessed the independence of Mr Tan and is satisfied that there is no relationship or other factors such as gifts or financial assistance, past association, business dealings, financial dependence, relationship with the Group or the Group's management, etc. which would impair his independent judgement.

The Board is of the view that Mr Tan has demonstrated strong independent character and judgment over the years in discharging his duties and responsibilities as Independent Director of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. He has expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. He has sought clarification and amplification as he deemed necessary, including through direct access to the Management. He has also sought external professional advice, where necessary, such as in the review of Executive Directors' remuneration.

STATEMENT OF CORPORATE GOVERNANCE

Each of the Independent Directors is subject to a rigorous review which requires him or her to complete a Directors' Declaration Checklist to confirm his independence under stricter criteria over and above the guidelines set out in the Code. Under such rigorous review, each Independent Director has confirmed that he/she and any of his/her immediate family, relatives and associates (collectively, "**connected persons**") does not have any relationship or business dealings with a controlling shareholder or a controlling shareholder's connected persons that would give rise to a conflict of interest or impairment of the Independent Director's independence. Emphasis are placed on whether they have continued to demonstrate integrity, professionalism and independent judgement and/or decisions on matters with the interests of the Company at heart without undue reliance on and influence by others. Having subject their independence to rigorous review, the Board has resolved that Mr Tan is independent notwithstanding his length of appointment.

Notwithstanding the Board has considered the Independent Directors independent, the NC has recognised the importance of the Independent Directors being independent and be perceived by all stakeholders to be so. Since 2017, the Company has begun a transition to include new Independent Directors in place of retiring Independent Directors who had served more than 9 years, to further strengthen the independence element of the Board. Mr Tong Din Eu was appointed as Independent Director on 2 October 2017, following which Mr Hew Koon Chan retired as Independent Director by rotation under the Constitution at the annual general meeting on 6 April 2018. Ms Cecilia Tan Hong Lye was appointed as Independent Director on 1 October 2019, following which Mr Tay Kah Poh retired as Independent Director by rotation at the annual general meeting on 4 May 2020. Mr Winston would complete his final term of service and retire by rotation at the conclusion of the forthcoming annual general meeting.

Provisions 2.2 and 2.3
Composition of Independent Directors and Non-Executive Directors on the Board

Under the Listing Rules of SGX-ST, the independent directors should make up one-third of the Board.

Under Provision 2.2 of the Code, the independent directors should make up majority of the Board where the Chairman is part of management team and is not an independent director. Under Provision 2.3 of the Code, the Non-Executive Directors should make up a majority of the Board. All the Non-Executive Directors are Independent Directors. The composition of the Board complies with the requirements of the Listing Rules of SGX-ST and the Code.

Provision 2.4
Composition and Size of the Board

It is the Board's policy that the members of the Board should possess the relevant core competencies in areas such as accounting and finance, legal, strategic planning, business and management experience. In particular, the Executive Directors possess good industry knowledge while the Non-Executive Directors who are professionals and experts in their fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgement during Board deliberations.

The current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The Company recognises the benefits of diversity on the Board and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board also considers gender as an important aspect of diversity as it believes that diversity in the Board's composition contributes to the quality of its decision making. In its renewal process, the Board has appointed Ms Cecilia Tan Hong Lye effective 1 October 2019 who adds to the Board's diversity of perspectives.

Taking into account the scope and nature of the operations of the Group, it is the NC's considered opinion that the current Board composition and size are appropriate and as a group, the Directors provide relevant competencies to facilitate effective decision making for the existing needs and demands of the Group's businesses. The Board's decision-making process is not dominated by any individual or small group of individuals. The Board has continued with its renewal process to meet the requirements of the Code on the nine year cap for independent director (which will take effect from 1 January 2022) with the appointment of Mr Yeo Wee Kiong on 1 October 2020 and the retirement of Mr Winston Tan at the conclusion of the forthcoming annual general meeting. Following Mr Winston Tan's retirement, the Board will seek a new Independent Director as part of its continuing Board renewal process. The Board intends to maintain its current Board size with the appointment of a new Independent Director and for the Independent Directors to make up a majority of the Board in compliance with the Code.

Details of the Directors' qualifications, background and working experience, are provided under the "Board of Directors' Profile" section of this Annual Report.

STATEMENT OF CORPORATE GOVERNANCE

Provision 2.5
Role of Non-Executive Directors

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

The Company benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committees meetings.

Annually, sessions are available for the Non-Executive and Independent Directors to meet without the presence of Management and Executive Directors during the course of Board meetings or outside of Board meetings. The Non-Executive and Independent Directors have convened sessions without the presence of Management. In FY2020, the Non-Executive and Independent Directors meet without the presence of Management before release of the year-end results, and also on several occasions to conduct ongoing review of the Company's governance and risk policies and practices which include the Board's renewal process, independence of the Independent Directors, the Company's whistleblowing policy, remuneration of Key Management Personnel and the appointments and promotions of relatives of the Executive Directors.

EXECUTIVE 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.*

Provisions 3.1 and 3.2
Chairman and Chief Executive Officer

The Executive Chairman, Mr Teo Hong Lim, is also the Group's CEO. While the roles of Chairman and CEO are held by Mr Teo, the responsibilities of Chairman and CEO are separate and distinct. In accordance with the requirements of the Code where Chairman is not independent, the Independent Directors form the majority of the Board, and the Company has a Lead Independent Director. The Board is of the view that the discharge of responsibilities in the two roles by Mr Teo will not be compromised as there is strong independence within the Board to ensure an appropriate balance of power, increased accountability and capacity of the Board for independent decision-making. The NC also assesses the performance and effectiveness of Mr Teo on his performance as Chairman separately from that of CEO.

Combining the roles of Chairman and CEO brings about clear leadership and accountability and unparalleled depth of knowledge to deal with the strategic challenges and growth opportunities for the Group.

The Board Charter of the Company sets out the distinct responsibilities of the Chairman and CEO. As Chairman, Mr Teo leads the Board, approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He promotes an open environment for debate, and ensures that the Non-Executive and Independent Directors are able to speak freely and contribute effectively. He exercises control over the quality and quantity of the information as well as the timeliness of the flow of information between the Board and Management. He strives to promote high standard of corporate governance by ensuring that the responsibilities as set out in the Code are properly discharged.

As CEO, Mr Teo Hong Lim manages and develops the businesses of the Group and implements the Board's decision. He undertakes the executive responsibilities of the Group's performance.

At Annual General Meetings ("**AGMs**") and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management. Under his leadership, the Company continues to reach out to stakeholders through its sustainability initiatives and corporate social responsibility programmes as set out in the Sustainability Report and Corporate Social Responsibility Section on page 28 to page 46 of this Annual Report.

STATEMENT OF CORPORATE GOVERNANCE

Provision 3.3
Lead Independent Director

Mr Tong Din Eu is the Lead Independent Director. As Lead Independent Director, he is the principal liaison on Board issues between the Independent Directors and the Executive Chairman. He is available to shareholders where they have concerns in which contact through the normal channels of the Executive Chairman and CEO or CFO has failed to resolve or is inappropriate. The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the Executive Directors where necessary, and the Lead Independent Director will provide feedback to the Chairman after such meetings. The Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2
Nominating Committee

The NC comprises five Directors, four of whom, including the Chairman are independent.

Cecilia Tan Hong Lye	Chairman	Independent Director
Tong Din Eu	Member	Lead Independent Director
Winston Tan Tien Hin	Member	Independent Director
Yeo Wee Kiong	Member	Independent Director
Teo Hong Lim	Member	Executive Director

The NC has written terms of reference, under which the key functions of the NC are as follows:

(a) to review board succession plans for Directors, in particular, the Chairman, the CEO, the deputy CEO and Key Management Personnel;

(b) to develop a process for evaluation of the performance of the Board, its committees and Directors, and undertake assessment of the effectiveness of the Board, Board Committees and individual Directors, including setting a limit on multiple board representations of Directors where applicable;

(c) to review the training and professional development programs for the Board;

(d) to recommend to the Board the appointment and re-election of Directors; and

(e) to assess the independence of the Independent Directors.

Succession Planning

The NC will review board succession plans for Directors, and will seek to refresh the Board membership in an orderly manner where it deems applicable. The NC will also ensure that the Company has succession planning for its CEO, Executive Directors and Key Management Personnel, including appointing, training and mentoring successors. The NC has reviewed contingency arrangements for any unexpected incapacity of the CEO or any of the Key Management Personnel and is satisfied with procedures in place to ensure a transition to a full operational management team.

STATEMENT OF CORPORATE GOVERNANCE

Provision 4.3
Process for the Selection, Appointment and Re-appointment of Directors

The Company has in place policies and procedures for the appointment of new Directors to the Board, including a description on the search and nomination process. This process includes, *inter alia*, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board. The NC will determine the criteria for identifying candidates and reviewing nominations for the appointment of Directors to the Board, ensuring that the process of Board appointments and re-nominations are transparent. Short-listed candidates would be required to furnish their curriculum vitae stating in detail their qualification, working experience, employment history, in addition to completing certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines.

Regulation 107 of the Company's Constitution requires a Director appointed by the Board to hold office until the next AGM and shall be eligible for re-election. Accordingly, Mr Yeo Wee Kiong who was appointed by the Board on 1 October 2020 will retire at the forthcoming AGM. Mr Yeo has consented to stand for re-election at the forthcoming AGM.

Regulation 103 of the Company's Constitution require at least one-third of the Directors, including the CEO or a person holding an equivalent position to retire from office by rotation at least once every three years and be eligible for re-election. Accordingly, Mr Teo Hong Lim, Mr Tong Din Eu and Mr Winston Tan Tien Hin will retire at the forthcoming AGM by rotation. As stated under Provision 2.1, as part of the Board renewal process, Mr Tan will not stand for re-election. Mr Teo and Mr Tong have consented to stand for re-election. Taking into account their attendance and participation at Board meetings, the NC is satisfied that Mr Teo and Mr Tong have committed their time to effectively discharge their duties as Directors. The NC have recommended their re-election.

In accordance with the Rules of the Listing Rules of SGX-ST, the information as set out in Appendix 7.4.1 of the Listing Manual in respect of Mr Yeo Wee Kiong, Mr Teo Hong Lim and Mr Tong Din Eu are provided on pages 78 to 82 of this Annual Report.

Provision 4.4
Determining Directors' Independence

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Listing Rules of SGX-ST and as set out under Provision 2.2 of the Code, and has ascertained that they are independent.

Provision 4.5
Multiple Board Representations

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the company. The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the Directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member cannot have more than six listed Board representations including the Company. None of the Directors currently sit on the boards of more than six listed companies.

The NC has reviewed each director's outside directorships, their principal commitments and attendance and contributions to the Board. Despite the multiple directorships, the NC is satisfied that the Directors have discharged their duties adequately and satisfactorily for FY2020.

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

STATEMENT OF CORPORATE GOVERNANCE

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2
Conduct of Board performance

The NC will conduct a formal assessment of the effectiveness of the Board as a whole and its committees and the contribution by each director to the effectiveness of the Board on an annual basis.

The NC has with the Board's approval, implemented a process to annually assessing the effectiveness of the Board and its committees and the contribution by each individual director.

This process includes having the Directors complete a performance evaluation form seeking their evaluation on various aspects of Board performance, such as Board's level of governance, effective delegation to the Board committees, leadership and accountability. To ensure confidentiality, the evaluation returns completed by all Directors were submitted directly to and compiled by the Company's external secretarial agent for collation. The secretarial agent compiles the Directors' evaluation into a consolidated report. The report is discussed at the NC meeting. The NC with the participation of the Executive Directors will review implementation of improvements in governance practices from past evaluations and any areas where enhancements could be considered. The Board will receive a report of the NC's deliberations. The Chairman will act on the results of the performance evaluation and where appropriate, endorse suggested enhancements to the governance practices of the Company and where applicable, on NC's recommendation on Board's composition propose new members to be appointed to the Board or seek the resignation of Directors. Arising from the NC's review since 2017, the Board has undertaken Board renewal process to introduce new Independent Directors and retire those who have been with the Board for more than 9 years.

The NC also evaluates the Board's performance on the level of governance against its peers and industry with reference to the Singapore Transparency and Governance Index.

The NC has reviewed the evaluations of the Board for FY2020 and is satisfied that the Board has been effective in the conduct of its duties and the Directors have each contributed to the effectiveness of the Board and Board committees.

Evaluation of individual Director's performance is a continuous process. For the year under review, the NC and the Board Chairman took note of each individual Director's attendance at meetings of the Board, Board committees and at general meetings; participation in discussions at meetings; knowledge of and contacts in the regions where the Group operates; the individual Director's functional expertise and his/her commitment of time to the Company and took such factors into consideration when accessing the performance of the individual Directors.

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

STATEMENT OF CORPORATE GOVERNANCE

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Provisions 6.1 and 6.2
Remuneration Committee

The RC comprises the following four members, all of whom including the Chairman are independent.

Tong Din Eu	Chairman	Lead Independent Director
Winston Tan Tien Hin	Member	Independent Director
Cecilia Tan Hong Lye	Member	Independent Director
Yeo Wee Kiong	Member	Independent Director

The RC carried out their duties in accordance with the terms of reference which include the following:

(a) To review and recommend to the Board a framework for remuneration for the Directors and Key Management Personnel of the Company;

(b) To review and recommend Directors' fees for Non-Executive Directors for approval at the AGM;

(c) To determine specific remuneration packages for each Executive Director as well as Key Management Personnel;

(d) To review the Group's obligations arising in the event of termination of the Executive Directors' and Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(e) To review the remuneration of employees who are immediate family members of a substantial shareholder, Director or the CEO to ensure that the remuneration of each of such employee commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

Matters concerning remuneration of the Board, Key Management Personnel and other employees who are related to the controlling shareholders and/or the Directors (if any) are handled by the RC whose primary function is to establish formal and transparent policies on remuneration matters in the Company.

Matters which are required to be disclosed have been sufficiently disclosed in this Report and in the notes to the Financial Statements of the Company and of the Group.

Provision 6.3
Review of remuneration

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

STATEMENT OF CORPORATE GOVERNANCE

Provision 6.4
Engagement of remuneration consultants

In 2019, the Company commissioned AON Hewitt Singapore Pte Ltd ("AON") to undertake a review of Executive Directors' compensation to benchmark the remuneration of the Executive Directors against comparable companies in the industry. The RC is guided by AON Compensation Review in its review of the Executive Directors' compensation to ensure that they are not overly or underly compensated.

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1
Remuneration of Executive Directors and key management personnel

A significant and appropriate proportion of Executive Directors' and Key Management Personnel's remuneration is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration is aligned with the interests of shareholders and promotes the long-term success of the Company.

The Executive Directors do not receive Directors' fees, unless appointed as member of a Board Committee. An Executive Director Board Committee member will be put on parity with other Non-Executive Board Committee member to receive a director fee based on the remuneration framework for Non-Executive Directors set out in Provision 7.2.

The Executive Directors are paid a fixed salary and bonus which includes a performance-related scorecard bonus and a profit sharing bonus pursuant to their respective service agreements. The scorecard bonus is a fixed bonus based on individual performance in achieving specific key performance indicators ("KPIs"). The profit sharing bonus is linked to the Company performance. The RC reviews and approves the overall bonus payable to the Executive Directors within the framework of the service agreements.

The remuneration structure for the Company's top Key Management Personnel comprises both fixed and variable components. The variable component is determined annually based on achievement of specific key performance indicators ("KPIs") which are clearly set out for each key management personnel each financial year and such KPIs comprise both quantitative and qualitative factors.

The KPIs for individual performance take into consideration the broad categories of objectives, namely financial, business and functional, regulatory and controls, and organisational and people development as well as alignment to the Company's risk policies. For FY2020, the ARMC has evaluated the extent to which each of Key Management Personnel has delivered on the corporate and individual objectives (details are not disclosed for strategic and confidentiality reasons) and based on the evaluation, has approved the compensation for the Key Management Personnel which were endorsed by the Board.

Each of the Executive Directors and Key Management Personnel have a service agreement or employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on a long term basis and no onerous removal clauses are contained in the service agreement or employment contract.

The Company has set a threshold for deferral of bonus payment for the Executive Directors (the "Deferral Threshold"). In the event that the total compensation in respect of a financial year exceeds the deferral threshold, the excess amount will be paid to the Executive Director in equal instalments over a 3-year period. In addition, the Company has included claw-back provisions in the service agreement of Executive Directors which would give the right to the Company to claw back the bonus from the Executive Director in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

STATEMENT OF CORPORATE GOVERNANCE

Other than the above, there are no contractual provisions in the employment contracts of the Key Management Personnel for the Company to reclaim incentive components of remuneration as there are policies to factor management of risks as performance indicators and to manage risk exposures identified.

Provision 7.2
Remuneration of Non-Executive and Independent Directors

All the Non-Executive Directors who are Independent Directors have no service contract and are compensated based on a fixed annual fee taking into consideration their respective contributions and attendance at meetings. Additional variable fees are paid for appointment to Board Committees according to the level of responsibilities undertaken as Chairman or member of the Board Committees.

The current remuneration framework for the Non-Executive Directors remains unchanged since financial year ended 31 December 2014.

Roles	Members (per annum)	Chairman (per annum)
Board of Directors	$34,320	NA
Lead Independent Director	$6,600	NA
Audit Risk Management Committee, Nominating Committee, Remuneration Committee	$3,960	Additional $2,640

The RC has reviewed the fee structure for the Non-Executive and Independent Directors as being reflective of their responsibilities and work commitments and recommends the Directors fee for FY2020 in accordance with the fee structure for shareholders' approval at the Company's AGM. The RC is of the view that the fee structure does not compromise the independence of the Non-Executive and Independent Directors. There is no policy to prohibit or require the Non-Executive and Independent Directors to hold shares in the Company. As of 31 December 2020, Mr Winston Tan Tien Hin and Mr Tong Din Eu, Independent Directors, hold shares in the Company amounting to 0.91% and 0.0025% respectively of the total issued shares in the Company (excluding treasury shares). The RC and the Board are of the view that the holding of shares by Non-Executive and Independent Directors of less than 5% of the total issued shares in the Company encourages the alignment of their interests with the interests of shareholders without compromising their independence.

STATEMENT OF CORPORATE GOVERNANCE

DISCLOSURE OF 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*

Provision 8.1
Remuneration Report

Remuneration of Directors and the CEO

The remuneration paid to or accrued to each individual Director and the CEO for FY2020 is as follows:

Name of Director	Directors Fee S$'000	Salary S$'000	Bonus S$'000	Other benefits[1] S$'000	FY2020 Total Remuneration S$'000	FY2019 Total Remuneration S$'000
Chairman and CEO						
Teo Hong Lim	38	660	–	18	716	2,858
Executive Directors						
Chris Teo Hong Yeow	–	412	–	17	429	1,759
Koh Seng Geok	–	412	–	15	427	1,794
Independent Directors						
Tay Kah Poh[2]	20	–	–	–	20	58
Winston Tan Tien Hin	46	–	–	–	46	46
Tong Din Eu	55	–	–	–	55	49
Cecilia Tan Hong Lye[3]	48	–	–	–	48	12
Yeo Wee Kiong[4]	12	–	–	–	12	NA

1 Other benefits refer to benefits-in-kind such as food and beverage benefits, automobile benefits, etc. made available to Directors, as appropriate.
2 Retired on 4 May 2020
3 Appointed on 1 October 2019
4 Appointed on 1 October 2020

In view of the Covid-19 impact on the business and the financial performance in FY2020, the CEO and Executive Directors had foregone their scorecard bonuses totalling $775,914 for FY2020.

STATEMENT OF CORPORATE GOVERNANCE

The remuneration paid to or accrued to the top Key Management Personnel (who are not Directors or the CEO) for FY2020 is as follows:

Remuneration Band and Name	Base/Fixed Salary %	Bonus %	Other benefits[1] %	Total %
S$250,000 to S$499,999				
Klaus Gottschalk[2] (General Manager – Grand Mercure Singapore Roxy)	51%	–	49%	100%
Libby Walsh (Director – Australia and New Zealand)	90%	–	10%	100%
Below S$250,000				
Melvin Poon Tuck Meng (Director – Hotel Operations)	91%	–	9%	100%
Steve Foo Yong Kit (Senior Director – Developments)	92%	–	8%	100%
Shermin Chan Poh Choo (Director – Finance and Administration)	90%	–	10%	100%
Angela Khoo Ying Hui (Director – Sales and Marketing Director – Business Development and Investment)	89%	–	11%	100%
Prisicilla Ng Wai Peng[3] (General Manager – Grand Mercure Singapore Roxy)	64%	24%	12%	100%

1 Other benefits refer to food and beverage benefits, automobile benefits, home passage and CPF contribution
2 Left the Group on 30 September 2020
3 Appointed as General Manager on 1 October 2020. Remuneration is for the period from 1 October 2020

The aggregate total remuneration paid or accrued to the top Key Management Personnel for FY2020 is $1,517,828 (FY2019: $2,443,133).

Provision 8.2
Remuneration of employees who are substantial shareholders or immediate family members of a substantial shareholder, Director or the CEO

For FY2020, there are no employees of the Company and its subsidiary companies who is a substantial shareholder or an immediate family member of a Director or the CEO or a substantial shareholder and whose remuneration exceeds S$100,000.

Provision 8.3 Employee Share Option Scheme

The Company does not have any share option or other share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing compensation structure with variable component paid out in cash to staff has continued to be effective in incentivising performance.

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.*

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Provision 9.1
Risk Management and Internal Control Systems

The Board is responsible for the governance of risk, including determining the nature and extent of the significant risks which the company is willing to take. The Board oversees the company's risk management framework and policies, and ensures that Management maintains a sound system of risk management and internal controls.

The ARMC assists the Board in its risk oversight. The ARMC, through the assistance of internal and external auditors, reviews and reports to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, established by Management. In addition, the ARMC reviews and determines the Group's level of risk tolerance and risk policies, and oversees the design, implementation and monitoring of the risk management and internal control systems. In assessing the effectiveness of internal controls, the ARMC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate, complete, and reliable and financial information is prepared in compliance with applicable internal policies, laws and regulations.

Since FY2012, the Group has had in place an Enterprise Risk Management ("ERM") Framework, which governs the risk management processes of the Group. Risk management capabilities and competencies are continuously enhanced through this Framework. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks and associated key controls in the Group's businesses. The key risks of the Group are deliberated by Management and reported to the ARMC at least once a year.

Complementing the ERM framework is a Group-wide system of internal controls, which includes documented policies and procedures, proper segregation of duties, approval procedures and authorisations, as well as checks-and-balances built into the business processes. The Group has in place a risk management process that requires business units to perform regular assessments of the effectiveness of applicable internal controls. In addition to ensuring that internal controls and risk management processes are adequate and effective, the ARMC is assisted by various independent professional service providers. The external auditor provided assurance over the risk of material misstatements in the Group's financial statements. The Internal auditor conducted audit reviews based on the approved internal audit plans. All audit reports detailing audit findings and recommendations are provided to Management who timely responded to actions to be taken. The ARMC monitors closely and timely to ensure proper implementation of the required corrective action plans are undertaken by the Management.

Material risks to the Group

The Group is committed to mitigating risk exposure through appropriate risk management strategies and adequate internal controls. Close monitoring of control processes, including the use of appropriate key risk and key performance indicators, are implemented to ensure the risk profiles are managed within risk appetite and tolerance limits. The Group has identified the following material risks.

1) Competition Risk	• Industry competition from industry players in terms of price, product quality, service level	We manage the risk by: • Focus on freehold sites in Singapore • Continue to focus on well-located and unique sites, both locally and abroad • Sharpen development focus with stronger execution abilities so as to be able to meet buyers demand • well-designed space and strategic locations with good connections to key amenities and public transportation • Leverage on outsource teams of marketing agents, consultants to keep the Group on top of latest market trends • With Phase 3 re-opening in Singapore in December 2020, we have stepped up our engagement with buyers through both physical and online marketing channels, including virtual showrooms, to showcase our apartment units

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2) Regulatory & Compliance Risk	• Subjected to applicable local laws and regulations in the markets that the Group operates in • Breaches to laws and regulations may lead to hefty penalties/fines and negative publicity	We managed the risk by: • Leverage outsourced specialised teams such as professional firms, consultants and property managers that provide advisory services and updates on latest changes to laws and regulations
3) Financial Risk – Interest rate risk, foreign currency risk, Liquidity risk	• Exposure to financial risks involving foreign currencies and interest rates resulting in realised/ unrealised losses • Volatility of cash flow negatively impacting planned cash generation and cash usage profile	We manage the risk by: • Monitoring foreign exchange risk on a continual basis • Pursuing 'natural hedges' by obtaining borrowings in the same currency as the assets, where possible • Tap on multicurrency facilities to hedge equity portion of the funding • Leveraging on interest rate derivatives to hedge against interest rate exposure for specific underlying debt obligations after considering prevailing market conditions • Maintaining a good mix of fixed and floating rates of interest • Monitoring adjusted gearing ratio on continual basis • Monitoring and maintaining a level of cash and cash equivalents and credit facilities
4) Operational Risk – Project management	• Inability to meet the project's key deliverables in relation to cost, quality and time to completion which may adversely impact profitability • Price escalation in construction costs resulting in a loss	We manage the risk by: • Prior to Covid-19 pandemic, conduct regular site visits to closely monitor progress of development projects • Since the reopening of construction sites in Singapore, weekly update from staff on site on progress. Weekly virtual meeting with consultants to monitor progress. Site visit are carried out whenever is required • Lump sum contract sum awarded to appointed main contractor to lock in construction cost
5) Economic Risk	• Exposure to event risks, such as political leadership uncertainties, trade wars, economic downturns and sudden changes in real estate-related regulations, in major economies, key financial and property markets	We manage the risk by: • Actively monitor macroeconomic trends, policies and regulatory changes in key markets • Focus on matured markets for property development where policies are more structured • Focus on markets where the Group has operational scale and the underlying economic fundamentals are more robust
6) Legal Risk	• The Group is exposed to legal and reputational damage resulting from breach of law or civil suits.	We manage the risk by: • Monitoring and reporting significant litigation and disputes to the Management and Board. • Working with external legal counsel for advice. • Reviewing and maintaining the necessary liability insurance coverage

STATEMENT OF CORPORATE GOVERNANCE

Provision 9.2
Assurances to the Board

The Board has received assurances from the CEO and Director of Finance and Administration that:

(a) the financial record have been properly maintained and the financial statements for FY2020 give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks which the Company considers relevant and material to the current business environment.

The CEO and Director of Finance and Administration have obtained similar assurances from the General Manager, Key Management Personnel and Financial Controller (or equivalent positions) of each operating Group entity.

Board's Comment on Adequacy and Effectiveness of Internal Controls

Based on the review of the key risks identified through the ERM process, and the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and the ARMC, and the aforesaid assurances from the CEO and Director of Finance and Administration, the Board is of the opinion that the Group's internal controls, addressing financial, operational and compliance and information technology risks and risk management systems, were adequate and effective as at 31 December 2020.The ARMC concurs with the Board.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

AUDIT COMMITTEE

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

Provisions 10.1 and 10.2
ARMC Membership

The ARMC comprises the following four members all of whom, including the Chairman, are independent.

Tong Din Eu	Chairman	Lead Independent Director
Winston Tan Tien Hin	Member	Independent Director
Cecilia Tan Hong Lye	Member	Independent Director
Yeo Wee Kiong	Member	Independent Director

None of the members of the ARMC have any management and business relationships with the Company and is not a substantial shareholder of the Company. None of the ARMC members were former partners or directors of the Company's external auditor or hold any financial interest in the external auditor.

Expertise of ARMC Members

The Chairman of the ARMC, Mr Tong Din Eu holds a Bachelor Degree in Accountancy and has many years of experience in corporate finance. The other members of the ARMC have many years of experience in business management and financial services. The Board is satisfied that the members of the ARMC have recent and relevant accounting or related financial management expertise or experience to discharge the ARMC's functions.

During FY2020, the members of the ARMC received briefing on changes in accounting standards, risk management, corporate governance and regulatory related topics. The ARMC has kept abreast of changes in accounting standards and issues which impact the financial statements from briefings from auditors during the half yearly ARMC meetings.

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Roles, Responsibilities and Authorities of ARMC

The ARMC functions under the terms of reference that sets out its responsibilities as follows:

(a) To review the financial statements of the Company and the Group, in particular significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance before submission to the Board;

(b) To review the external and internal audit plans of the Company with the external and internal auditors to ensure the adequacy of the audit scope and findings of auditor's reports;

(c) To review at least annually with the internal and external auditors, the adequacy and effectiveness of the company's internal controls and risk management systems;

(d) To review the assurance from the CEO and the Director of Finance and Administration on the financial records and financial statements and the adequacy and effectiveness of the risk management systems;

(e) To review the performance of the internal and external auditors and make recommendations to the Board on the appointment, re-appointment or removal of the internal and external auditors;

(f) To review the independence and objectivity of the external auditors;

(g) To review the adequacy, effectiveness of the external audit and the Company's internal audit function;

(h) To review the sustainability report before submission to the Board;

(i) To review interested person transactions and potential conflicts of interest; and

(j) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting and other matters.

The ARMC has the power to conduct or authorise investigations into any matter within the ARMC's scope of responsibility. The ARMC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. The ARMC has full access to and co-operation of Management, has full discretion to invite any director or executive officer to attend its meetings and has been given reasonable resources to enable it to discharge its functions. No member of the ARMC or any director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The role of the ARMC in relation to financial reporting is to monitor the integrity of the half yearly and full year financial statements and that of any formal announcements relating to the Group's financial performance. The ARMC has considered whether accounting standards are consistently applied across the Group and whether disclosures to the financial statements are clear and sufficient.

In the review of the financial statements for FY2020, the ARMC has discussed with the Management and the external auditors significant issues and assumptions that impact the financial statements. The most significant matters have also been included in the Independent Auditor's Report to the members under "Key Audit Matters". Following the review, the ARMC is satisfied that those matters, namely, revenue recognition of development properties, impairment of property, plant and equipment, valuation of investment properties and net realisable value of development properties for sale, have been properly dealt with and recommended to the Board to approve the financial statements.

Meeting with External and Internal Auditors without Presence of Management

The ARMC meets with both the external and internal auditors without the presence of the Management at least once a year. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly to the ARMC.

Independence of External Auditors

The Company confirms compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in engaging Foo Kon Tan LLP ("FKT") which is registered with the Accounting and Corporate Regulatory Authority, as the external auditor of the Company and of its Singapore subsidiaries and significant Singapore and foreign associated companies.

STATEMENT OF CORPORATE GOVERNANCE

Audit fees paid/payable to the external auditor of the Company amounted to $264,250 for the financial year ended 31 December 2020. The ARMC has reviewed the amount of non-audit services rendered to the Group by the external auditors. During the year, the estimated fees payable to the external auditors of the Company for non-audit services amounted to $5,000 or 1.9% of the audit fee. Being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, the ARMC has recommended their re-nomination to the Board.

Whistle-blowing Policy

The Company has a whistle-blowing policy to allow staff to raise concerns in confidence to the ARMC Chairman, and to encourage the reporting of fraud, misappropriation of assets, unauthorised expenditure and violation of regulations in the Group. In 2018, the whistleblowing policy was expanded to cover reporting of serious improper conduct including non-disclosure of conflict of interest by officers and directors or demonstration of or perceived impairment of independence by Independent Directors.

The policy makes available the contact details of the ARMC Chairman and sets out the procedures for raising concern or making a complaint and the process of investigation and dealing with the outcome of the investigation.

Employees are free to bring complaints to the attention of their supervisors or the Human Resource Department as they would in any other workplace concerns. The recipient of such complaints shall forward them promptly to the ARMC Chairman. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Following investigation and evaluation of a complaint, the ARMC Chairman shall report to the ARMC on recommended disciplinary or remedial action, if any. The action determined by the ARMC shall then be brought to the Board or to appropriate members of senior management for authorisation and implementation respectively.

On a half yearly basis, employees are required to submit an Annual Declaration Form requiring disclosure of any conflicts of interest or raising any issues or concerns of possible irregularities of the Company or the Group's affairs. A "nil" return is also required from the employees.

The policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

The ARMC confirms that no reports have been received under the whistle-blowing policy in FY2020.

Provision 10.3
Partners or Directors of the Company's Auditing Firm

Pursuant to the Code, the audit committee should not comprise former partners or directors of the company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation. Since the Company's listing on the SGX-ST, no former partner or director of the Company's existing auditing firm or auditing corporation has been or is a member of the ARMC. The ARMC has received assurance from the Company's auditor, Foo Kon Tan LLP, that it is independent. The ARMC also does not comprise any member who has any financial interest in Foo Kon Tan LLP.

Provision 10.4
Internal Audit Function

The Company has engaged KPMG Services Pte. Ltd. ("KPMG") as its internal auditor. The internal auditor reports directly to the Chairman of the ARMC on all internal audit matters.

The primary functions of internal audit are to help:–

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure whether control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

The Company's internal audit function is independent of the external audit. The Internal Auditor, KPMG, is a member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience. The Group's engagement with KPMG stipulates that its work shall comply with the KPMG's global internal auditing standards and the International Standards for the Professional

STATEMENT OF CORPORATE GOVERNANCE

Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors (IIA Standards). The Internal Audit continues to meet the IIA Standards in all key aspects. KPMG has confirmed their independence to the ARMC.

During the year, Group Internal Auditor adopted a risk-based audit approach that focused on material internal controls, including financial, operational, compliance and information technology controls. Audits were carried out on all significant business units in the Group. All Group Internal Audit reports are submitted to the ARMC for deliberation with copies of these reports extended to the Chairman and CEO, Executive Directors and the relevant Key Management Personnel. In addition, Group Internal Audit summary of findings and recommendations are discussed at the ARMC meetings. To ensure timely and adequate closure of audit findings, the status of implementation of the actions agreed by Management is tracked and discussed with the ARMC. The Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC.

The ARMC has reviewed the Company's internal control assessment and based on the internal auditors' and external auditors' reports and the internal controls in place, it is satisfied that there are adequate and effective internal controls to meet the needs of the Group in its current business environment. The ARMC is satisfied that the internal audit function is independent, effective and adequately resourced.

Provision 10.5:
Meeting with external and internal auditors without presence of the Management

The ARMC meets with both the internal and external auditors without the presence of the Management at least once a year.

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.*

Provision 11.1
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

The Company's AGM is a forum for the Board to invite shareholders to ask questions on the resolutions tabled at the AGM and to express their views. Shareholders are provided with opportunities to ask questions in the latest AGM and the meeting minutes recorded the details of shareholders' questions and answers. During these meetings, shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. Simultaneously, the Company is also able to gather views or input and address shareholders' concerns at general meetings. The Chairman of each Board Committee as well as the external auditors are normally present at the AGMs to address shareholders' queries, if any.

In previous AGMs, before the commencement of the meeting, the Company had made a presentation to shareholders to update them on the company's performance, position and prospects at general meetings. Presentation materials would be made available on SGXNET and the company's website for the benefit of shareholders. The Company will do likewise at the forthcoming AGM.

Shareholders are encouraged to attend the AGMs/EGMs to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. They are provided with opportunities to ask questions in the latest AGM and the meeting minutes recorded the details of shareholders' questions and answers. Notice of the AGM/EGM will be announced on SGXNET.

All resolutions at general meetings will be put to vote by electronic poll to allow greater transparency and more equitable participation by shareholders. An independent scrutineer firm will be present to validate the votes at the AGM. Voting and vote tabulation procedures will be disclosed at the general meetings. Votes cast for, or against, each resolution will be displayed live-on-screen to shareholders immediately at the general meetings. The total numbers of votes cast for or against the resolutions will also be announced after the general meetings via SGXNET.

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Forthcoming AGM to be Convened and Held by Electronic Means

In view of the current COVID-19 situation, the previous AGM was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The forthcoming AGM would be convened and held likewise. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the AGM.

Provision 11.2
Separate resolutions at general meetings

The Company will have separate resolutions at general meetings on each distinct issue. For resolutions that are special business, explanations are given in the accompanying notes to the Notice of the AGM. For resolutions on the election or re-election of Directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual are given in this Annual Report.

Provision 11.3
Attendance of Directors and auditors at general meetings

In FY2020, the Company held one general meeting which was attended by all the Directors in office then.

The Directors, including the chairpersons of each of the Board Committees are available at the meetings to address shareholders' queries. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Provision 11.4
Absentia voting

The Company's constitution allows appointment of proxies for a shareholder who is absent from a general meeting to exercise his vote in absence through his proxy or proxies.

The Company's Constitution allows all shareholders (who are not relevant intermediaries as set out under the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the CPF agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

Provision 11.5
Minutes of general meetings

The Company prepares minutes of general meetings which record substantive and relevant comments and questions from shareholders relating to the agenda of the meeting and responses from the Board and Management. The minutes are published on the Company's corporate website at https://www.roxypacific.com.sg.

Provision 11.6
Dividend Policy

The Company's priority is to achieve long-term capital growth for the benefit of shareholders. The bulk of its profits, when made, shall therefore be retained for investment into the future. Nevertheless, the Company recognises the desire of some of its shareholders to receive income out of their investment in the Company. Therefore, the Company has adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Company's business of hotel ownership and provision of hotel accommodation services (the "Hotel Business"), subject to the following factors:–

- The level of cash and retained earnings;
- The net profits of the Company;
- The actual and projected overall financial performance of the Company and its subsidiaries (taking into account all of the Company's businesses and operations);

STATEMENT OF CORPORATE GOVERNANCE

- The projected levels of capital expenditure and other investment plans; and
- Restrictions on payment of dividend that may be imposed by financing arrangements (if any).

The net operating profits attributable to the Hotel Business are defined as the earnings before interest, taxes, depreciation and amortisation in respect of the Hotel Business.

The Board of Directors will continually review the dividend policy and reserve the right to update the dividend policy at any time, in the best interests of the Company and its shareholders.

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1
Avenues for communication between the Board and shareholders

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price. Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGMs"); and

(e) Company's Investor Relations website at https://roxypacific.listedcompany.com/home.html, where shareholders can access timely information on the Group.

The notices of general meetings are also released via SGXNET and posted on the Company's website. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNET.

Provisions 12.2 and 12.3
Investor Relations

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET. The Company does not practice selective disclosure and price sensitive and trade sensitive information are publicly released on an immediate basis where required under the Listing Rules.

Price sensitive and trade sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board also ensures timely and full disclosure of material corporate developments to shareholders. The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

The Company has posted the contact of the Audit Risk Management Committee chairman on its corporate website to facilitate shareholders and other stakeholders who wish to communicate with the Audit Risk Management Committee chairman. To further enhance its communication with the investors, the Company's website allows the public to have access to information on the Group including the Company's announcements made to the SGX-ST and the contact email, info@roxypacific.com.sg

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The Company has also engaged its shareholders and investors through results briefings and investor roadshows when there are major developments or as and when applicable. In FY2020, due to the Covid-19 pandemic, no results briefings and investor roadshows were held by the Company.

ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2
Engage with its material stakeholder groups

The Group's material stakeholders are its shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives and corporate social responsibility programmes as set out in its Sustainability Report for FY2020 in this Annual Report. Please refer to the Sustainability Report for details.

Provision 13.3
Corporate website to communicate and engage with stakeholders

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

INTERESTED PERSONS TRANSACTIONS

Interested Person Transactions ("IPTs") are executed on fair terms and at arm's length regardless of nature and size. Where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Company has adopted an IPT policy that sets out the procedure of monitoring, reviewing and approving IPTs in the Group to ensure that IPTs entered into are conducted on normal terms and are not prejudicial to the interest of the shareholders.

The Key Management Personnel regularly review the IPT entered into by the Group to verify the accuracy and completeness of the IPT disclosure and ensure compliance with the SGX reporting requirements under Chapter 9 of the SGX Listing Manual. Half yearly report on IPTs is submitted to the ARMC and Board for review if the Company will be entering into any interested person transaction. Under the SGX listing rules, where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders.

There were no IPT for the financial year ended 31 December 2020.

Disclosure of interested person transactions is set out as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions conducted (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	N.A.	Nil	Nil

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DEALINGS IN SECURITIES

The Company has issued an internal compliance policy to all employees of the Group setting out the implications of insider trading. Staff who wants to trade in the Company's shares is required to submit a pre-clearance authorisation form and obtain approvals from the CEO, the Deputy CEO and the Director of Finance and Administration.

Under the Company's policy, the Company, its Directors and Key Management Personnel of the Group are prohibited in dealing in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements. Notices are issued to all Directors and employees of the Group to remind them of, *inter alia*, laws of insider trading and the importance of not dealing in the shares of the Company on short-term consideration or during prohibitive periods. Directors and employees are expected to observe the insider trading laws at all times even when dealing in shares of the Company within permitted trading periods.

MATERIAL CONTRACTS

There were no material contract entered into by the Company or any of its subsidiary companies involving the interest of the CEO, any Director, or controlling shareholder during the financial year ended 31 December 2020.

DIRECTOR'S INFORMATION

Information on Directors nominated for re-election at the forthcoming annual general meeting as set out in Appendix 7.4.1 pursuant to Rule 720(6) of the SGX-ST Listing Manual

	Name of directors to be re-elected		
	Teo Hong Lim	**Tong Din Eu**	**Yeo Wee Kiong**
Date of appointment	20 May 1993	2 October 2017	1 October 2020
Date of last re-appointment (if applicable)	6 April 2018	6 April 2018	Not applicable
Age	55	56	65
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Teo Hong Lim as the Executive Chairman, CEO and the Member of the Nominating Committee was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking Mr Teo Hong Lim's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Tong Din Eu as the Lead Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking Mr Tong Din Eu's qualifications, expertise, past experiences and overall contribution since he was appointed as an Independent Director of the Company.	The re-election of Mr Yeo Wee Kiong as the Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking Mr Yeo Wee Kiong's qualifications, expertise, past experiences and overall contribution since he was appointed as an Independent Director of the Company.
Whether appointment is executive, if so, the area of responsibility	Executive Mr Teo Hong Lim sets out the Group's strategies and leads overall management.	Non-Executive	Non-Executive

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	Name of directors to be re-elected		
	Teo Hong Lim	**Tong Din Eu**	**Yeo Wee Kiong**
Job Title (e.g. Lead ID, AC Chairman, AC member, etc.)	Executive Chairman, CEO, and Member of NC	Lead Independent Director, Chairman of RC, Chairman of ARMC and Member of NC	Independent Director, Member of NC, Member of RC and Member of ARMC
Professional qualifications	Mr Teo graduated from National University of Singapore with an honours degree in Accountancy.	Mr Tong holds a Bachelor Degree in Accountancy from National University of Singapore and passed the examinations to be a Chartered Financial Analyst.	Mr Yeo holds a Bachelor of Engineering (First Class Honours) Degree from the University of Singapore, a Bachelor of Laws (Honours) Degree from the University of London, and a Master of Business Administration Degree from National University of Singapore.
Working experience and occupation(s) during the past 10 years	Appointed as Director since 20 May 1993; Appointed as Executive Chairman and CEO of Roxy-Pacific Holdings Limited since 12 April 2018; and Appointed as the Member of Nominating Committee on 1 January 2020	Appointed as Independent Director of Roxy-Pacific Holdings Limited since 2 October 2017 HL Bank – Senior Manager and Head of Corporate Finance Appointed as Lead Independent Director of Midas Holdings Limited from 8 August 2011 to 2 April 2018; Re-appointed as Executive Director since 3 April 2018. Midas Holdings Limited is currently under liquidation with effect from 24 June 2019	Appointed as Independent Director of Roxy-Pacific Holdings Limited since 1 October 2020 Retired from law practice in April 2012. 1990 – 2012: Advocate & Solicitor
Shareholding interest in the listed issuer and its subsidiaries[1]	Direct interest of 130,295,687 shares of the Company, and deemed interest of 692,257,480 shares of the Company	Direct interest of 33,000 shares of the Company	None
Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries	Brother of Mr Chris Teo Hong Yeow (Deputy Chief Executive Officer and Executive Director)	No	No
Conflict of interests (including any competing business)	No	No	No

1 As at 15 March 2021, by the latest practicable date prior to the printing of this Annual Report 2020.

STATEMENT OF CORPORATE GOVERNANCE

	Name of directors to be re-elected		
	Teo Hong Lim	**Tong Din Eu**	**Yeo Wee Kiong**
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes	Yes	Yes
Other Principal Commitments including Directorship	• **Past (for the last 5 years):** – Nil • **Present:** – Avant At Aljunied Pte. Ltd. – Copperstone Pte. Ltd. – Montfort Care – Kian Lam Investment Pte Ltd – KL Investments Pte. Ltd. – Roxy Park Hotel Pte Ltd – Sen Lee Development Private Limited – TKL Investments Limited – Roxy Investments Pte Ltd – Kimen Realty Pte. Ltd.	• **Past (for the last 5 years):** – Nil • **Present:** – Midas Holdings Limited – North East Industries Pte Ltd – Green Oasis Pte Ltd – Huicheng Capital Limited – Dalian Huicheng Aluminium Co., Ltd. – CRRC Nanjing Puzhen Rail Transport Co., Ltd.	• **Past (for the last 5 years):** – Asia Township Development Pte Ltd – Genkai Capital Secured Investment Pte Ltd – Genkai Capital India Investment Pte Ltd – Orchid 1 Investments Pte Ltd (Alternate Director) – Orchid 2 Investments Pte Ltd (Alternate Director) – Phillip Ventures Enterprise Fund 2 Ltd – Qualitas Medical Limited – Raffles Venture (Direct) Pte Limited • **Present:** – AF Global Limited – Asian Healthcare Specialists Limited – Bonvests Holdings Limited – Pacific Century Regional Development Limited – SUTL Enterprise Limited – Ezyhealth Holdings Pte Ltd – Ezyhealthcare Trust Management Pte Ltd (Dormant) – Heliconia Capital Management Pte Ltd – Raffles Fund 1 Limited – Raffles Fund 2 Limited – RVP Coinvest Ltd – Sabana Real Estate Investment Management Pte. Ltd.

STATEMENT OF CORPORATE GOVERNANCE

	Name of directors to be re-elected		
	Teo Hong Lim	**Tong Din Eu**	**Yeo Wee Kiong**
The general statutory disclosures of the Directors are as follows:			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

STATEMENT OF CORPORATE GOVERNANCE

	Name of directors to be re-elected		
	Teo Hong Lim	Tong Din Eu	Yeo Wee Kiong
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, 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	No

STATEMENT OF CORPORATE GOVERNANCE

	Name of directors to be re-elected		
	Teo Hong Lim	**Tong Din Eu**	**Yeo Wee Kiong**
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, 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	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

STATEMENT OF CORPORATE GOVERNANCE

	Name of directors to be re-elected		
	Teo Hong Lim	Tong Din Eu	Yeo Wee Kiong
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	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	Yes, Mr Yeo was fined $200 by Law Society in 1990. He witnessed execution of certain documents without requiring physical presence as he knew the person signing. The documents had to be re-executed.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

We are pleased to submit this statement to the members together with the audited consolidated financial statements of Roxy-Pacific Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2020 and statement of financial position of the Company as at 31 December 2020.

In our opinion:

(a) the financial statements are drawn up so as to give a true and fair view of the financial positions of the Company and of the Group as at 31 December 2020 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

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

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

Names of directors

The directors in office at the date of this report are:

Teo Hong Lim	(Executive Chairman and Chief Executive Officer)
Chris Teo Hong Yeow	(Executive Director and Deputy Chief Executive Officer)
Koh Seng Geok	(Executive Director and Deputy Chief Executive Officer)
Tong Din Eu	(Lead Independent Director)
Winston Tan Tien Hin	(Independent Director)
Cecilia Tan Hong Lye	(Independent Director)
Yeo Wee Kiong	(Independent Director) (appointed on 1 October 2020)

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other body corporate other than as disclosed in this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the following directors who held office at the end of the financial year were interested in shares of the Company and its related corporations as follows:

	Holdings registered in the name of director or nominee			**Holdings in which director is deemed to have an interest**		
	As at 1.1.2020	**As at 31.12.2020**	**As at 21.1.2021**	**As at 1.1.2020**	**As at 31.12.2020**	**As at 21.1.2021**
The Company						
Roxy-Pacific Holdings Limited			Number of ordinary shares			
Teo Hong Lim	154,499,097	154,499,097	**154,499,097**	665,636,820	668,054,070	**668,054,070**
Chris Teo Hong Yeow	31,627,062	31,627,062	**31,627,062**	12,375	12,375	**12,375**
Koh Seng Geok	7,026,800	6,948,000	**6,948,000**	–	–	**–**
Tong Din Eu	33,000	33,000	**33,000**	–	–	**–**
Winston Tan Tien Hin	35,000	250,000	**250,000**	9,822,562	11,589,362	**11,614,362**
The Holding Company						
Kian Lam Investment Pte Ltd			Number of ordinary shares			
Teo Hong Lim	6,892	6,892	**6,892**	–	–	**–**
Chris Teo Hong Yeow	3,101	3,101	**3,101**	–	–	**–**
Related company						
Sen Lee Development Private Limited			Number of ordinary shares			
Teo Hong Lim	3,390	3,390	**3,390**	182,000	182,000	**182,000**
Chris Teo Hong Yeow	3,390	3,390	**3,390**	–	–	**–**

Mr Teo Hong Lim, by virtue of the provisions of Section 7 of the Act, is deemed to have an interest in the other subsidiaries of the Company of which all but seven are wholly-owned.

Mr Winston Tan Tien Hin is deemed to have interest in the shares of the Company held by Winmark Investments Pte Ltd, a company wholly-owned by Mr Winston Tan Tien Hin and his wife.

The changes to the above shareholdings as of 21 January 2021 are disclosed above.

Share options

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

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

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

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

Audit Risk Management Committee

The Audit Risk Management Committee comprises the following members:

Tong Din Eu (Chairman)
Winston Tan Tien Hin
Cecilia Tan Hong Lye
Yeo Wee Kiong (appointed on 1 October 2020)

The Audit Risk Management Committee performs the functions set out in Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance including the following:

– reviewed the audit plans of the internal auditor and external auditor, assistance given by the Company's officers to the internal auditor and external auditor and results of the internal and external auditor's audit procedures;

– reviewed the internal and external auditor's evaluation of the Company's system of internal accounting controls;

– reviewed the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, information technology controls and risk management systems via reviews carried out by the internal auditor;

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

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

– reviewed the cost effectiveness and the independence and objectivity of the external auditor;

– reviewed the nature and extent of non-audit services provided by the external auditor;

– reviewed half yearly financial information and annual financial statements of the Group and the Company before submission to the directors of the Company for approval; and

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

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

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

Full details regarding the Audit Risk Management Committee are provided in the Statement of Corporate Governance.

In appointing our auditors of the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

Independent auditor

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

On behalf of the Directors

....
TEO HONG LIM

....
KOH SENG GEOK

Dated: 24 March 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Report on the Audit of the Financial Statements

Opinion

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

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

<u>Revenue recognition of development properties (Refer to Note 3 to the financial statements)</u>

Risk:

Revenue from sale of development properties approximate $165.8 million for the financial year ended 31 December 2020.

Revenue recognition of development properties requires management's use of estimates in identification of performance obligations, assessment of the number of performance obligations and whether they are satisfied over time or at a point in time, and determination of an appropriate method to measure progress of the property development project for revenue recognition.

Revenue on development properties that have been sold in Singapore is recognised using the percentage of completion ("POC") method. The stage of completion is certified by independent architects or quantity surveyors and measured by reference to the value of the main contractor costs incurred to date to the estimated total main contractor costs to complete the property development. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total development costs will have an impact on the POC method.

Our response:

We read the sales and purchase agreements for sale of properties and engaged management to obtain an understanding of the performance obligations of the Group as the developer, and its contractual rights. We discussed with management to assess whether the criteria for recognising revenue over time or at a point in time are met, taking into consideration the contractual terms.

Procedures performed in our audit included reviewing the terms of sales and purchase agreement of development properties, assessing appropriateness of methods of revenue recognition for the types of development properties sold, reviewing the estimates involved in the methods applied for revenue recognition, testing the revenue billings and accrued costs and reviewing any cancellation of sales after the year end.

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Key Audit Matters (Continued)

Revenue recognition of development properties (Refer to Note 3 to the financial statements) (Continued)

We also reviewed management's estimated total construction costs for each of the significant development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works. We ascertained that any effects of significant or unusual events that occurred during the year leading to cost increase had been factored into the estimated total construction costs. We used the value of the main contractor costs incurred to date as certified by third party architects or quantity surveyors, compared to the estimated total main contractor costs and performed arithmetic computations of the POC method and revenue to be recognised for the year.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions in the estimates.

Impairment of property, plant and equipment (Refer to Note 4 to the financial statements)

Risk:

Property, plant and equipment represents 16.3% of the total assets of the Group, with a carrying value of $263.9 million as at 31 December 2020.

We have identified the impairment assessment of property, plant and equipment as a key audit matter due to the significance of the carrying amount of the assets and the use of management judgment and a range of estimates in determining the recoverable amount of the property, plant and equipment. In addition, there was an increase in the level of estimation uncertainty in determining the recoverable amount of the property, plant and equipment arising from the changes in market and economic conditions brought on by the Coronavirus Disease ("COVID-19") pandemic.

In view of the significant losses incurred by certain subsidiaries, the Group has assessed that there are triggers of impairment for these identified subsidiaries. Each subsidiary has been identified as a specific cash generating unit ("CGU") given that it has the ability to operate independently and generate its own cash inflows from business activities. Accordingly, these are tested for impairment. Management has engaged independent external valuers to assist the Group in determining the recoverable amount of the property, plant and equipment to which the CGU has been identified.

The determination of the recoverable amount of the identified property, plant and equipment, based on the higher of fair value less cost to sell and value in use, involves significant judgement and estimation in determining the appropriate valuation methodology to be used, and in evaluating the reasonableness of the underlying assumptions to be applied. These key assumptions used include price per room of market comparables, capitalisation and discount rates, terminal yield, occupancy rate and average daily rate.

The valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances due to COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the industry, the external valuers have also recommended to keep the valuation of these property, plant and equipment under frequent review.

Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We read the terms of engagement of the external valuers to consider the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We also engaged the auditor's expert and evaluated that the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the appropriateness of the valuation methodologies used by the external valuers in the determination of recoverable amount of the identified property, plant and equipment for each specific CGU. We discussed with management and the external valuers on the results of the valuation and obtained an understanding on how they have considered the implications of COVID-19 and market uncertainty in the valuations. We also compared the key assumptions used in their valuations by reference to internal historical data and available benchmarks and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosure in the financial statements, describing the methodologies used, degree of subjectivity and key assumptions used in the estimates.

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Key Audit Matters (Continued)

Valuation of investment properties (Refer to Note 6 to the financial statements)

Risk:

Investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement and estimation in determining the appropriate valuation methodology to be used, and in evaluating the underlying assumptions to be applied. These key assumptions used include floor level, size, location, capitalisation and discount rates, terminal yield, expected rental growth, renewal probability and capital expenditure.

The valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances due to COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the industry, the external valuers have also recommended to keep the valuation of these properties under frequent review.

Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We read the terms of engagement of the external valuers to consider the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We also engaged the auditor's expert and evaluated that the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the appropriateness of the valuation techniques used by the external valuers for the respective investment properties, taking into account the profile and type of these properties. We discussed with management and the external valuers on the results of the valuation and obtained an understanding on how they have considered the implications of COVID-19 and market uncertainty in the valuations. We also compared the key assumptions used in their valuations by reference to internal historical data and available benchmarks and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between key unobservable inputs and fair values.

Net realisable value of development properties for sale (Refer to Note 12 to the financial statements)

Risk:

Development properties for sale represent the largest category of assets on the balance sheet, with a carrying value of $440.3 million as at 31 December 2020.

Development properties for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price, less estimated costs of completion and selling expenses.

The determination of the estimated net realisable values of these development properties for sale is dependent upon the Group's expectations of estimated selling prices which are affected by macro and micro factors, amongst other things, demand and supply, interest rates, government policies and economic conditions. There is an inherent risk that the estimate of net realisable values exceed future selling prices, resulting in a loss when these properties are sold.

Our response:

We reviewed reasonableness of the inputs used by management in assessing the estimated selling prices of unsold properties under development. The inputs used included recently transacted selling prices of these properties and prices of comparable properties located in the vicinity of these development projects, and management's expectations based on the market and project-specific factors.

We also evaluated the Group's estimated total development costs, taking into consideration costs incurred to date, estimated costs to completion, construction progress and any deviation in project cost components which could lead to cost overruns.

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Other Information

Management is responsible for the 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.

The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and 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 Chan Ser.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 24 March 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
ASSETS					
Non-Current					
Property, plant and equipment	4	**263,859**	261,970	**588**	688
Intangible assets	5	**119**	221	**38**	164
Investment properties	6	**132,236**	126,609	**–**	–
Investments in subsidiaries	7	**–**	–	**137,885**	175,454
Investments in associates and joint ventures	9	**256,273**	196,471	**–**	–
Right-of-use assets	10	**28,132**	28,008	**–**	–
		680,619	613,279	**138,511**	176,306
Current					
Financial assets at fair value through profit or loss	11	**12,950**	10,109	**–**	10,109
Development properties for sale	12	**440,333**	552,657	**–**	–
Inventories	13	**1,105**	1,455	**–**	–
Trade receivables	14	**13,283**	6,346	**78**	33
Contract assets	15	**30,936**	25,155	**–**	–
Contract costs	15.1	**17,789**	10,371	**–**	–
Other receivables	16	**23,688**	12,586	**476,537**	428,056
Amounts owing by associates	17	**–**	34,417	**–**	–
Cash and bank balances	18	**395,553**	330,959	**271,774**	134,710
		935,637	984,055	**748,389**	572,908
Total assets		**1,616,256**	1,597,334	**886,900**	749,214
EQUITY					
Capital and Reserves					
Share capital	19	**47,399**	47,399	**47,399**	47,399
Treasury shares	20	**(3,954)**	(3,954)	**(3,954)**	(3,954)
Other reserves	21	**(7,329)**	(22,469)	**–**	–
Retained earnings		**445,974**	489,676	**210,531**	272,521
Equity attributable to owners of the Company		**482,090**	510,652	**253,976**	315,966
Non-controlling interests	7	**(4,620)**	(119)	**–**	–
Total equity		**477,470**	510,533	**253,976**	315,966
LIABILITIES					
Non-Current					
Borrowings	22	**341,673**	189,118	**–**	–
Lease liabilities	23	**28,584**	27,985	**–**	–
Deferred tax liabilities	24	**10,225**	9,943	**618**	851
		380,482	227,046	**618**	851
Current					
Trade and other payables	25	**96,342**	89,901	**528,778**	359,334
Lease liabilities	23	**228**	240	**–**	–
Contract liabilities	26	**27,625**	25,563	**–**	–
Current tax liabilities		**3,488**	18,103	**629**	706
Borrowings	22	**630,621**	725,948	**102,899**	72,357
		758,304	859,755	**632,306**	432,397
Total liabilities		**1,138,786**	1,086,801	**632,924**	433,248
Total equity and liabilities		**1,616,256**	1,597,334	**886,900**	749,214

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Revenue	3	**198,431**	444,030
Cost of sales		**(165,137)**	(337,840)
Gross profit		**33,294**	106,190
Other income			
– Interest income	28	**2,216**	2,757
– Others	28	**14,210**	4,428
Distribution and selling expenses		**(5,520)**	(8,881)
Administrative expenses		**(8,119)**	(13,980)
Other operating expenses		**(37,364)**	(29,237)
Finance costs	29	**(23,376)**	(25,190)
Share of results of associates and joint ventures	9	**(6,841)**	8,478
(Loss)/Profit before taxation	30	**(31,500)**	44,565
Tax expense	31	**(1,107)**	(15,426)
(Loss)/Profit for the year		**(32,607)**	29,139
Attributable to:			
– Owners of the Company		**(29,489)**	30,319
– Non-controlling interests		**(3,118)**	(1,180)
		(32,607)	29,139
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedge		**(8,314)**	(9)
Net change in fair value of cash flow hedge reclassified to profit or loss		**1,562**	(7)
Currency translation differences arising from consolidation		**20,618**	(4,466)
Other comprehensive income/(loss), net of tax		**13,866**	(4,482)
Total comprehensive (loss)/income for the year		**(18,741)**	24,657
Attributable to:			
– Owners of the Company		**(14,349)**	25,875
– Non-controlling interests		**(4,392)**	(1,218)
		(18,741)	24,657
(Loss)/Earnings per share – Basic/Diluted (cents)	32	**(2.26)**	2.33

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Attributable to owners of the Company								
	Share capital $'000	Treasury shares $'000	Hedging reserve $'000	Revaluation reserve $'000	Translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019	47,399	(3,954)	–	533	(18,558)	470,881	496,301	4,533	500,834
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	30,319	30,319	(1,180)	29,139
Other comprehensive loss									
Effective portion of changes in fair value of cash flow hedge	–	–	(5)	–	–	–	(5)	(4)	(9)
Net change in fair value of cash flow hedge reclassified to profit or loss	–	–	(5)	–	–	–	(5)	(2)	(7)
Foreign currency translation differences	–	–	–	–	(4,434)	–	(4,434)	(32)	(4,466)
Total other comprehensive loss	–	–	(10)	–	(4,434)	–	(4,444)	(38)	(4,482)
Total comprehensive income for the year	–	–	(10)	–	(4,434)	30,319	25,875	(1,218)	24,657
Transactions with owners, directly recognised in equity									
Contributions by and distributions to owners									
Acquisition of additional equity interest in a subsidiary	–	–	–	–	–	212	212	(1,150)	(938)
Dividend to shareholders (Note 38)	–	–	–	–	–	(11,736)	(11,736)	(2,284)	(14,020)
Total transactions with owners	–	–	–	–	–	(11,524)	(11,524)	(3,434)	(14,958)
At 31 December 2019	47,399	(3,954)	(10)	533	(22,992)	489,676	510,652	(119)	510,533
At 1 January 2020	**47,399**	**(3,954)**	**(10)**	**533**	**(22,992)**	**489,676**	**510,652**	**(119)**	**510,533**
Total comprehensive income for the year									
Loss for the year	–	–	–	–	–	**(29,489)**	**(29,489)**	**(3,118)**	**(32,607)**
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedge	–	–	**(6,664)**	–	–	–	**(6,664)**	**(1,650)**	**(8,314)**
Net change in fair value of cash flow hedge reclassified to profit or loss	–	–	**1,091**	–	–	–	**1,091**	**471**	**1,562**
Foreign currency translation differences	–	–	–	–	**20,713**	–	**20,713**	**(95)**	**20,618**
Total other comprehensive income	–	–	**(5,573)**	–	**20,713**	–	**15,140**	**(1,274)**	**13,866**
Total comprehensive loss for the year	–	–	**(5,573)**	–	**20,713**	**(29,489)**	**(14,349)**	**(4,392)**	**(18,741)**
Transactions with owners, directly recognised in equity									
Contributions by and distributions to owners									
Return of capital in a liquidated subsidiary	–	–	–	–	–	–	–	**(100)**	**(100)**
Dividend to shareholders (Note 38)	–	–	–	–	–	**(14,213)**	**(14,213)**	**(9)**	**(14,222)**
Total transactions with owners	–	–	–	–	–	**(14,213)**	**(14,213)**	**(109)**	**(14,322)**
At 31 December 2020	**47,399**	**(3,954)**	**(5,583)**	**533**	**(2,279)**	**445,974**	**482,090**	**(4,620)**	**477,470**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Cash Flows from Operating Activities			
(Loss)/Profit before taxation		**(31,500)**	44,565
Adjustments for:			
Depreciation of property, plant and equipment	4	**8,666**	8,478
Depreciation of right-of-use assets	10	**713**	700
Amortisation of intangible assets	5	**194**	188
Impairment of trade receivables, net	14	**133**	275
Impairment of property, plant and equipment	4	**7,009**	3,338
Property, plant and equipment written off	4	**5,015**	–
Impairment of net investment loan to associate	9	**1,428**	–
Dividend income from investments in equity securities	28	**(21)**	(110)
Fair value gain on investment properties	6	**(2,055)**	(737)
Fair value gain on financial assets at fair value through profit or loss	11	**(859)**	(224)
Share of results of associates	9	**7,378**	(8,478)
Share of results of joint ventures	9	**(537)**	–
Interest income	28	**(2,216)**	(2,757)
Interest expense on bank loans	29	**20,094**	23,157
Interest expense on lease liabilities	29	**1,659**	1,675
Net change in fair value of cash flow hedge reclassified to profit or loss	29	**1,562**	(7)
Foreign exchange gain (unrealised)		**(1,218)**	(339)
Operating profit before working capital changes		**15,445**	69,724
Changes in properties for sale under development		**48,149**	255,560
Changes in developed properties for sale		**65,249**	(58,237)
Changes in contract assets		**(5,781)**	(4,745)
Changes in contract liabilities		**2,061**	(5,370)
Changes in contract costs		**(7,418)**	(4,287)
Changes in inventories		**350**	(369)
Changes in operating receivables		**(24,243)**	25,571
Changes in operating payables		**(9,290)**	(10,264)
Cash generated from operations		**84,522**	267,583
Income tax paid		**(15,701)**	(15,887)
Net cash generated from operating activities		**68,821**	251,696
Cash Flows from Investing Activities			
Dividend received from associates	9	**12,976**	3,515
Dividend received from investments in equity securities	28	**21**	110
Investments in associates	9	**(782)**	(14,554)
Investments in joint ventures	9	**(37,967)**	–
Acquisition of intangible assets	5	**(92)**	(16)
Advances from/(Loans to) associates		**15,498**	(13,359)
Purchase of equity investment	11	**(12,552)**	(10,021)
Proceeds from disposal of equity investment	11	**10,176**	1,992
Proceeds from liquidation of associates	9	**–**	480
Acquisition of additional equity interest in a subsidiary	7	**–**	(938)
Acquisition of investment properties	6	**(267)**	(99)
Acquisition of property, plant and equipment	4	**(18,889)**	(5,942)
Interest received		**2,524**	3,233
Net cash used in investing activities		**(29,354)**	(35,599)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Cash Flows from Financing Activities			
Proceeds from bank loans (Note A)		**109,927**	98,214
Repayment of bank loans (Note A)		**(54,084)**	(223,852)
Increase in fixed deposits pledged to financial institutions		**(77,363)**	(10,000)
Return of capital to non-controlling shareholder for a liquidated subsidiary		**(100)**	–
Dividend paid to non-controlling shareholders		**(9)**	(2,284)
Dividends paid	38	**(14,213)**	(11,736)
Repayment of lease liabilities (Note A)		**(257)**	(483)
Interest paid (Note A)		**(23,193)**	(35,154)
Net cash used in financing activities		**(59,292)**	(185,295)
Net (decrease)/increase in cash and cash equivalents		**(19,825)**	30,802
Cash and cash equivalents at beginning of year	18	**249,674**	220,332
Effect of exchange fluctuations on cash held		**7,056**	(1,460)
Cash and cash equivalents at end of year	18	**236,905**	249,674

Note A: Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	As at 1 January 2020 $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Accrual $'000	Cash flows – Proceeds from loans $'000	Cash flows – Repayment $'000	As at 31 December 2020 $'000
Borrowings (Note 22)						
Bank loans	914,633	1,418	–	109,927	(54,084)	971,894
Accrued interest	433	–	5,057	–	(5,090)	400
Total	915,066	1,418	5,057	109,927	(59,174)	972,294
Accrued interest (Note 25)						
Bank loans	1,841	–	16,346	–	(16,444)	1,743
Total	1,841	–	16,346	–	(16,444)	1,743

	As at 1 January 2020 $'000	Effect of adjustment in incremental borrowing rate $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Interest expense $'000	Cash flows – Repayment of lease principal $'000	Cash flows – Interest paid $'000	As at 31 December 2020 $'000
Lease Liabilities (Note 23)	28,225	509	335	1,659	(257)	(1,659)	28,812

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	As at 1 January 2019 $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Accrual $'000	Cash flows – Proceeds from loans $'000	Cash flows – Repayment $'000	As at 31 December 2019 $'000
Borrowings (Note 22)						
Bank loans	1,042,456	(2,185)	–	98,214	(223,852)	914,633
Accrued interest	407	–	5,173	–	(5,147)	433
Total	1,042,863	(2,185)	5,173	98,214	(228,999)	915,066
Accrued interest (Note 25)						
Bank loans	3,860	–	26,313	–	(28,332)	1,841
Total	3,860	–	26,313	–	(28,332)	1,841

	As at 1 January 2019 $'000	Adoption of SFRS(I) 16 $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Interest expense $'000	Cash flows – Repayment of lease principal $'000	Cash flows – Interest paid	As at 31 December 2019 $'000
Lease Liabilities (Note 23)	–	29,051	(343)	1,675	(483)	(1,675)	28,225

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1 General information

The financial statements of the Group and of the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a limited liability company and domiciled in Singapore. The registered office and place of business is located at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769.

The Company was listed on the Singapore Exchange Securities Trading Limited on 12 March 2008.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The immediate and ultimate holding Company is Kian Lam Investment Pte Ltd which is incorporated and domiciled in Singapore.

2(a) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related interpretations promulgated by the Accounting Standards Council ("ASC").

The consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below. These financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars and rounded to the nearest thousand ($'000), unless otherwise stated.

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

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving significant judgement are described below.

Impact of COVID-19

The ongoing and evolving COVID-19 pandemic has a significant impact on the global economy and the economies of the countries in which the Group operates in. There is significant uncertainty as to the duration of the pandemic and its impact on these economies. In regard to the Group, the impact and consideration of COVID-19 have been in the following areas:

- Valuation of investment properties
- Impairment of property, plant and equipment

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(a) Basis of preparation (Continued)

Significant judgements in applying accounting policies

(a) Carrying amount of development properties for sale (Note 12)

The Group pre-sells properties under development. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. Net realisable value in respect of development properties for sale is assessed with reference to pre-sale proceeds received less estimated costs to complete construction. Significant judgement is required in determining total costs of properties, including construction costs and variation works. The Group estimates total construction costs based on contracts awarded, past experience and specialists. Net realisable value of completed properties for sale is determined based on management's estimates of the selling price which takes into account projected timing of sales and prevailing customer demand and market conditions, less applicable variable selling expenses. Revisions to estimates are made when there is a change in market conditions.

The Group's carrying amount of development properties for sale at the reporting date amounted to $440,333,000 (2019 – $552,657,000).

(b) Impairment of financial assets and contract assets (Notes 14, 15, 16 and 17)

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of customer with similar credit risk pattern. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables, contract assets and amounts owing by associates is disclosed in Note 35. ECLs on trade receivables and other receivables are disclosed in Notes 14 and 16, respectively. A reasonably possible change in key assumptions also indicates that the impact is insignificant.

The Group applies the 3-stage general approach to determine ECL for other receivables and amounts owing by associates. ECL is measured as an allowance equal to 12-month ECL for Stage-1 assets or lifetime ECL for Stage-2 or Stage-3 assets. An asset moves from Stage-1 to Stage-2 when its credit risk increases significantly and subsequently to Stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The Group's and the Company's carrying amount of financial assets (excluding cash and bank balances) and contract assets at the reporting date amounted to $64,094,000 (2019: $74,439,000) and $476,478,000 (2019: $428,024,000) respectively.

(c) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(d) Income taxes (Note 31)

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

2(a) Basis of preparation (Continued)

Significant judgements in applying accounting policies (Continued)

(e) Deferred taxation on investment properties (Note 24)

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time; instead the investment properties are recovered through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption of the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of investment properties held in the Republic of Singapore as gain on disposal of investment properties is not subject to tax.

(f) Consolidation (Note 7)

Entities are included within the financial statements of the Group where the Group has control over the entities. Control arises from exposure, or rights, to variable returns from involvement with an entity, where the Group has the ability to affect those returns through its power over the entity. Judgement is applied by management in assessing whether control exists. Judgement is applied in determining the relevant activities of each entity and determining whether the Group has power over these activities. This involves assessment of the purpose and design of the entity, identification of the activities which significantly affect that entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers voting and veto rights, contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Consideration is also given to the practical ability of other parties to exercise their rights.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.97% voting rights (Note 7).

Critical accounting estimates and assumptions used in applying accounting policies

(a) Revenue recognition (Note 3)

The Group recognised revenues of $93,628,000 (2019: $106,465,000) from its Singapore residential properties and mixed development properties (combination of residential units and commercial units) as construction progresses using the percentage-of-completion method. The percentage of completion is estimated by reference to the stage of completion based on the value of the main contractor costs incurred to date as certified by third party architects or quantity surveyors and the estimated total main contractor costs on completion. Significant judgement is required in determining the estimated total development costs which include contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

If contract costs to be incurred increased 10% from management's estimates, the Group's result would have decreased by $2,746,000 (2019: $1,004,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(a) Basis of preparation (Continued)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

(b) Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Group's management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If depreciation on the Group's property, plant and equipment changes by 5% (2019: 5%) from management's estimates, this would result in approximately 1.3% (2019: 1.5%) variance in the Group's result for the financial year. The Group's and the Company's carrying amount of property, plant and equipment at the reporting date amounted to $263,859,000 (2019: $261,970,000) and $588,000 (2019: $688,000), respectively.

(c) Valuation of investment properties (Note 6)

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers using various valuation methods, including the direct comparison method, discounted cash flows method and income capitalisation method. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

A 5% (2019: 5%) difference in the change to the fair value of investment properties from management's estimates would result in approximately 20.3% (2019: 21.7%) variance in the Group's result for the financial year. The Group's carrying amount of investment properties at the reporting date amounted to $132,236,000 (2019: $126,609,000).

(d) Impairment of non-financial assets (Note 4, 5, 7, 9 and 10)

Property, plant and equipment, intangible assets, investments in subsidiaries, associates and joint ventures and right-of use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash generating units, have been determined based on the higher of fair value less cost to sell and value-in-use calculations. These calculations require the use of estimates. Estimating the recoverable amount requires the Group to make estimates of the expected future cash flows from the cash-generating unit and use estimates and assumptions such as future market growth, forecast revenue and costs, utilisation period of the assets, discount rates and other factors.

The carrying amounts of the Group's property, plant and equipment, intangible assets and right-of-use assets at the reporting date amounted to $263,859,000 (2019: $261,970,000), $119,000 (2019: $221,000) and $28,132,000 (2019: $28,008,000). The carrying amounts of the Company's property, plant and equipment and intangible assets at the reporting date amounted to $588,000 (2019: $688,000) and $38,000 (2019: $164,000), respectively.

The Company's investments in subsidiaries and the Group's investment in associates and joint ventures at the reporting date amounted to $137,885,000 (2019: $175,454,000) and $256,273,000 (2019: $196,471,000), respectively. Allowance for impairment loss on investment in subsidiaries is disclosed in Note 7. If the recoverable amount of the investment in subsidiaries decrease/increase by 10% from management's estimates, the Group's allowance for impairment of investment in subsidiaries will increase/decrease by $2,585,000 (2019: $1,026,000 and $4,898,000 respectively).

(e) Impairment of amounts due from subsidiaries (Note 16)

The Company held non-trade receivables due from its subsidiaries of $476,117,000 (2019: $427,537,000) as at the end of the reporting period. The impairment of the amounts due from its subsidiaries are based on the expected credit loss model using general approach which considers the availability of highly accessible liquid assets of the subsidiaries to repay these amounts if demanded at the end of the reporting period. Allowance for impairment loss on non-trade receivables due from its subsidiaries is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

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

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

Revised Conceptual Framework for Financial Reporting

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

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

There is no material impact to the Group's consolidated financial statements upon adoption.

Amendments to SFRS(I) 3 Definition of a Business

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

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

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

There is no impact to the Group's consolidated financial statements as there is no business combinations or asset acquisitions during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

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

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

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

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

There is no material impact to the Group's consolidated financial statements upon adoption.

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

To address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform), the amendments provide targeted relief for financial instruments qualifying for hedge accounting under SFRS(I) 9 or SFRS(I) 1-39.

The amendments are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform. The amendments include:

- The 'highly probable' requirement: entities are required to assume that the interest rate benchmark on which hedged cash flows are based is not altered as a result of IBOR reform when assessing whether the future cash flows are highly probable. Also, for discontinued hedging relationships, the same assumption is applied for determining whether the hedged future cash flows are expected to occur.
- Prospective assessments: entities are required to assess whether the economic relationship between the hedged item and the hedging instrument exists based on the assumptions that the interest rate benchmark on which the hedged item and the hedging instrument are based is not altered as a result of IBOR reform.
- Retrospective assessments (for SFRS(I) 1-39): entities are required to not discontinue a hedging relationship during the period of uncertainty arising from IBOR reform solely because the actual results of the hedge are outside the range of 80-125 per cent.
- Eligibility of certain risk components (for a hedge of a non-contractually specified benchmark component of interest rate risk): entities are required to apply the separately identifiable requirement only at the inception of the hedging relationship. A similar exception is also provided for redesignation of hedged items in hedges where dedesignation and redesignation take place frequently – e.g. macro hedges.
- End of application: entities are required to prospectively cease applying the exceptions at the earlier of: (a) when the uncertainty regarding the timing and the amount of interest rate benchmark-based cash flows is no longer present; and (b) the discontinuation of the hedging relationship (or reclassification of all amounts from the cash flow hedge reserve).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

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

The assessment of uncertainty should be performed on an item-by-item basis for hedges involving groups of items.

- Disclosure (for hedging relationships directly affected by IBOR reform): entities are required to disclose:
  - the significant interest rate benchmarks to which hedging relationships are exposed;
  - the extent of risk exposure that is affected by IBOR reform;
  - how the transition to alternative benchmark interest rates is being managed;
  - a description of significant assumptions or judgements made in applying the amendments; and
  - the nominal amount of the hedging instruments in those hedging relationships.

There is no material impact to the Group's consolidated financial statements upon adoption.

2(c) Standards issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2020 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendment to SFRS(I) 16	COVID-19 Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023

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

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

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(c) Standards issued but not yet effective (Continued)

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2 (Continued)

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 3 Reference to the Conceptual Framework

The amendments update SFRS(I) 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. According to the amendments, for obligations within the scope of SFRS(I) 1-37, the acquirer shall apply SFRS(I) 1-37 to determine whether a present obligation exists at the acquisition date as a result of past events, and for a levy within the scope of SFRS(I) INT 21 Levies, the acquirer shall apply SFRS(I) INT 21 to determine whether the obligating event giving rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer shall not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if the entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(c) Standards issued but not yet effective (Continued)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use (Continued)

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(d) Significant accounting policies

Consolidation

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

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

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

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. Specifically, income and expenses of a subsidiary or an investee acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

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

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

Subsidiary

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.

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

– power over the investee;

– exposure, or rights to variable returns from its involvement with the investee; and

– the ability to use its power over the investee to affect its returns

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

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

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interest

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

Changes in ownership interests in subsidiaries without change of control

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed.

Goodwill arising in a business combination is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Freehold land and asset under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Land	40 years
Buildings	20 to 50 years
Other assets	3 to 10 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

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

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

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

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis, which is their estimated useful life for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing, more often if there are any indicators of impairment. Estimated useful lives of intangible assets are as follows:

Websites	5 years
Computer software	3 years

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

NOTES TO THE FINANCIAL STATEMENTS

2(d) Significant accounting policies (Continued)

Investment properties

Investment properties, principally comprising shop and office units, are held for long-term rental yields and are not occupied by the Group.

Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value on the highest and best use basis determined on annual basis by independent professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

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

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

Transfers

Transfers to, or from, investment properties are made when there is a change in use, evidenced by:

– commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;

– commencement of development with a view to sell, for a transfer of investment properties to development properties for sale; or

– end of owner occupation, for a transfer from property, plant and equipment to investment properties.

For transfer from investment property to owner occupied property or development properties for sale, the property's deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is measured at revalued amount and accounted for in accordance with the accounting policy for Property, Plant and Equipment up to the date of change in use.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

2(d) Significant accounting policies (Continued)

Investments in associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates or joint ventures are accounted for using the equity method.

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

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

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

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

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held-for-sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date, and this fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture may be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Leases

(i) The Group as lessee

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

(a) Lease liability

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Leases (Continued)

(i) The Group as lessee (Continued)

(a) Lease liability (Continued)

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

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

(b) Right-of-use asset

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

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

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

Leasehold building	2 to 68 years
Plant and equipment	5 years
Motor vehicle	2 years

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Leases (Continued)

(ii) The Group as lessor

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

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

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

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

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

(I) Financial assets

Measurement

Initial recognition and measurement

Financial assets are recognised when and only when the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Subsequent measurement

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

– Financial assets at amortised cost (debt instruments).

– Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).

– Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

– Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

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

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost include trade receivables (excluding Goods and Services Tax receivables), other receivables (excluding prepayments and tax recoverable), amounts owing by associates and cash and bank balances.

Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. 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 de-recognised.

Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments)

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at FVOCI (equity instruments) recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit and loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on equity investment are also recognised as other income in the profit or loss when the right of payment has been established.

De-recognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's consolidated statement of financial position) when:

– The rights to receive cash flows from the asset have expired; or

– The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses ("ECLs") associated with its debt instrument assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables and contract assets, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (i) cash flow hedge; (ii) fair value hedge; or (iii) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of SFRS(I) 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of SFRS(I) 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value through profit or loss as appropriate.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, and as a current asset or liability if the remaining expected life of the hedged item is less than twelve months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedge qualifies as cash flow hedge under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in "finance costs". The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(II) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprised loans and borrowings, trade and other payables (excluding Goods and Services Tax payables) and lease liabilities.

Trade and other payables

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

Bank borrowings

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Company's and the Group's normal operating cycle are classified as current. Borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

Bank borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Bank borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the bank borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

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

When the contractual cash flows of bank borrowings are modified but do not result in derecognition, difference between the recalculated gross carrying amount and the carrying amount before modification is recognised in profit or loss as modification gain or loss, at the date of modification.

Subsequent measurement

Bank borrowings are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

De-recognition

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(II) Financial liabilities (Continued)

Offsetting of financial instruments

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

(III) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits and monies held in project accounts.

Financial guarantee contracts

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

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Development properties

Development properties comprise properties in the course of development, developed properties for sale, and land held for development.

Pre-sold and unsold properties for sale under development

Properties for sale under development are recorded as current assets and are stated at specifically identified cost, including capitalised borrowing costs directly attributable to the development of the properties and other related expenditure.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. The aggregated costs incurred and the profit/loss recognised in each development property that has been sold is compared against progress billings up to the end of financial period.

Developed properties for sale

Developed properties for sale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

Land held for development

Land held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Contract balances

Contract assets

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

Trade receivables

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

Contract costs

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

Contract liabilities

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

Inventories

Inventories, comprising food and beverage and other hotel-related consumable stocks, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes freight and handling charges.

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

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

Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction which necessarily takes a substantial period of time to be prepared for its intended use or sale. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction. Borrowing costs are capitalised until the assets are substantially completed or ready for their intended use or sale.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Loss/Earnings per share

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

Diluted loss/earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, like convertible bonds and warrants.

Dividends

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

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

Income taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences at the statement of financial position between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

– Where the deferred tax 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.

– In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that future taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Income taxes (Continued)

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The carrying amounts of the Group's investment properties are presumed to be recovered entirely through sale.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

Short-term employee benefits

Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Key management personnel

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Related parties

A related party is defined as follows:

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

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

(ii) has significant influence over the Company; or

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

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

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

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

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

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

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

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

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

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

Impairment of non-financial assets

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

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

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

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Impairment of non-financial assets (Continued)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss, except for goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.

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

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised as follows:

<u>Revenue from development properties for sale</u>

The Group enters into sale and purchase agreements with customers of its properties prior to completion of construction.

For sales of residential properties in Singapore, the Group is restricted contractually from readily directing the pre-sold property to another customer and has an enforceable right to payment for performance completed to date. The Group accounts for revenue using the percentage of completion method. The percentage of completion is measured by reference to the stage of completion based on the value of the main contractor costs incurred to date as certified by third party architects or quantity surveyors and the estimated total main contractor costs on completion.

For sales of properties where the Group transfers control of the property to the buyer at a point in time, revenue is recognised when the property is delivered and legal title thereto has passed to the customer upon the customer's payment of the remainder of the purchase price (a majority) after construction is complete.

<u>Rendering of services</u>

Revenue from hotel operations, comprising primarily the rental of rooms, food and beverage sales and other services, is recognised when rooms are occupied, food and beverages are sold and services are performed.

<u>Rental income</u>

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset.

<u>Interest income</u>

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

<u>Dividend income</u>

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

Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as `other income' on a systematic basis in the periods in which the expenses are recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from monetary items that are considered to form part of a net investment in foreign operations, are recognised in other comprehensive income and accumulated in the translation reserves.

Foreign currency gains and losses are reported as either other income or other operating expense depending on whether foreign currency movements are in a gain or loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the transaction.

Group entities

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

(i) Assets and liabilities are translated at the closing rates at the end of the reporting date;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in translation reserves.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Executive Officer has been identified as the Chief Operating Decision Maker who makes strategic resources allocation decisions and assesses segment performance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3 Revenue

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Revenue from contracts with customers		
(i) Revenue from sale of development properties		
– Singapore	**93,628**	106,465
– Australia	**72,161**	279,477
	165,789	385,942
(ii) Hotel ownership		
– Singapore	**20,367**	37,150
– Japan	**1,479**	8,296
– Maldives	**3,401**	4,968
	25,247	50,414
Total revenue from contracts with customers	**191,036**	436,356
Rental income from investment properties		
– Singapore	**1,099**	1,457
– New Zealand	**6,296**	6,217
(Note 6)	**7,395**	7,674
	198,431	444,030
Timing of transfer of goods and services		
– Over time	**111,523**	141,787
– At a point in time	**79,513**	294,569
	191,036	436,356

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Property, plant and equipment

The Group	Land $'000	Buildings $'000	Other assets $'000	Assets under construction $'000	Total $'000
Cost					
At 1 January 2019	62,528	172,836	28,946	19,094	283,404
Transfer from development properties for sale (Note 12)	33,820	–	–	1,550	35,370
Additions	–	1,939	1,826	2,177	5,942
Exchange differences	4	(5)	92	1,351	1,442
At 31 December 2019	**96,352**	**174,770**	**30,864**	**24,172**	**326,158**
Additions	**–**	**211**	**564**	**18,114**	**18,889**
Write-offs (Note 30)	**–**	**–**	**–**	**(5,015)**	**(5,015)**
Exchange differences	**3,332**	**321**	**173**	**(305)**	**3,521**
At 31 December 2020	**99,684**	**175,302**	**31,601**	**36,966**	**343,553**
Accumulated depreciation and impairment loss					
At 1 January 2019	628	36,224	15,524	–	52,376
Depreciation for the year (Note 30)	237	5,651	2,590	–	8,478
Impairment (Note 30)	–	3,338	–	–	3,338
Exchange differences	(10)	4	2	–	(4)
At 31 December 2019	**855**	**45,217**	**18,116**	**–**	**64,188**
Depreciation for the year (Note 30)	**240**	**5,758**	**2,668**	**–**	**8,666**
Impairment (Note 30)	**–**	**7,009**	**–**	**–**	**7,009**
Exchange differences	**(26)**	**(225)**	**82**	**–**	**(169)**
At 31 December 2020	**1,069**	**57,759**	**20,866**	**–**	**79,694**
Net book value					
At 31 December 2020	**98,615**	**117,543**	**10,735**	**36,966**	**263,859**
At 31 December 2019	95,497	129,553	12,748	24,172	261,970

As at 31 December 2020, land and buildings with a net total carrying amount of $216,158,000 (2019 – $225,050,000) are mortgaged to secure bank loans (Note 22).

During the financial year, the Group has written off $5,015,000 of costs previously capitalised as it estimated that it is not probable that future economic benefits of those assets will flow to the Group.

The properties held by the Group as at 31 December 2020 are as follows:

Location	Use of property	Tenure
50 East Coast Road, Singapore	Hotel, Office	Freehold
205-1 Okuracho, Kyoto, Japan	Hotel	Freehold
Kita-Ku, Osaka City, Japan	Hotel	Freehold
360 Little Bourke Street, Melbourne, Australia	Hotel	Freehold
48/13 Moo 6, Chaofa Road, Phuket, Thailand	Resort	Freehold
Island of Kudafunafaru, Noonu Atoll, Maldives	Resort	Leasehold*

* The property has a lease term till year 2056 and it can be further extended by another 49 years subject to certain conditions being met.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Property, plant and equipment (Continued)

Impairment testing of property, plant and equipment

The Group has identified that there are triggers of impairment for Roxy Maldives Resort & Spa Private Limited and Roxy Osaka Hotel Pte Ltd as they are in a loss-making position for the financial year ended 31 December 2020 (2019: Roxy Maldives Resort & Spa Private Limited). Accordingly, the assets were tested for impairment.

Each subsidiary is assessed to be one cash generating unit ("CGU") given that they have the ability to operate independently and generate its own cash inflows from business activities.

Management has engaged external professional valuers to determine the fair value of the identified property, plant and equipment as at 31 December 2020. The recoverable amount of the identified property, plant and equipment was based on its fair value less cost to sell calculation, determined using a combination of direct comparison method, income capitalisation method and discounted cash flows method for Roxy Maldives Resort & Spa Private Limited, and income capitalisation method and discounted cash flows method for Roxy Osaka Hotel Pte Ltd. Accordingly, total impairment losses amounting to $7,009,000 (2019: $3,338,000) were recognised and included under "other operating expenses" for the financial year ended 31 December 2020.

The fair values are within Level 3 of the fair value hierarchy.

The following table shows the valuation techniques and key assumptions used in the calculation:

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs
	The estimated fair value would increase (decrease) if:	
Roxy Maldives Resort & Spa Private Limited		
Direct comparison method	*Price per room of market comparables was higher (lower):*	**31 December 2020 – US$630,000 – US$690,000** 31 December 2019 – US$710,000 – US$790,000
Income capitalisation method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 7.00%** 31 December 2019 – 7.00%
	Occupancy rate was higher (lower):	**31 December 2020 – 75.0%** 31 December 2019 – 69.7%
	Average daily rate higher (lower):	**31 December 2020 – US$455** 31 December 2019 – US$570
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 7.50% – 8.00%** 31 December 2019 – 7.50% – 8.00%
	Discount rate was lower (higher):	**31 December 2020 – 9.50% – 10.00%** 31 December 2019 – 9.50% – 10.00%
	Occupancy rate was higher (lower):	**31 December 2020 – 30.6% – 75.7%** 31 December 2019 – 58.0% – 70.8%
	Average daily rate higher (lower):	**31 December 2020 – US$331 – US$513** 31 December 2019 – US$306 – US$629
Roxy Osaka Hotel Pte Ltd		
Income capitalisation method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 5.5%**
	Occupancy rate was higher (lower):	**31 December 2020 – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY9,700**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 4.9%**
	Discount rate was lower (higher):	**31 December 2020 – 4.6%**
	Occupancy rate was higher (lower):	**31 December 2020 – 60% – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY8,500 – JPY9,700**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Property, plant and equipment (Continued)

The Company	**Other assets $'000**
Cost	
At 1 January 2019	1,421
Additions	76
At 31 December 2019	**1,497**
Additions	**73**
At 31 December 2020	**1,570**
Accumulated depreciation	
At 1 January 2019	647
Depreciation for the year	162
At 31 December 2019	**809**
Depreciation for the year	**173**
At 31 December 2020	**982**
Net book value	
At 31 December 2020	**588**
At 31 December 2019	688

5 Intangible assets

The Group	**Websites $'000**	**Computer software $'000**	**Total $'000**
Cost			
At 1 January 2019	121	491	612
Additions	16	–	16
At 31 December 2019	**137**	**491**	**628**
Additions	**46**	**46**	**92**
Exchange differences	**–**	*****	*****
At 31 December 2020	**183**	**537**	**720**
Accumulated amortisation			
At 1 January 2019	55	164	219
Amortisation for the year (Note 30)	25	163	188
At 31 December 2019	**80**	**327**	**407**
Amortisation for the year (Note 30)	**27**	**167**	**194**
Exchange differences	**–**	*****	*****
At 31 December 2020	**107**	**494**	**601**
Net book value			
At 31 December 2020	**76**	**43**	**119**
At 31 December 2019	57	164	221

* Amount less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5 Intangible assets (Continued)

The Company	Websites $'000	Computer software $'000	Total $'000
Cost			
At 1 January 2019	–	491	491
Additions	–	–	–
At 31 December 2019	**–**	**491**	**491**
Additions	**29**	**13**	**42**
At 31 December 2020	**29**	**504**	**533**
Accumulated amortisation			
At 1 January 2019	–	164	164
Amortisation for the year	–	163	163
At 31 December 2019	**–**	**327**	**327**
Amortisation for the year	**2**	**166**	**168**
At 31 December 2020	**2**	**493**	**495**
Net book value			
At 31 December 2020	**27**	**11**	**38**
At 31 December 2019	–	164	164

6 Investment properties

The Group	31 December 2020 $'000	31 December 2019 $'000
At beginning of year	**126,609**	126,464
Additions	**267**	99
Fair value gain recognised in profit or loss, net (Notes 28 & 30)	**2,055**	737
Effect of movement in exchange rate	**3,305**	(691)
At end of year	**132,236**	126,609

The fair value of the investment property located in Singapore is based on valuations determined by an independent firm of professional valuers who has appropriate recognised professional qualification and recent experience in the location and category of the investment property being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on direct comparison method which involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

The fair value of the investment property located overseas is based on valuations determined by an independent certified appraiser with recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued. The valuation is based on a combination of the discounted cash flows method and the income capitalisation method. The discounted cash flows method considers the present value of net cash flows to be generated from the property, taking into account capitalisation and discount rates, terminal yield, expected rental growth, renewal probability and capital expenditure.

Investment properties are valued on a highest and best use basis. For all of the Group's investment properties, the current use is considered to be the highest and best use.

The investment properties are leased to third parties under operating leases. As at 31 December 2020, the investment properties with a total carrying amount of $132,236,000 (2019 – $126,609,000) were mortgaged to secure bank loans (Note 22).

6 Investment properties (Continued)

The following amounts are recognised in profit or loss:

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Rental income (Note 3)	**7,395**	7,674
Direct operating expenses	**(1,378)**	(1,067)
	6,017	6,607

Investment properties as at 31 December 2020 are as follows:

Property name	Location	Description	Total net lettable area (square meter)	Tenure
Roxy Square	50 East Coast Road, Singapore	49 shop units	2,371	Freehold
NZI Centre	1 Fanshawe Street, Auckland	6-storey commercial building	9,446	Leasehold*

* The property has a lease term till 31 December 2037, which is perpetually renewable at an interval of 20 years.

7 Investments in subsidiaries

The Company	**31 December 2020 $'000**	31 December 2019 $'000
Unquoted equity investments, at cost	**53,043**	54,943
Loans to subsidiaries forming part of net investment (Note 8)	**120,327**	126,925
Less: impairment allowance	**(35,485)**	(6,414)
	137,885	175,454

As at 31 December 2020, impairment test on the investment in certain subsidiaries were triggered due to the poor financial performance of these subsidiaries. Each subsidiary is identified as a specific cash-generating unit ("CGU"). The recoverable amounts of these investments are determined based on the revalued net assets of the identified subsidiaries with indicators of impairment at the reporting date. Based on management's assessment, the Company recognised an impairment loss of $29,071,000 (FY2019 – $6,414,000) under "other operating expenses" on these investment in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

In determining the recoverable amount of the investment in subsidiaries, management had considered the financials of the subsidiaries as well as the underlying assets and liabilities of the investees held by the subsidiaries, including the engagement of independent valuers to determine the fair values of property, plant and equipment and land held for development. The fair values are within Level 3 of the fair value hierarchy.

The most significant input into the valuation approach is disclosed below.

Valuation technique	**Inter-relationship between key unobservable inputs and fair value measurement**	**Significant unobservable inputs**
	The estimated fair value would increase (decrease) if:	
Roxy Kyoto Hotel Pte Ltd		
Income Capitalisation Method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 5.1%**
	Occupancy rate was higher (lower):	**31 December 2020 – 75%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 20,000**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 4.5%**
	Discount rate was lower (higher):	**31 December 2020 – 4.2%**
	Occupancy rate was higher (lower):	**31 December 2020 – 55% – 75%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 15,000 – JPY 20,000**
Roxy Osaka Hotel Pte Ltd		
Income capitalisation method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 5.5%**
	Occupancy rate was higher (lower):	**31 December 2020 – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 9,700**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 4.9%**
	Discount rate was lower (higher):	**31 December 2020 – 4.6%**
	Occupancy rate was higher (lower):	**31 December 2020 – 60% – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 8,500 – JPY 9,700**
Roxy Jakarta Investments Pte Ltd		
Direct comparison method	*Price per square meter ("sqm") of market comparables was higher (lower):*	**31 December 2020 – Indonesian Rupiah ("IDR") 30,000,000 per sqm – IDR 40,000,000 per sqm**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 7.03%**
	Discount rate was lower (higher):	**31 December 2020 – 13.08%**
	Occupancy rate was higher (lower):	**31 December 2020 – 50% – 80%**
	Average room rate higher (lower):	**31 December 2020 – IDR 735,158 – IDR 1,100,191**
Roxy NF Pty Ltd		
Direct comparison method	*Price per square meter of market comparables was higher (lower):*	**31 December 2020 – AUD 1,061 per sqm – AUD 3,489 per sqm**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interest 2020	2019	Principal activities
Held by the Company				
Roxy-Pacific Developments Pte. Ltd.[1]	Singapore	**100%**	100%	Property investment and investment holdings
Roxy Homes Pte. Ltd. [1]	Singapore	**100%**	100%	Property development
Roxy Land Pte. Ltd. [11]	Singapore	**100%**	100%	Property development
RP Properties Pte. Ltd.[11]	Singapore	**100%**	100%	Property investment and property development
RP North Pte. Ltd.[11]	Singapore	**100%**	100%	Property investment and property development
RH Changi Pte. Ltd.[10]	Singapore	–	100%	Property development
RH Central Pte. Ltd.[1]	Singapore	**100%**	100%	Property development and investment holding
RL Properties Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RP Ventures Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Hotels Pte. Ltd.[1]	Singapore	**100%**	100%	Hotel ownership and development
Roxy Residential Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RL West Pte. Ltd.[11]	Singapore	**100%**	100%	Property development
RH Mount Sophia Pte. Ltd.[10]	Singapore	–	90%	Property development
Roxy Capital Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Australia Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Hotels and Resorts Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RH Eunos Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Jakarta Investments Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RH Orchard Pte. Ltd.[1]	Singapore	**90%**	90%	Property development
RH Developments Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RH Capital Pte. Ltd. [1]	Singapore	**80%**	80%	Property development
RH Capital Two Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RH Developments Two Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RPV Two Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy-Pacific Development Management Pte. Ltd.[1][7]	Singapore	**100%**	–	Investment holding
RL East Pte. Ltd. [1][7]	Singapore	**100%**	–	Property development
Held by Subsidiaries				
RH Rochor Pte. Ltd. [11]	Singapore	**90%**	90%	Property development
RH East Coast Pte. Ltd.[11]	Singapore	**100%**	100%	Property development
RH Tampines Pte. Ltd.[1][12]	Singapore	**90%**	90%	Property development
RPV Properties Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Australia Hotels Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel Holdings Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel Pte. Ltd.[1]	Singapore	**100%**	100%	Hotel ownership
Roxy Phuket Hotels Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Hotel Management Pte. Ltd.[1]	Singapore	**100%**	100%	Hotel management
Roxy International Hotel Holdings Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interest 2020	2019	Principal activities
Roxy-TE2 Development Pte Ltd.[1]	Singapore	**60%**	60%	Property development
Roxy Kyoto Hotel GK[4] [5]	Japan	**100%**	100%	Hotel operations
Roxy-Pacific Goulburn Pty Ltd[4] [5]	Australia	**100%**	100%	Property investment
Roxy-Pacific Glebe Pty Ltd[3]	Australia	**100%**	100%	Property development
Roxy-Pacific Killara Pty Ltd[3]	Australia	**100%**	100%	Property development
Roxy-Pacific Potts Point Pty Limited[3]	Australia	**100%**	100%	Property development
Roxy-Pacific Developments Pty Ltd[4] [5]	Australia	**100%**	100%	Investment holding
Roxy-Pacific Investments Pty Ltd[4] [5]	Australia	**100%**	100%	Investment holding
Roxy-Pacific Hotels Pty Ltd[4] [5]	Australia	**100%**	100%	Hotel ownership and investment holding
Roxy NF Pty Ltd[4] [5]	Australia	**50.5%**	50.5%	Property investment
Roxy-Pacific Assets Pty Ltd[4] [5]	Australia	**100%**	100%	Property investment
Roxy Chalong Resort Co. Ltd.[2] [6]	Thailand	**49%**	49%	Hotel ownership and development
Roxy Maldives Resort & Spa Private Limited [9]	Maldives	**100%**	100%	Hotel ownership and development
Roxy-Pacific NZ Investments Limited[4][8]	New Zealand	**100%**	100%	Investment holding
Roxy-Pacific NZI Limited[8]	New Zealand	**100%**	100%	Property investment
Roxy-Pacific Melbourne House Pty Ltd [3]	Australia	**100%**	100%	Property investment, hotel ownership and development
Roxy Osaka Hotel Holdings Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Osaka Hotel Pte. Ltd. [1]	Singapore	**100%**	100%	Hotel ownership
Roxy Osaka Hotel GK.[4] [5]	Japan	**100%**	100%	Hotel operations
Roxy NZ-280Q Limited[4] [5]	New Zealand	**100%**	100%	Property Investment
Roxy-Pacific Development Management (Jervois) Pte. Ltd.[1] [7]	Singapore	**100%**	–	Development Management
Roxy Australia Capital Pte. Ltd.[1] [7]	Singapore	**100%**	–	Investment holding

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Audited by Foo Kon Tan LLP for consolidation purposes.

(3) Audited by HLB Mann Judd (Australia), a member firm of HLB International for consolidation purposes or local statutory requirement.

(4) The subsidiaries are not significant for consolidation purposes.

(5) Not required to be audited under the laws of the country of incorporation.

(6) Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.97% voting rights. The shares held by the Group carry one vote for each share whilst the shares held by other shareholders carry one vote for every hundred shares.

(7) The subsidiary is newly incorporated during the year.

(8) Audited by HLB Mann Judd Limited (New Zealand), a member firm of HLB International for consolidation purposes or local statutory requirement.

(9) Audited by Nihal Hettiarachchi & Co, a member firm of HLB International, and its affiliate firm, AIX associates LLP, for consolidation purposes and local statutory requirement.

(10) The subsidiaries have been liquidated during the year.

(11) The subsidiaries are under liquidation.

(12) In the last financial year ended 31 December 2019, the Group acquired an additional 5% interest in RH Tampines Pte. Ltd. ("RH Tampines") for a consideration of $938,000 in cash, increasing its shareholding from 85% to 90% based on the total issued capital of RH Tampines. The net asset value of RH Tampines on the date of the acquisition was approximately $23,000,000. With the increase in its equity interest in RH Tampines, the Group recognised a reduction in non-controlling interests of approximately $1,150,000, and a corresponding increase in retained earnings by $212,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

Summarised financial information in respect of Group's non-100% owned subsidiaries, all of which have material non-controlling interest (NCI) is set out below:

31 December 2020	Roxy NF Pty Ltd $'000	Roxy-TE2 Development Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Total $'000
Current assets	5	169,470		
Non-current assets	16,454	–		
Current liabilities	(12,226)	(176,449)		
Non-current liabilities	(9,426)	–		
Net liabilities	(5,193)	(6,979)		
Net assets/(liabilities) attributable to NCI	(2,571)	(2,792)	743	(4,620)
Revenue	–	10,846		
Loss for the year	(4,571)	(2,491)		
Other comprehensive income ("OCI")	(191)	(2,948)		
Total comprehensive loss	(4,762)	(5,439)		
Attributable to NCI:				
– (Loss)/Profit	(2,263)	(996)	141	(3,118)
– OCI	(95)	(1,179)	–	(1,274)
Total comprehensive income/(loss)	(2,358)	(2,175)	141	(4,392)
Cash flows (used in)/generated from operating activities	(1)	9,448		
Cash flows (used in)/generated from investing activities	(554)	75		
Cash flows generated from financing activities	555	425		
Net increase in cash and cash equivalents	–	9,948		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

31 December 2019	Roxy NF Pty Ltd $'000	RH Tampines Pte. Ltd. $'000	RH Orchard Pte. Ltd. $'000	Roxy-TE2 Development Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Total $'000
Current assets	20	4,889	57,334	149,179		
Non-current assets	19,084	–	–	–		
Current liabilities	(10,960)	(2,465)	(53,165)	(150,719)		
Non-current liabilities	(8,575)	–	(369)	–		
Net assets/(liabilities)	(431)	2,424	3,800	(1,540)		
Net assets/(liabilities) attributable to NCI	(213)	243	380	(616)	87	(119)
Revenue	–	–	19,372	1,098		
(Loss)/profit for the year	(317)	423	4,092	(3,507)		
Other comprehensive income ("OCI")	(66)	–	–	(16)		
Total comprehensive income/(loss)	(383)	423	4,092	(3,523)		
Attributable to NCI:						
– Profit	(157)	43	409	(1,403)	(72)	(1,180)
– OCI	(32)	–	–	(6)	–	(38)
Total comprehensive income/(loss)	(189)	43	409	(1,409)	(72)	(1,218)
Cash flows (used in)/generated from operating activities	(92)	9,802	(2,605)	(17,584)		
Cash flows (used in)/generated from investing activities	(266)	1	35	18		
Cash flows generated from/(used in) financing activities	358	(34,250)	(3,273)	28,187		
Net (decrease)/increase in cash and cash equivalents	–	(24,447)	(5,843)	10,621		

8 Loans to subsidiaries

The Company	31 December 2020 $'000	31 December 2019 $'000
Loans to subsidiaries (Note 7)	**120,327**	126,925

Loans granted to subsidiaries to fund their operations are unsecured, interest-free and repayable at the discretion of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures

The Group	31 December 2020 $'000	31 December 2019 $'000
Interests in associates	**216,461**	196,471
Interests in joint ventures	**39,812**	–
	256,273	196,471

(a) Investment in associates

The Group	31 December 2020 $'000	31 December 2019 $'000
Unquoted equity investments, at cost	**24,778**	23,996
Net investment loans to associates[1]	**163,469**	129,275
Impairment loss on net investment loan to associates	**(6,625)**	(5,197)
Share of post-acquisition profits	**136,078**	143,456
Exchange differences	**862**	(5,934)
Dividend income	**(102,101)**	(89,125)
	216,461	196,471

(1) The loans granted to associates to fund their operations are unsecured and interest-free. These loans are in substance, part of the Group's net investment in the associates. The settlement of these loans are neither planned nor likely to occur in the foreseeable future.

Details of the associates are as follows:

Name of associate	Principal place of business/ Country of incorporation	Ownership interest 2020	2019	Principal activities
Held by Subsidiaries				
70 Shenton Pte. Ltd.[1]	Singapore	**20%**	20%	Property development
Mequity (Hillview) Pte. Ltd.[8]	Singapore	**49%**	49%	Property development
Feature-Roxy Pty Ltd[8]	Australia	**50%**	50%	Investment holding and property investment
ACH Head Trust[4]	Australia	**49%**	49%	Trust
ACH Head Operator Pty Ltd[4]	Australia	**49%**	49%	Hotel management
ACH Projects Pty Ltd[4]	Australia	**49%**	49%	Hotel development
Peel Street JV Pty Ltd[3]	Australia	**40%**	40%	Property development
North Fremantle JV Pty Ltd[3]	Australia	**40%**	40%	Property development
Macly Equity Sdn Bhd[5]	Malaysia	**47%**	47%	Property development
Mequity Assets Sdn Bhd[8]	Malaysia	**47%**	47%	Property development
Rolex Investment Ltd[4][7]	Cayman Islands	**30%**	30%	Investment holding and property investment
PT Kramat Roxy Pacific[4]	Indonesia	**49%**	49%	Investment holding and property investment
Roxy-CES (NZ) Limited[6]	New Zealand	**50%**	50%	Property investment
RH Guillemard Pte. Ltd.[1]	Singapore	**50%**	50%	Property development
TE2 Roxy Australia Pty Ltd[3]	Australia	**45%**	45%	Investment holding and property investment
RH Novena Pte. Ltd.[1]	Singapore	**50%**	50%	Property development
TE2KS-RH Pte. Ltd.[1]	Singapore	**40%**	40%	Property development
PhilRoxy Pty Ltd[4]	Australia	**50%**	50%	Investment holding and property investment
TE2 Roxy Argyle Pty Ltd[3]	Australia	**40%**	40%	Property investment
RPPG (Revesby) Pty Ltd[4]	Australia	**50%**	50%	Property development
Nigella SG Pte Ltd[2][7][9]	Singapore	**53%**	53%	Investment holding and property investment in Japan

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

All associates are considered significant to the Group, or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP, Singapore

(2) Audited by PricewaterhouseCoopers LLP, Singapore.

(3) Audited by HLB Mann Judd (Australia), a member firm of HLB International for consolidation purposes or local statutory requirement.

(4) Not required to be audited under the laws of the country of incorporation.

(5) Audited by Guan & Associates, Malaysia.

(6) Audited by HLB Mann Judd Limited (New Zealand), a member firm of HLB International for consolidation purposes or local statutory requirement.

(7) Audited by Foo Kon Tan LLP for consolidation purposes.

(8) The associates are under liquidation.

(9) Although the Group holds 53.07% interest in Nigella SG Pte Ltd, through its wholly owned subsidiary, RPV Two Pte Ltd, it does not have effective control over Nigella SG Pte Ltd ("Nigella"), The voting rights granted to the Group is more than 20% but less than 50%. Hence the Group has significant influence over the financial and operating policies of the entity. The investment in Nigella is accounted as investment in associate.

The properties held by the associates as at 31 December 2020 are as follows:

Properties under development

Associate name	Project name	Location	Description	Stage of completion	Expected completion date	Gross floor area (square meter)	Group effective interest	Tenure
Macly Equity Sdn Bhd	Wisma Infinitum, The Colony & The Luxe	18 Jalan Dewan Sultan Sulaiman, Kuala Lumpur, Malaysia	423 residential units in The Colony, 300 residential units in The Luxe and 31 commercial units	81%	3Q 2021	64,912	47%	Freehold
RH Guillemard. Pte. Ltd	Arena Residences	20 Guillemard Crescent, Singapore	98 residential units	25%	1Q 2022	6,882	50%	Freehold
TE2KS-RH Pte. Ltd.	Wilshire Residences	30 Farrer Road, Singapore	85 residential units	15%	1Q 2023	6,572	40%	Freehold
RH Novena Pte. Ltd.	Neu at Novena	27 Moulmein Rise, Singapore	87 residential units	3%	1Q 2023	6,084	50%	Freehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

Investment properties

Associate name	Project name	Location	Description	Net lettable floor area (square meter)	Group effective interest	Tenure
Roxy-CES (NZ) Limited	205 Queen Street	205 Queen Street, Auckland, New Zealand	2 office towers with retail podium	25,368	50%	Leasehold*
TE2 Roxy Australia Pty Ltd	312 St Kilda	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	9,887	45%	Freehold
TE2 Roxy Argyle Pty Ltd	33 Argyle Street	33 Argyle Street, Parramatta NSW 2150, Australia	Lower B-grade office building comprising a quasi-retail ground floor suite and café, three levels of above ground parking providing 138 car spaces, 6 upper office levels and roof top plant rooms	5,281	40%	Freehold

* The property has a lease term until June 2081, with a right for a further term of 98 years, until year 2179.

Land held for development

Associate name	Location	Description	Land area (square meter)	Group effective interest	Tenure
North Fremantle JV Pty Ltd	54 & 85 Bracks Street, North Fremantle, Perth, Australia	Industrial land; to be rezoned for commercial and residential use	45,456	20%	Freehold
PT Kramat Roxy Pacific	Jalan Kramat Raya No. 110, Jakarta, Indonesia	Commercial development	1,703	49%	Freehold
ACH Projects Pty Ltd	609 Wellington Street, Perth, Australia	Hotel development	1,391	49%	Freehold
RPPG (Revesby) Pty Ltd	34 – 36 Mavis Street, Revesby NSW 2212, Australia	Industrial development	8,433	50%	Freehold
Peel Street JV Pty Ltd	64 Peel and 9 Cordelia Street, South Brisbane, Australia	Commercial and residential development	2,597	40%	Freehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

The Group has six (2019 – eight) associates that are material and a number of associates that are individually immaterial to the Group.

Summarised financial information, adjusted for the Group's share of equity interest in respect of the associates is set out below:

31 December 2020	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	Roxy-CES(NZ) Limited $'000	Immaterial associates $'000	Total $'000
Revenue	–	42,942	25	82	23,919	12,554		
Profit/(loss) for the year	(33,654)	2,422	(22,505)	(11,422)	19,742	10,024		
Other comprehensive income ("OCI")	–	–	–	–	–	–		
Total comprehensive income/(loss)	(33,654)	2,422	(22,505)	(11,422)	19,742	10,024		
Attributable to investee's shareholders	(33,654)	2,422	(22,505)	(11,422)	19,742	10,024		
Current assets	121,693	63,407	1,050	1,562	2,370	12,448		
Non-current assets	–	38	42,439	71,816	26,621	198,536		
Current liabilities	(38,890)	(50,422)	(24,097)	(11,643)	(22)	(31,618)		
Non-current liabilities	–	–	–	(20,610)	–	(155,689)		
Net Assets	82,803	13,023	19,392	41,125	28,969	23,677		
Adjusted for net investment loans	–	50,728	–	–	–	59,086		
Net assets attributable to investee's shareholders	82,803	63,751	19,392	41,125	28,969	82,763		
Group's interest in net assets of investee at beginning of the year	35,038	28,946	15,895	19,080	15,410	34,221	47,881	196,471
Equity investment	–	–	192	590	–	–	–	782
Net investment loan	–	–	–	–	–	–	38,316	38,316
Repayment of net investment loan	–	–	–	–	–	–	(4,122)	(4,122)
Impairment of net investment loan (Note 30)	–	–	–	–	–	–	(1,428)	(1,428)
Group's share of:								
– Profit/(loss) for the year	(10,096)	1,138	(9,002)	(4,569)	10,477	5,012	(338)	(7,378)
– OCI	–	–	–	–	–	–	–	–
Total comprehensive income	(10,096)	1,138	(9,002)	(4,569)	10,477	5,012	(338)	(7,378)
Dividend income	–	–	–	–	(10,970)	–	(2,006)	(12,976)
Translation differences	(101)	(121)	672	1,349	457	2,149	2,391	6,796
Carrying amount of interest in investee at end of the year	24,841	29,963	7,757	16,450	15,374	41,382	80,694	216,461

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

31 December 2019	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	TE2-Roxy Australia Pty Ltd $'000	Roxy-CES(NZ) Limited $'000	RH Guillemard Pte Ltd $'000	Immaterial associates $'000	Total $'000
Revenue	–	39,764	56	76	560	5,305	12,637	17,192		
Profit/(loss) for the year	185	7,202	(709)	(566)	3,336	2,760	5,534	1,728		
Other comprehensive income ("OCI")	–	–	–	–	–	–	–	–		
Total comprehensive income/(loss)	185	7,202	(709)	(566)	3,336	2,760	5,534	1,728		
Attributable to investee's shareholders	185	7,202	(709)	(566)	3,336	2,760	5,534	1,728		
Current assets	123,535	89,921	535	1,178	3,568	3,950	9,029	80,187		
Non-current assets	–	147	39,274	65,780	83,067	81,278	179,049	–		
Current liabilities	(6,742)	(79,179)	(72)	(154)	(1,463)	(77,175)	(31,586)	(77,569)		
Non-current liabilities	–	–	–	(19,104)	(56,137)	(3,900)	(144,129)	(105)		
Net Assets	116,793	10,889	39,737	47,700	29,035	4,153	12,363	2,513		
Adjusted for net investment loans	–	50,697	–	–	–	30,802	56,078	–		
Net assets attributable to investee's shareholders	116,793	61,586	39,737	47,700	29,035	34,955	68,441	2,513		
Group's interest in net assets of investee at beginning of the year	35,195	22,457	16,151	19,467	–	14,816	3,431	392	30,421	142,330
Equity investment	–	–	379	268	13,907	–	–	–	–	14,554
Net investment loan	–	3,128	–	–	–	–	28,039	–	5,696	36,863
Return of capital	–	–	–	–	–	–	–	–	(480)	(480)
Group's share of:										
– Profit/(loss) for the year	55	3,385	(284)	(230)	1,771	1,242	2,767	864	(1,092)	8,478
– OCI	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	55	3,385	(284)	(230)	1,771	1,242	2,767	864	(1,092)	8,478
Dividend income	–	–	–	–	–	–	–	–	(3,515)	(3,515)
Translation differences	(212)	(24)	(351)	(425)	(268)	(329)	(16)	–	(134)	(1,759)
Carrying amount of interest in investee at end of the year	35,038	28,946	15,895	19,080	15,410	15,729	34,221	1,256	30,896	196,471

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

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

31 December 2020	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	Roxy-CES(NZ) Limited $'000	Immaterial associates $'000	Total $'000
Net assets attributable to investee's shareholders	**82,803**	**63,751**	**19,392**	**41,125**	**28,969**	**82,763**		
Group's equity interest	**30%**	**47%**	**40%**	**40%**	**53%**	**50%**		
Group's share of net assets	**24,841**	**29,963**	**7,757**	**16,450**	**15,374**	**41,382**	**80,694**	**216,461**

31 December 2019	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	TE2-Roxy Australia Pty Ltd $'000	Roxy-CES(NZ) Limited $'000	RH Guillemard Pte Ltd $'000	Immaterial associates $'000	Total $'000
Net assets attributable to investee's shareholders	116,793	61,586	39,737	47,700	29,035	34,955	68,441	2,513		
Group's equity interest	30%	47%	40%	40%	53%	45%	50%	50%		
Group's share of net assets	35,038	28,946	15,895	19,080	15,410	15,729	34,221	1,256	30,896	196,471

(b) Investment in joint ventures

The Group	31 December 2020 $'000	31 December 2019 $'000
Unquoted equity investments, at cost	**37,967**	–
Share of post-acquisition results	**537**	–
Exchange differences	**1,308**	–
	39,812	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(b) Investment in joint ventures (Continued)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Ownership interest 2020	Ownership interest 2019	Principal activities
Held by Subsidiaries				
Vivel SG Pte. Ltd.[1][3]	Singapore	**49%**	–	Investment holding and property investment in Japan
TE-Roxy Commercial Trust I[2][4]	Singapore	**40%**	–	Trust

All joint ventures are considered significant to the Group, or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by PricewaterhouseCoopers LLP, Singapore

(2) The joint venture is newly incorporated and not yet subjected to audit.

(3) During the financial year, the Group subscribed for 9,995,067 ordinary shares in Vivel SG Pte. Ltd. for a consideration of USD9,995,067 which represented 49% equity interest in the company.

(4) During the financial year, the Group invested a 40% equity interest in TE-Roxy Commercial Trust I, a Singapore master trust at a committed capital of AUD 27,200,000.

The property held by the joint venture as at 31 December 2020 is as follows:

Investment property

Joint venture name	Project name	Location	Description	Net lettable floor area (square meter)	Group effective interest	Tenure
Vivel SG Pte. Ltd	Vivel Shibuya	23-10 Udagawacho, Shibuya-ku, Tokyo	5 storey retail building	679	49%	Freehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(b) Investment in joint ventures (Continued)

Summarised financial information, adjusted for the Group's share of equity interest in respect of the joint ventures is set out below:

31 December 2020	Vivel SG Pte. Ltd. $'000	TE-Roxy Commercial Trust I $'000	Total $'000
Revenue	1,898	–	1,898
Profit/(loss) for the year#	2,371	(1,560)	811
Other comprehensive income ("OCI")	–	–	–
Total comprehensive income/(loss)	2,371	(1,560)	811
Attributable to investee's shareholders	2,371	(1,560)	811
# Includes:			
– Interest expense	711	–	
– Income tax expense	396	–	
Current assets*	6,435	63,009	69,444
Non-current assets	71,980	–	71,980
Current liabilities**	(906)	(1,373)	(2,279)
Non-current liabilities***	(46,575)	–	(46,575)
Net assets attributable to investee's shareholders	30,934	61,636	92,570
* Includes cash and cash equivalents	5,767	48,158	
** Includes current financial liabilities (excluding trade and other payables and provisions)	–	–	
*** Includes non-current financial liabilities (excluding trade and other payables and provisions)	46,575	–	
Group's interest in net assets of investee at beginning of the year	–	–	–
Equity investment	13,612	24,355	37,967
Group's share of:			
– Profit/(loss) for the year	1,162	(625)	537
– OCI	–	–	–
Total comprehensive income	1,162	(625)	537
Translation differences	384	924	1,308
Carrying amount of interest in investee at end of the year	15,158	24,654	39,812

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

31 December 2020	Vivel SG Pte. Ltd. $'000	TE-Roxy Commercial Trust I $'000	Total $'000
Net assets attributable to investee's shareholders	30,934	61,636	
Group's equity interest	49%	40%	
Group's share of net assets	15,158	24,654	39,812

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10 Right-of-use assets

The Group	Leasehold land $'000	Motor vehicle $'000	Plant and equipment $'000	Total $'000
Cost				
Adoption of SFRS(I) 16:				
– Initial recognition as at 1 January 2019	28,931	46	74	29,051
Exchange differences	(346)	–	–	(346)
At 31 December 2019	28,585	46	74	28,705
Effect of adjustment in incremental borrowing rate	509	–	–	509
Exchange differences	335	–	–	335
At 31 December 2020	**29,429**	**46**	**74**	**29,549**
Accumulated depreciation				
Adoption of SFRS(I) 16:				
– Initial recognition as at 1 January 2019	–	–	–	–
Depreciation for the year (Note 30)	659	26	15	700
Exchange differences	(3)	–	–	(3)
At 31 December 2019	656	26	15	697
Depreciation for the year (Note 30)	678	20	15	713
Effect of adjustment in incremental borrowing rate	13	–	–	13
Exchange differences	(6)	–	–	(6)
At 31 December 2020	**1,341**	**46**	**30**	**1,417**
Net book value				
At 31 December 2020	**28,088**	**–**	**44**	**28,132**
At 31 December 2019	27,929	20	59	28,008

The lease term for motor vehicle has expired in September 2020 and is not being renewed.

Details of the Group's significant right-of-use assets as at 31 December 2020 are as follows:

Description	Gross land area	Tenure
Island of Kudafunafaru, Noonu Atoll, Maldives	89,896 sqm	50-years leasehold commenced 25 June 2006[1]
1 Fanshawe Street Auckland	2,604 sqm	31-years leasehold commenced 1 January 2007[2]

(1) The property lease term can be further extended by another 49 years subject to certain conditions being met.

(2) The property lease term is perpetually renewable at an interval of 20 years.

NOTES TO THE FINANCIAL STATEMENTS

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11 Financial assets at fair value through profit or loss

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Equity securities, at fair value				
At beginning of year	**10,109**	1,856	**10,109**	356
Additions during the year	**12,552**	10,021	**–**	10,021
Disposal during the year	**(10,176)**	(1,992)	**(10,176)**	(391)
Net fair value gain (Notes 28 & 30)	**859**	224	**67**	123
Effect of movement in exchange rate	**(394)**	–	**–**	–
At end of year	**12,950**	10,109	**–**	10,109

The fair values are within Level 3 (2019: Level 1) of the fair values hierarchy.

12 Development properties for sale

The Group	31 December 2020 $'000	31 December 2019 $'000
Properties for sale under development	**440,333**	487,408
Developed properties for sale	**–**	65,249
	440,333	552,657

As at 31 December 2020, development properties for sale with a total carrying amount of $440,333,000 (2019 – $552,657,000) were mortgaged as security in respect of bank loans (Note 22).

In the last financial year ended 31 December 2019, the Group transferred $35,370,000 from land held for future development to property, plant and equipment upon obtaining the approval from Melbourne City Council to re-develop the building into hotel and the signing of the Hotel Management Agreement with Park Hotel Group.

Properties for sale under development

Details of properties for sale under development at 31 December 2020 are as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
Land cost	**499,418**	499,400
Development expenditure	**61,797**	35,640
	561,215	535,040
Attributable cost	**(120,882)**	(47,632)
	440,333	487,408
Loan interest capitalised as cost of development properties during the year	**–**	6,564

In the last financial year, borrowing costs is capitalised using a capitalisation rate of 2.8%.

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12 Development properties for sale (Continued)

Properties for sale under development (Continued)

The carrying amounts of properties for sale under development expected to be completed within the Group's normal operating cycle is as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
Expected completion date:		
– within the next 12 months	**5,636**	–
– beyond 12 months	**434,697**	487,408
	440,333	487,408

Information on properties for sale under development as at 31 December 2020 is as follows:

Location	Project name	Description	Stage of completion	Expected completion	Approximate land area (square meter)	Gross floor area (square meter)	Group effective interest	Tenure
Singapore								
211 & 223 Pasir Panjang Road, Singapore	Harbour View Gardens	57 residential units	83%	3Q 2021	2,856	3,998	100%	Freehold
120 Grange Road, Singapore	120 Grange	56 residential units	32%	2Q 2022	1,466	3,079	90%	Freehold
828 Upper Bukit Timah Road, Singapore	Bukit 828	34 residential units	45%	1Q 2022	953	2,382	80%	Freehold
344 River Valley Road, Singapore	RV Altitude	140 residential units	25%	2Q 2022	2,675	7,491	100%	Freehold
386 Dunearn Road, Singapore	Dunearn 386	35 residential units	21%	2Q 2022	1,784	2,747	100%	Freehold
5 Derbyshire Road, Singapore	Fyve Derbyshire	71 residential units	15%	4Q 2022	1,777	4,976	100%	Freehold
15,17,19,21,23 & 25 Lorong Kismis, Singapore	View at Kismis	186 residential units & 2 commercial units	7%	1Q 2023	9,322	13,050	60%	Leasehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12 Development properties for sale (Continued)

Developed properties for sale

The Group	31 December 2020 $'000	31 December 2019 $'000
Developed properties for sale	–	65,249

Information on developed properties for sale as at 31 December 2019 is as follows:

Location	Property name	Description	Gross floor area (square meter)	Group effective interest	Tenure
37-41 Bayswater Road, Potts Point, Sydney	The Hensley	1 residential unit	89	100%	Freehold
10-11 Cowper Street, Glebe, Sydney	West End Residences	24 residential units	2,267	100%	Freehold
6A and 8 Buckingham Road, Killara,Sydney	Octavia Killara	43 residential units	3,792	100%	Freehold

13 Inventories

The Group	31 December 2020 $'000	31 December 2019 $'000
Hotel supplies, at cost	**1,105**	1,455

14 Trade receivables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Trade receivables	**13,547**	6,151	**–**	–
Impairment of trade receivables	**(413)**	(285)	**–**	–
	13,134	5,866	**–**	–
Goods and Services Tax receivables	**149**	480	**78**	33
	13,283	6,346	**78**	33

Trade receivables have credit terms of 30 (2019 – 30) days. The Group does not require collateral in respect of trade receivables.

Analysis of credit risk and currency risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14 Trade receivables (Continued)

Trade receivables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**12,083**	4,939	**78**	33
United States dollar	**842**	546	**–**	–
Thai Baht	**–**	39	**–**	–
Japanese yen	**274**	408	**–**	–
Australian dollar	**84**	414	**–**	–
	13,283	6,346	**78**	33

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Movements in impairment of trade receivables:				
At beginning of year	**285**	29	**–**	–
Impairment loss recognised (Note 30)	**135**	285	**–**	–
Amounts written back (Note 30)	**(2)**	(10)	**–**	–
Amounts written off	**–**	(19)	**–**	–
Effect of movement in exchange rate	**(5)**	–	**–**	–
At end of year	**413**	285	**–**	–

15 Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the end of the reporting period, pertaining to development properties for sales. The amounts recognised as contract assets are reclassified to trade receivables at the point at which it is invoiced to the customer. The Group has not recognised an allowance for contract assets as the ECL are assessed to be insignificant.

The Group	31 December 2020 $'000	31 December 2019 $'000
Contract assets	**30,936**	25,155

Analysis of credit risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15.1 Contract costs

The Group	31 December 2020 $'000	31 December 2019 $'000
Balance at beginning of year	**10,371**	6,084
Amount capitalised	**11,686**	7,843
Amount amortised	**(4,268)**	(3,556)
Balance at end of year	**17,789**	10,371

Contract costs relate to sales commission incurred in securing sales of properties.

16 Other receivables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Amounts due from subsidiaries (non-trade)	**–**	–	**500,693**	415,805
Accrued receivable from subsidiaries	**–**	–	**7,017**	11,732
Advances to associates (non-trade)	**448**	224	**1**	1
Deposits	**18,160**	2,022	**17**	13
Customer deposits held in trust	**–**	4,566	**–**	–
Interest receivable	**265**	581	**259**	470
Grant receivables	**379**	–	**–**	–
Others	**782**	1,630	**84**	3
	20,034	9,023	**508,071**	428,024
Impairment of other receivables	**(10)**	(22)	**(31,593)**	–
	20,024	9,001	**476,478**	428,024
Prepayments	**811**	1,628	**59**	32
Tax recoverable	**2,853**	1,957	**–**	–
	23,688	12,586	**476,537**	428,056

The non-trade amounts due from subsidiaries comprise mainly advances from the Company and are unsecured and repayable on demand. At the reporting date, amounts due from subsidiaries of $2,781,600 bear interest at 1.26% (2019 – $2,781,600 at 2.52%) per annum. Interest is re-priced every 12 months. The remaining amounts due from subsidiaries are interest-free.

Customer deposits held in trust received from buyers of pre-sold properties overseas are kept in an escrow account by the solicitor of the property agent. The corresponding liability amounts are recorded in other deposits within other payables in Note 25(b).

Advances to associates are unsecured, interest-free and repayable on demand.

Included in the deposits pertain to an amount of $17,675,000 paid to acquire a freehold residential site.

Analysis of credit risk and currency risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16 Other receivables (Continued)

Other receivables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**20,037**	2,175	**461,146**	412,706
United States dollar	**259**	1,576	**–**	–
Thai baht	**2,346**	1,424	**–**	–
Japanese yen	**618**	641	**12,237**	8,492
Australian dollar	**220**	6,479	**3,154**	6,858
New Zealand dollar	**208**	291	**–**	–
	23,688	12,586	**476,537**	428,056

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Movements in impairment of other receivables				
At beginning of year	**22**	731	**–**	–
Amounts written off	**(12)**	(709)	**–**	–
Impairment loss recognised	**–**	–	**31,593**	–
At end of year	**10**	22	**31,593**	–

17 Amounts owing by associates

The Group	31 December 2020 $'000	31 December 2019 $'000
Amounts owing by associates	**–**	34,417

During the financial year, the Group has re-designated amounts owing by associates as net investment loans to associates.

Amounts owing by associates are denominated in the following currencies:

The Group	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**–**	34,417
	–	34,417

In the last financial year, the amounts owing by associates comprise unsecured advances which are non-trade, interest-free and repayable on demand.

Further analysis of credit risk and currency risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18 Cash and bank balances

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Project accounts				
Cash at bank in project accounts	**41,416**	32,190	**–**	–
Fixed deposits in project accounts	**30,000**	14,000	**–**	–
	71,416	46,190	**–**	–
Cash at bank	**129,621**	172,342	**84,237**	26,193
Fixed deposits	**194,516**	112,427	**187,537**	108,517
Cash and bank balances	**395,553**	330,959	**271,774**	134,710

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	31 December 2020 $'000	31 December 2019 $'000
Cash and bank balances (as above)	**395,553**	330,959
Less: Fixed deposits pledged#	**158,648**	81,285
Cash and cash equivalents per consolidated statement of cash flows	**236,905**	249,674

Fixed deposits are pledged to secure bankers' guarantees and for multi-currency loan facilities obtained for working capital purposes of the Group.

Project accounts

The project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997 from which withdrawals are restricted to payments for costs incurred in developing properties for sale.

At the reporting date, the weighted average effective interest rate of fixed deposits in project accounts was 0.229% (2019 – 0.961%) per annum.

Cash and bank balances

At the reporting date, the weighted average effective interest rate of fixed deposits (excluding fixed deposits in project accounts) of the Group and the Company was 0.361% (2019 – 1.422%) and 0.347% (2019 – 1.394%) per annum, respectively.

Total cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**240,439**	183,530	**139,427**	104,248
Australian dollar	**138,708**	130,301	**131,268**	29,762
New Zealand dollar	**10,760**	7,229	**733**	696
Thai baht	**2,904**	6,516	**–**	–
Japanese yen	**1,018**	1,967	**29**	4
United States dollar	**1,703**	1,416	**317**	–
Maldivian rufiyaa	**21**	–	**–**	–
	395,553	330,959	**271,774**	134,710

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

19 Share capital

The Group and The Company	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	No. of ordinary shares		$'000	$'000
Ordinary shares issued and fully paid, with no par value:				
Balance at beginning and at end of year	**1,312,904,844**	1,312,904,844	**47,399**	47,399

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

20 Treasury shares

The Group and The Company	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	No. of ordinary shares		$'000	$'000
Balance at beginning and at end of year	**8,924,900**	8,924,900	**(3,954)**	(3,954)

21 Other reserves

	The Group		The Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	$'000	$'000	$'000	$'000
Revaluation reserve	**533**	533	**–**	–
Hedging reserve	**(5,583)**	(10)	**–**	–
Translation reserve	**(2,279)**	(22,992)	**–**	–
	(7,329)	(22,469)	**–**	–

Revaluation reserve

Revaluation surplus reserve relates to the excess of the revalued amount and the carrying amount of the property upon its transfer from owner-occupied property to investment property.

Hedging reserve

The fair value changes on the effective portion of cash flow hedge are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in "finance costs".

Translation reserve

Translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22 Borrowings

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Non-current liabilities				
Bank loans (secured):				
Between two and five years	**297,379**	142,746	**–**	–
After five years	**44,294**	46,372	**–**	–
	341,673	189,118	**–**	–
Current liabilities				
Bank loans (secured):				
Repayable within one year or less, or on demand	**267,248**	339,072	**102,899**	72,357
Repayable after one year, but within the normal operating cycle	**363,373**	386,876	**–**	–
	630,621	725,948	**102,899**	72,357
Total borrowings	**972,294**	915,066	**102,899**	72,357

The fair value of non-current borrowings at the reporting date is as follows:

	Carrying amount		Fair value	
The Group	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Borrowings with an average effective interest rate of 1.99% (2019: 3.03%) per annum	**341,673**	189,118	**341,549**	187,337

The fair values are within Level 2 of the fair values hierarchy.

The borrowings are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**806,116**	733,122	**91,000**	56,000
United States dollar	**32,682**	24,479	**11,899**	2,694
Thai baht	**31,178**	22,527	**–**	–
Japanese yen	**46,410**	59,087	**–**	13,663
Australian dollar	**16,804**	38,738	**–**	–
New Zealand dollar	**39,104**	37,113	**–**	–
	972,294	915,066	**102,899**	72,357

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22 Borrowings (Continued)

Bank loans

At the reporting date, the bank loans bear interest at varying effective rates ranging from 1.04% to 3.68% (2019 – 1.61% to 4.80%) per annum. Interest is re-priced between 1 to 12 months (2019 – 1 to 12 months).

The bank loans are secured by: land and buildings (Note 4), investment properties (Note 6), development properties for sale (Note 12) and pledged fixed deposit (Note 18).

The Company has provided guarantees to banks in respect of loan facilities granted to subsidiaries and associates amounting to $1,237,332,000 (2019 – $1,282,021,000). At the reporting date, the amount of the loan drawdown under the facilities was $972,294,000 (2019 – $915,066,000). The current interest rates charged by the lenders on the loans to subsidiaries are at market rates and are consistent with the borrowing costs of the subsidiaries without corporate guarantees. The Group has assessed that the fair value of corporate guarantees is immaterial.

Further analysis of currency and liquidity risks is set out in Note 35.

23 Lease liabilities

The Group	31 December 2020 $'000	31 December 2019 $'000
Undiscounted lease payments due:		
– Year 1	**1,896**	1,659
– Year 2	**1,867**	1,868
– Year 3	**1,877**	1,839
– Year 4	**1,853**	1,849
– Year 5	**1,853**	1,825
– Year 6 and onwards	**83,762**	83,576
	93,108	92,616
Less: Future interest cost	**(64,296)**	(64,391)
Balance at end of year	**28,812**	28,225
Presented as:		
– Non-current	**28,584**	27,985
– Current	**228**	240
	28,812	28,225

Interest expense on lease liabilities of $1,659,000 (2019 – $1,675,000) is recognised within “finance costs” in profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within “other operating expenses” in profit or loss are set out below:

The Group	31 December 2020 $'000	31 December 2019 $'000
Short-term leases	**–**	2
Leases of low-value asset	**7**	10

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

23 Lease liabilities (Continued)

Total cash outflows for all leases during the year amount to $1,916,000 (2019 – $2,158,000).

As at 31 December 2020, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

Further information about the financial risk management are disclosed in Note 35.

24 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Properties for sale under development	**2,581**	2,895	**–**	–
Investment property from overseas	**2,478**	2,018	**–**	–
Property, plant and equipment	**4,019**	3,512	**–**	–
Unremitted income	**1,147**	1,518	**618**	851
	10,225	9,943	**618**	851

Settlement of deferred tax liabilities is as follows:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
To be settled:				
Later than one year and no later than five years	**3,749**	3,875	**618**	851
Later than five years	**6,476**	6,068	**–**	–
	10,225	9,943	**618**	851

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

24 Deferred tax liabilities (Continued)

Movement in temporary differences during the year:

The Group	31 December 2020 $'000	31 December 2019 $'000
Deferred tax liabilities:		
Balance at beginning of year	**9,943**	10,979
Recognised in profit or loss:		
Properties for sale under development	**(314)**	(831)
Investment property from overseas	**460**	491
Property, plant and equipment	**507**	(803)
Unremitted income	**(371)**	107
(Note 31)	**282**	(1,036)
Balance at end of year	**10,225**	9,943

The Company	31 December 2020 $'000	31 December 2019 $'000
Deferred tax liabilities:		
Balance at beginning of year	**851**	671
Unremitted income	**(233)**	180
Balance at end of year	**618**	851

At 31 December 2020, no provision for deferred tax liability has been recognised in respect of undistributed profits of certain foreign subsidiaries amounting to approximately $119,287,000 (2019: $112,166,000) because management is able to control both the timing of disposal of these subsidiaries and the distribution of profits.

25 Trade and other payables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Trade payables	**6,740**	15,412	**33**	154
Other payables	**89,602**	74,489	**528,745**	359,180
	96,342	89,901	**528,778**	359,334

(a) Trade payables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Trade payables	**674**	3,725	**33**	154
Goods and Services Tax payables	**510**	7,855	**–**	–
Retention sums payable	**5,556**	3,832	**–**	–
	6,740	15,412	**33**	154

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Trade and other payables (Continued)

(a) Trade payables (Continued)

Trade payables have credit terms between 30 and 60 (2019: 30 and 60) days.

Trade payables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**4,528**	5,850	**33**	154
United States dollar	**93**	488	**–**	–
Thai baht	**1,701**	1,170	**–**	–
Japanese yen	**65**	105	**–**	–
Australian dollar	**218**	7,672	**–**	–
New Zealand dollar	**135**	127	**–**	–
	6,740	15,412	**33**	154

(b) Other payables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Amounts due to subsidiaries (non-trade)	**–**	–	**528,367**	357,265
Amounts due to associates (non-trade)	**34,286**	19,448	**–**	–
Amount due to non-controlling interests (non-trade)	**30,718**	28,255	**–**	–
Accrued directors' performance bonus	**–**	4,869	**–**	–
Accrued unbilled progress claims from contractors	**2,465**	1,225	**–**	–
Accrued construction costs for completed projects	**952**	1,292	**–**	–
Accrued operating expenses	**6,226**	2,824	**244**	163
Accrued payroll and related expenses	**882**	4,270	**85**	1,663
Accrued interest expense	**1,743**	1,841	**49**	89
Rental deposits received	**385**	424	**–**	–
Other deposits	**1,864**	4,741	**–**	–
Other creditors	**3,313**	5,284	**–**	–
Derivative liability	**6,768**	16	**–**	–
	89,602	74,489	**528,745**	359,180

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Trade and other payables (Continued)

(b) Other payables (Continued)

The non-trade amounts due to subsidiaries, associates and non-controlling interests, comprising mainly advances, are unsecured, interest-free and repayable on demand.

Derivative liability related to the Group's interest rate swaps which are designated and effective as cash flow hedge and fair value changes of these interest rate swaps in the reporting period are recognised in other comprehensive income. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the swap curve at the reporting date and the credit risk inherent in the contract. The net gains or losses accumulated in the cash flow hedging reserve are reclassified to profit or loss when the hedged future cash flows are no longer expected to occur or the hedged item has affected profit or loss. The interest rate swaps are transacted to hedge variable quarterly/half-yearly interest payments on borrowings that will mature on 10 September 2022, 22 May 2024 and 12 December 2024.

The details are as follows:

The Group	Contractual notional amount $'000	Fair value of derivative liability $'000
31 December 2020		
Interest rate swap	**210,474**	**6,768**
31 December 2019		
Interest rate swap	105,474	16

Other payables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**43,313**	36,868	**380,799**	337,314
United States dollar	**1,107**	357	**8**	6
Hong Kong dollar	**19,163**	19,447	**–**	–
Thai baht	**180**	341	**–**	–
Japanese yen	**15,689**	1,021	**–**	13
Australian dollar	**9,923**	16,144	**147,938**	21,847
New Zealand dollar	**227**	311	**–**	–
	89,602	74,489	**528,745**	359,180

Further information about the currency and liquidity risks are disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Contract liabilities

The contract liabilities primarily relate to progress billings issued in excess of the Group's rights to the consideration for its property development business.

Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contract with the customer. The significant changes in the contract liabilities during the financial year are as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
At beginning of year	**25,563**	30,933
Revenue recognised that was included in the contract liabilities at the beginning of the financial year	**(25,563)**	(30,933)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**27,625**	25,563
At end of year	**27,625**	25,563

27 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units:

(1) Hotel ownership segment relating to ownership of hotels;
(2) Property development segment relating to the development of properties for sale;
(3) Property investment segment relating to the business of investing in properties to earn rentals and for capital appreciation; and
(4) Others relating to corporate office functions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Operating segments (Continued)

The Group	Hotel ownership 31 December 2020 $'000	Hotel ownership 31 December 2019 $'000	Property development 31 December 2020 $'000	Property development 31 December 2019 $'000	Property investment 31 December 2020 $'000	Property investment 31 December 2019 $'000	Others 31 December 2020 $'000	Others 31 December 2019 $'000	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000
Revenue-External	**25,247**	50,414	**165,789**	385,942	**7,395**	7,674	**–**	–	**198,431**	444,030
Segment results	**(6,476)**	(301)	**13,633**	62,718	**2,607**	4,359	**(2,914)**	(5,934)	**6,850**	60,842
Interest income	**–**	16	**351**	563	**74**	132	**1,791**	2,046	**2,216**	2,757
Finance costs	**(9,129)**	(10,530)	**(8,675)**	(9,631)	**(2,651)**	(3,505)	**(1,359)**	(1,531)	**(21,814)**	(25,197)
Fair value gain on investment properties	**–**	–	**–**	–	**2,055**	737	**–**	–	**2,055**	737
Impairment of property, plant and equipment	**(7,009)**	(3,338)	**–**	–	**–**	–	**–**	–	**(7,009)**	(3,338)
Property, plant and equipment written off	**(5,015)**	–	**–**	–	**–**	–	**–**	–	**(5,015)**	–
Fair value gain on financial assets at fair value through profit or loss	**–**	–	**–**	–	**792**	102	**67**	122	**859**	224
Net exchange gain	**(21)**	213	**85**	–	**932**	(100)	**(674)**	217	**322**	330
Impairment of net investment loan to associate	**(1,428)**	–	**–**	–	**–**	–	**–**	–	**(1,428)**	–
Impairment loss on trade receivables	**(133)**	(275)	**–**	–	**–**	–	**–**	–	**(133)**	(275)
Net change in fair value of cash flow hedge reclassified to profit or loss	**(384)**	–	**(1,178)**	7	**–**	–	**–**	–	**(1,562)**	7
Share of results of associates and joint ventures (net of income tax)	**(20)**	89	**(13,809)**	1,857	**6,978**	6,532	**10**	–	**(6,841)**	8,478
(Loss)/Profit before tax	**(29,615)**	(14,126)	**(9,593)**	55,514	**10,787**	8,257	**(3,079)**	(5,080)	**(31,500)**	44,565
Other information										
Segment assets	**302,543**	302,285	**743,187**	914,684	**293,948**	230,225	**276,578**	150,140	**1,616,256**	1,597,334
Total assets									**1,616,256**	1,597,334
Segment liabilities*	**435,290**	375,607	**481,624**	523,202	**104,751**	86,226	**103,408**	73,720	**1,125,073**	1,058,755
Total liabilities									**1,125,073**	1,058,755
Investment in associates and joint ventures (including net investment loans)	**–**	–	**4,681**	3,962	**37,967**	19,416	**–**	–	**42,648**	23,378
Capital expenditure relating to investment properties	**–**	–	**–**	–	**267**	99	**–**	–	**267**	99
Capital expenditure relating to property, plant and equipment	**18,815**	5,851	**–**	–	**–**	15	**74**	76	**18,889**	5,942
Depreciation of right-of-use assets	**537**	524	**–**	–	**176**	176	**–**	–	**713**	700
Depreciation of property, plant and equipment	**8,411**	8,231	**–**	–	**83**	85	**172**	162	**8,666**	8,478
Amortisation of intangible assets	**26**	25	**–**	–	**–**	–	**168**	163	**194**	188

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Operating segments (Continued)

Major customers

There were no revenue transactions from a single customer that amounted to 10% or more of the Group's revenue for the financial years ended 31 December 2020 and 2019.

* Reconciliations of reportable segment liabilities:

The Group	31 December 2020 $'000	31 December 2019 $'000
Total liabilities for reportable segment	**1,125,073**	1,058,755
Current tax liabilities	**3,488**	18,103
Deferred tax liabilities	**10,225**	9,943
Total liabilities	**1,138,786**	1,086,801

The Group Chief Executive Officer ("Group CEO"), who is designated as the Chief Operating Decision Maker, monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included above. Performance is measured based on segment results before income tax, as included in the internal management reports that are reviewed by the Group CEO. Segment results is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

Geographical segments are as follows:

The Group	Singapore $'000	Australia $'000	Japan $'000	Thailand $'000	Malaysia $'000	New Zealand $'000	Hong Kong $'000	Indonesia $'000	Maldives $'000	Total $'000
2020										
External revenue	**115,094**	**72,161**	**1,479**	**–**	**–**	**6,296**	**–**	**–**	**3,401**	**198,431**
Non-current Assets	**177,622**	**118,278**	**98,672**	**49,635**	**29,963**	**118,697**	**24,841**	**3,765**	**59,146**	**680,619**
2019										
External revenue	145,072	279,477	8,296	–	–	6,217	–	–	4,968	444,030
Non-current assets	143,197	105,665	86,253	36,078	28,946	107,958	35,038	3,872	66,272	613,279

28 Other income

The Group	31 December 2020 $'000	31 December 2019 $'000
Interest income	**2,216**	2,757
Change in fair value of investment properties (Note 6)	**2,055**	737
Management fees charged to associates	**779**	839
Foreign exchange gain	**1,885**	769
Fair value gain on financial assets at fair value through profit or loss (Note 11)	**859**	224
Dividend income from investment in equity securities	**21**	110
Government grant	**5,939**	–
Sundry income	**2,672**	1,749
	14,210	4,428

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29 Finance costs

The Group	31 December 2020 $'000	31 December 2019 $'000
Interest expense on bank loans	**20,094**	23,157
Interest expense on lease liabilities (note 23)	**1,659**	1,675
Loan commitment fees and other borrowing cost	**61**	365
Net change in fair value of cash flow hedge reclassified to profit or loss	**1,562**	(7)
	23,376	25,190

30 (Loss)/Profit before taxation

The Group	Note	31 December 2020 $'000	31 December 2019 $'000
(Loss)/Profit before taxation is arrived at after (crediting)/charging:			
Directors' fees		**219**	165
Depreciation of property, plant and equipment	4	**8,666**	8,478
Depreciation of right-of-use assets	10	**713**	700
Amortisation of intangible assets	5	**194**	188
Foreign exchange loss		**1,563**	439
Impairment loss on trade receivables, net	14	**133**	275
Impairment of property, plant and equipment	4	**7,009**	3,338
Impairment of net investment loan to associates	9	**1,428**	–
Property, plant and equipment written off	4	**5,015**	–
Net change in fair value of cash flow hedge reclassified to profit or loss	29	**1,562**	(7)
Fair value gain on financial assets at fair value through profit or loss	11	**(859)**	(224)
Fair value gain on investment properties, net	6	**(2,055)**	(737)
Audit fees			
– Of the external auditor of the Group		**264**	260
– Of other external auditors of the Group		**124**	116
Non-audit fees			
– Of the external auditor of the Group		**5**	6
Staff costs			
Directors			
– Salaries and other related costs		**1,500**	6,156
– Central Provident Fund ("CPF") contributions		**34**	255
Key Management Personnel (other than Directors)			
– Salaries, wages and other related costs		**1,455**	2,323
– CPF contributions		**63**	120
Other than directors and key management personnel			
– Salaries, wages and other related costs		**13,802**	17,046
– CPF contributions		**1,438**	1,499
– Other personnel expenses		**1,283**	2,404
		19,575	29,803

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31 Tax expense

The Group	31 December 2020 $'000	31 December 2019 $'000
Current tax expense		
– Current year	**2,472**	17,647
– Adjustments for prior years	**(1,647)**	(1,185)
	825	16,462
Deferred tax expense		
– Origination and reversal of temporary differences	**(185)**	(777)
– Adjustments for prior years	**467**	(259)
(Note 24)	**282**	(1,036)
	1,107	15,426

Singapore income tax is calculated at 17% (2019 – 17%) of the estimated assessable profit or loss for the year. Taxation for other jurisdictions is calculated at the prevailing corporate tax rates in the relevant jurisdictions.

The tax expense on the results of the financial year varies from the amount of income tax determined by applying each entity's domestic income tax rate on the accounting profit or loss as a result of the following:

The Group	31 December 2020 $'000	31 December 2019 $'000
(Loss)/Profit before taxation	**(31,500)**	44,565
Income tax using applicable tax rates	**(7,334)**	13,799
Expenses not deductible for tax purposes	**11,572**	846
Income not subject to tax	**(5,260)**	(2,105)
Deferred tax assets not recognised	**3,407**	4,963
Utilisation of previously unrecognised tax losses	**–**	(471)
Tax credit, exemption, group relief, rebate and others	**(98)**	(162)
Adjustments for prior years	**(1,180)**	(1,444)
	1,107	15,426

At 31 December 2020, the Group had accumulated unutilised tax losses amounting to $53,692,000 (2019: $35,146,000), of which, $46,653,000 (2019: $31,076,000) relates to foreign entities. The tax losses are subject to agreement by the relevant tax authorities and compliance with tax regulations.

Deferred tax assets of $10,703,000 (2019: $7,296,000) of which $9,595,000 (2019: $6,604,000) relates to foreign entities have not been recognised because it is not probable that future taxable profits will be available against which the Group can utilise the benefit therefrom.

Income not subject to tax mainly pertains to Job Support Scheme grant, share of profits of associates and joint ventures, and fair value gain of Singapore investment property.

Non-deductible expenses mainly relate to property, plant and equipment written off, share of losses of associates and joint ventures, depreciation of non-qualifying assets, restriction of interest expenses which are non-allowable for deduction and impairment of net investment loan to associate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32 (Loss)/Earnings per share

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year. The Company did not have any stock options or dilutive potential ordinary shares during the years ended 31 December 2020 and 2019.

The Group	31 December 2020	31 December 2019
(Loss)/Profit for the year attributable to owners of the Company ($'000)	**(29,489)**	30,319
Number of ordinary shares in issue* ('000)	**1,303,980**	1,303,980
Weighted average number of ordinary shares in issue during the year ('000)	**1,303,980**	1,303,980
(Loss)/Earnings per share-Basic (cents)	**(2.26)**	2.33
(Loss)/Earnings per share-Diluted (cents)	**(2.26)**	2.33

* Excluding treasury shares

33 Commitments

At the reporting date, the Group had the following capital commitments:

The Group	31 December 2020 $'000	31 December 2019 $'000
Construction of Park Hotel Melbourne	–	90,283
Retrofitting and construction of resorts	**11,384**	22,653
Commitment to provide funding for a joint venture's capital contribution, if called upon	**2,403**	–
	13,787	112,936

Where Group is the lessor

At the reporting date, the Group had the following rentals receivable under non-cancellable operating leases related to investment properties. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

The Group	31 December 2020 $'000	31 December 2019 $'000
Less than one year	**7,459**	7,378
One to two years	**6,968**	7,057
Two to three years	**6,855**	6,831
Three to four years	**3,934**	6,892
Four to five years	–	4,039
	25,216	32,197

The operating leases expire between January 2021 and July 2024 (2019: January 2020 and July 2024) and contain renewal options for 2 to 5 years at a rate mutually agreed between the lessor and the lessee.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are transactions with related parties made at terms agreed between the parties:

The Group	31 December 2020 $'000	31 December 2019 $'000
Short-term employee benefits	**297**	337
CPF contributions	**3**	43
	300	380

These employees are Teo Hong Hee, Teo Hong Wee, Loh Kwang Chew, Cheong Kwai Fun, Phua Lay Leng and Alicia Teo. Teo Hong Hee and Teo Hong Wee are siblings to two of the Company's Executive Directors, namely Teo Hong Lim and Chris Teo Hong Yeow (the "Executive Directors"). Loh Kwang Chew is the uncle of the Executive Directors. Cheong Kwai Fun and Phua Lay Leng are cousins of the Executive Directors. Alicia Teo is the daughter of Teo Hong Lim.

35 Financial risk management

The Group's and the Company's financial risk management policies set out the overall business strategies and risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include: credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance. The Group uses financial instruments such as interest rate swaps to hedge its interest risk exposures from time to time.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Financial assets at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Fair-value-hedging instruments $'000	Total $'000
31 December 2020					
Financial assets					
Financial assets at fair value through profit or loss	**12,950**	–	–	–	**12,950**
Trade receivables*	–	**13,134**	–	–	**13,134**
Other receivables^	–	**20,024**	–	–	**20,024**
Cash and bank balances	–	**395,553**	–	–	**395,553**
	12,950	**428,711**	–	–	**441,661**
Financial liabilities					
Borrowings	–	–	**972,294**	–	**972,294**
Lease liabilities	–	–	**28,812**	–	**28,812**
Trade and other payables#	–	–	**89,064**	–	**89,064**
Derivative liability	–	–	–	**6,768**	**6,768**
	–	–	**1,090,170**	**6,768**	**1,096,938**

* Trade receivables exclude Goods and Services Tax receivables

^ Other receivables exclude prepayments and tax recoverable

Trade and other payables exclude Goods and Services Tax payables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

The Group	Financial assets at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Fair-value-hedging instruments $'000	Total $'000
31 December 2019					
Financial assets					
Financial assets at fair value through profit or loss	10,109	–	–	–	10,109
Trade receivables*	–	5,866	–	–	5,866
Other receivables^	–	9,001	–	–	9,001
Amount owing by associates	–	34,417	–	–	34,417
Cash and bank balances	–	330,959	–	–	330,959
	10,109	380,243	–	–	390,352
Financial liabilities					
Borrowings	–	–	915,066	–	915,066
Lease liabilities	–	–	28,225	–	28,225
Trade and other payables#	–	–	82,030	–	82,030
Derivative liability	–	–	–	16	16
	–	–	1,025,321	16	1,025,337

* Trade receivables exclude Goods and Services Tax receivables

^ Other receivables exclude prepayments and tax recoverable

\# Trade and other payables exclude Goods and Services Tax payables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

The Company	Financial assets at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
31 December 2020				
Financial assets				
Other receivables^	**–**	**476,478**	**–**	**476,478**
Cash and bank balances	**–**	**271,774**	**–**	**271,774**
	–	**748,252**	**–**	**748,252**
Financial liabilities				
Borrowings	**–**	**–**	**102,899**	**102,899**
Trade and other payables#	**–**	**–**	**528,778**	**528,778**
	–	**–**	**631,677**	**631,677**
31 December 2019				
Financial assets				
Financial assets at fair value through profit or loss	10,109	–	–	10,109
Other receivables^	–	428,024	–	428,024
Cash and bank balances	–	134,710	–	134,710
	10,109	562,734	–	572,843
Financial liabilities				
Borrowings	–	–	72,357	72,357
Trade and other payables#	–	–	359,334	359,334
	–	–	431,691	431,691

^ Other receivables exclude prepayments and tax recoverable

Trade and other payables exclude Goods and Services Tax payables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and contract assets.

The Group's and the Company's objective is to seek continual growth while minimising losses arising from credit risk exposure. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. Contractual deposits are collected and scheduled progress payments are received from the buyers when due. Title to properties is only transferred upon full settlement. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The carrying amounts of trade and other receivables and contract assets represent the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

At the reporting date, other than as disclosed in Notes 14, 15 and 16, no allowances for impairment is necessary in respect of contract assets and trade and other receivables past due and not past due.

Significant concentrations of credit risk

At the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk (Continued)

Exposure to credit risk

The tables below detail the credit quality of the Group's financial assets and contract assets, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2020					
Trade receivables (Note 14)	(2)	Lifetime ECL	**13,547**	**(413)**	**13,134**
Contract assets (Note 15)	(3)	Lifetime ECL	**30,936**	**–**	**30,936**
Other receivables (Note 16)	(4)	12-month ECL	**20,034**	**(10)**	**20,024**
31 December 2019					
Trade receivables (Note 14)	(2)	Lifetime ECL	6,151	(285)	5,866
Contract assets (Note 15)	(3)	Lifetime ECL	25,155	–	25,155
Other receivables (Note 16)	(4)	12-month ECL	9,023	(22)	9,001
Amounts owing by associates (Note 17)	(1)	12-month ECL	34,417	–	34,417

The Company	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2020					
Amount due from subsidiaries (Note 16)	(1)	12-month ECL	**507,710**	**(31,593)**	**476,117**
Other receivables (Note 16)	(4)	12-month ECL	**361**	**–**	**361**
31 December 2019					
Amount due from subsidiaries (Note 16)	(1)	12-month ECL	427,537	–	427,537
Other receivables (Note 16)	(4)	12-month ECL	487	–	487

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

(1) Amounts due from related parties

At the end of the reporting date, the Company has assessed its related parties' financial performance to meet the contractual cash flow obligation and has provided expected credit losses of $31,593,000 for certain subsidiaries after considering the availability of highly accessible liquid assets of these subsidiaries to repay the outstanding amounts if demanded at the reporting date. The amounts due from other related parties are considered to have low credit risk as the Company has control or significant influence over the operating, investing and financing activities of these entities. The use of loans and advances to assist with the related parties' cash flow management is in line with the Group's capital management. There has been no significant increase in the credit risk of the amounts due from other related parties since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the related parties, and a forward-looking analysis of the financial performance of investments and projects undertaken by the related parties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk (Continued)

(2) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

For sales of residential properties, the Group is contractually entitled to forfeit a fixed percentage of the purchase price received from the customer and repossess the sold property for resale. The credit loss risk in respect of outstanding progress billings to the customer is mitigated by these financial safeguards. Sales to hotel individual customers are settled in cash or using major credit cards. The credit risk relating to balances not past due pending receipt of payment from credit card companies is not deemed to be significant. For corporate customers, the credit terms granted to such customers is 90 days. Deposits will be placed with the Group, prior to the hotel stay. The credit risk relating to balances not past due pending receipt of payment from corporate companies is not deemed to be significant. Credit risk in respect of trade receivables related to property leasing is deemed to be low with security deposits received from tenants.

On that basis, below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

The Group	Current S$'000	Past due 1 to 30 days S$'000	Past due 31 to 90 days S$'000	Past due 91 to 180 days S$'000	Past due more than 180 days S$'000	Total S$'000
2020						
Gross carrying amount	**11,156**	**899**	**47**	**528**	**917**	**13,547**
Loss allowance	**–**	**–**	**–**	**–**	**(413)**	**(413)**
Net trade receivables	**11,156**	**899**	**47**	**528**	**504**	**13,134**
2019						
Gross carrying amount	4,880	–	960	22	289	6,151
Loss allowance	–	–	–	–	(285)	(285)
Net trade receivables	4,880	–	960	22	4	5,866

(3) Contract assets

Loss allowance for contract assets is measured at an amount equal to lifetime ECL, similar to that for trade receivables.

Consideration receivable for work performed (net of progress billings to be billed to purchasers of development properties) is recognised as contract assets.

At the reporting date, the expected credit loss is assessed to be insignificant.

(4) Other receivables

The ECL on other receivables are estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the reporting date, no loss allowance for other receivables was required except as disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk (Continued)

Financial guarantees

The Company has provided financial guarantees to banks in respect of banking facilities amounting to $1,237,332,000 (2019: $1,282,021,000) granted to subsidiaries and associates, of which $250,653,000 (2019: $241,418,000) were granted to associates. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees. There is no significant difference in interest rates charged on secured loans to subsidiaries and associates with or without the corporate guarantee from the Company.

Cash and cash equivalents

The Group and the Company held cash and bank balances of $395,553,000 (2019: $330,959,000) and $271,774,000 (2019: $134,710,000) respectively at 31 December 2020. The bank balances are held with banks which are regulated. Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances was negligible.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank loans and fixed deposits.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates on variable rate bank loans and a change of 10 basis points (bp) in interest rates on fixed deposits at the reporting date would have increased/(decreased) profit or loss before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Loss before tax increase/(decrease)		Equity increase/(decrease)	
The Group	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**
At 31 December 2020				
Fixed deposits	**(225)**	**225**	**225**	**(225)**
Variable rate bank loans	**5,900**	**(5,900)**	**(5,900)**	**5,900**
	5,675	**(5,675)**	**(5,675)**	**5,675**

	Profit before tax increase/(decrease)		Equity increase/(decrease)	
The Group	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**
At 31 December 2019				
Fixed deposits	126	(126)	126	(126)
Variable rate bank loans	(6,388)	6,388	(6,388)	6,388
	(6,262)	6,262	(6,262)	6,262

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Interest rate risk (Continued)

The Company	Loss before tax increase/(decrease)		Equity increase/(decrease)	
	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000
At 31 December 2020				
Fixed deposits	**(188)**	**188**	**188**	**(188)**
Variable rate bank loans	**1,029**	**(1,029)**	**(1,029)**	**1,029**
	841	**(841)**	**(841)**	**841**

The Company	Profit before tax increase/(decrease)		Equity increase/(decrease)	
	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000
At 31 December 2019				
Fixed deposits	109	(109)	109	(109)
Variable rate bank loans	(724)	724	(724)	724
	(615)	615	(615)	615

* Fixed deposits

Variable rate bank loans

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the functional currencies of the respective Group entities. The currencies that give rise to foreign currency risk are: Australian dollar, Hong Kong dollar, Japanese Yen, New Zealand dollar and United States dollar.

A 5% strengthening of the above currencies against the functional currencies of the respective Group entities at the reporting date would have increased/(decreased) equity and profit or loss before tax as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
Australian dollar ("AUD")	**6,688**	1,404
Hong Kong dollar ("HKD")	**(163)**	(168)
Japanese Yen ("JPY")	**(9)**	(8)
New Zealand dollar ("NZD")	**35**	1,302
United States dollar ("USD")	**(786)**	(182)
	5,765	2,348

NOTES TO THE FINANCIAL STATEMENTS

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35 Financial risk management (Continued)

Currency risk (Continued)

The Company	**31 December 2020 $'000**	**31 December 2019 $'000**
Australian dollar	**6,688**	1,404
Japanese Yen	**–**	(8)
New Zealand dollar	**35**	31
United States dollar	**(766)**	(182)
	5,957	1,245

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effect. A 5% weakening of the above currencies against the functional currencies of the respective Group entities would have had the equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

Market price risk arises from financial assets at fair value through profit or loss.

Market price sensitivity analysis

In the last financial year, all of the Group's and the Company's quoted equity investments are classified as financial assets at fair value through profit or loss. A 5% increase in the value of the underlying equity investments at the reporting date would have increased the Group's and the Company's equity and profit or loss by $420,000 after tax. A 5% decrease in the value of the underlying equity investment would have had an equal but opposite effect.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Liquidity risk (Continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

The Group	Carrying amount $'000	Contractual undiscounted cash flows Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2020					
Bank loans (Note 22)	**972,294**	**1,020,475**	**283,130**	**684,778**	**52,567**
Trade and other payables (Note 25) *	**89,064**	**89,064**	**89,064**	**–**	**–**
Lease liabilities (Note 23)	**28,812**	**93,108**	**1,896**	**7,450**	**83,762**
Interest rate swap (Note 25)	**6,768**	**6,768**	**6,768**	**–**	**–**
	1,096,938	**1,209,415**	**380,858**	**692,228**	**136,329**
As at 31 December 2019					
Bank loans (Note 22)	915,066	963,852	355,782	552,131	55,939
Trade and other payables (Note 25) *	82,030	82,030	82,030	–	–
Lease liabilities (Note 23)	28,225	92,616	1,659	7,381	83,576
Interest rate swap (Note 25)	16	16	16	–	–
	1,025,337	1,138,514	439,487	559,512	139,515

The Company	Carrying amount $'000	Contractual undiscounted cash flows Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2020					
Bank loans (Note 22)	**102,899**	**103,251**	**103,251**	**–**	**–**
Trade and other payables (Note 25) *	**528,778**	**528,778**	**528,778**	**–**	**–**
	631,677	**632,029**	**632,029**	**–**	**–**
As at 31 December 2019					
Bank loans (Note 22)	72,357	72,720	72,720	–	–
Trade and other payables (Note 25) *	359,334	359,334	359,334	–	–
	431,691	432,054	432,054	–	–

* Trade and other payables exclude Goods and Services Tax payables.

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

The Company has a multi-currency debt issuance programme, under which it may issue notes of up to S$500 million. As of 31 December 2020, S$500 million remains unutilised. Under this programme, notes issued by the Company may have varying maturities as agreed with the relevant financial institutions.

At the reporting date, the Company does not consider it probable that a claim will be made against it under the intragroup financial guarantees. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called upon and disclosed as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Liquidity risk (Continued)

The Group	Carrying amount $'000	Contractual undiscounted cash flows: Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2020					
Financial guarantees	**250,653**	**250,653**	**250,653**	–	–
As at 31 December 2019					
Financial guarantees	241,418	241,418	241,418	–	–

The Company	Carrying amount $'000	Contractual undiscounted cash flows: Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2020					
Financial guarantees	**1,237,332**	**1,237,332**	**1,237,332**	–	–
As at 31 December 2019					
Financial guarantees	1,282,021	1,282,021	1,282,021	–	–

36 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3 : inputs for the asset or liability that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

36 Fair value measurement (Continued)

Fair value hierarchy (Continued)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2020				
Financial assets				
Financial assets at fair value through profit or loss (Note 11)	–	–	**12,950**	**12,950**
Financial liabilities				
Derivative liability (Note 25)	–	**6,768**	–	**6,768**
The Group				
31 December 2019				
Financial assets				
Financial assets at fair value through profit or loss (Note 11)	10,109	–	–	10,109
Financial liabilities				
Derivative liability (Note 25)	–	16	–	16

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2019				
Financial assets				
Financial assets at fair value through profit or loss (Note 11)	10,109	–	–	10,109

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2020				
Investment properties (Note 6)	–	–	**132,236**	**132,236**
31 December 2019				
Investment properties (Note 6)	–	–	126,609	126,609

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

36 Fair value measurement (Continued)

Fair value measurement of financial assets and liabilities

Equity securities

As at 31 December 2020, the fair value of investment in fund classified as financial assets at fair value through profit or loss is determined by reference to the net asset value ("NAV") of the fund. The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs
The fair value is calculated using the net asset value ("NAV") of the fund adjusted for the fair value of the underlying investment property invested and determined using the discounted cash flows method:	The estimated fair value would increase (decrease) if fair value of underlying investment property increase (decrease)	Fair value of the underlying investment property
Discounted cash flows method	*Expected average rental growth was higher (lower);*	**– 31 December 2020 – 0.3% – 6.3%**
	Terminal yield was lower (higher);	**– 31 December 2020 – 3.3%**
	Discount rate was lower (higher);	**– 31 December 2020 – 2.9%**

As at 31 December 2019, the fair value of quoted equity securities classified as financial assets at fair value through profit or loss is determined by reference to their quoted closing bid price at the reporting date.

Bank loans

The carrying amounts of the bank loans, repayable within one year or less, or on demand and whose interest rates are re-priced within 12 months, approximate their fair value.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year, (trade and other receivables, trade and other payables, amounts owing by/(to) related parties, and cash and bank balances) approximate their fair values because of the short period to maturity.

Lease liabilities

The fair value disclosure of lease liabilities is not required.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

36 Fair value measurement (Continued)

Fair value measurement of non-financial assets

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs
	The estimated fair value would increase (decrease) if:	
Direct comparison method	*Transacted price per square meter ("psm") of comparable properties was higher (lower):* *Floor level was lower (higher);* *Size was smaller (larger);* *Location was superior (inferior)*	**– 31 December 2020 – $23,672 psm to $51,429 psm** – 31 December 2019 – $27,370 psm to $51,438 psm
Discounted cash flows method	*Expected average rental growth was higher (lower);*	Expected average rental growth: **– 31 December 2020 -2.23%** – 31 December 2019 – 2.35%
	Renewal probability was higher (lower);	Renewal probability: **– 31 December 2020 – 50%** – 31 December 2019 – 50%
	Capital expenditure was lower (higher);	Capital expenditure (of gross income): **– 31 December 2020 – 6.58%** – 31 December 2019 – 4.80%
	Terminal yield was lower (higher);	Terminal yield: **– 31 December 2020 – 6.50%** – 31 December 2019 – 6.50%
	Discount rate was lower (higher);	Discount rate: **– 31 December 2020 – 7.25%** – 31 December 2019 – 7.50%
Income capitalisation method	*Capitalisation rate was lower (higher).*	Capitalisation rate: **– 31 December 2020 – 6.375%** – 31 December 2019 – 6.25%

Level 3: Fair value measurements

The reconciliation of the carrying amounts of investment properties classified within Level 3 is disclosed in Note 6. There were no transfers between level 1, 2 and 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

37 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company review and manage their capital structures to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group's and the Company's capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company have adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Group's business of hotel ownership and provision of hotel accommodation services subject to certain factors.

The Board of Directors monitors capital based on the net debt to adjusted net assets value ratio. Net debt comprises total borrowings and lease liabilities less cash and cash equivalents. Adjusted net assets value comprises total equity attributable to owners of the Company and the excess of the fair values of the Group's hotel and office premises over their net book values. The Group's hotel and office premises are measured at historical cost. For the purpose of capital management, the fair values of the Group's hotel and office premises are used. The fair value of the hotel and office premises is determined by an independent firm of professional valuers.

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

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group	**31 December 2020 $'000**	**31 December 2019 $'000**
Total borrowings (Note 22)	**972,294**	915,066
Lease liabilities (Note 23)	**28,812**	28,225
Less: Total cash and bank balances (Note 18)	**(395,553)**	(330,959)
Net debt (A)	**605,553**	612,332
Equity attributable to owners of the Company	**482,090**	510,652
Excess of fair values of hotel and office premises over net book values	**458,781**	504,325
Adjusted net assets value (B)	**940,871**	1,014,977
Net debt to adjusted net assets value ratio (times) (A)/(B)	**0.64**	0.60

The Company	**31 December 2020 $'000**	**31 December 2019 $'000**
Total borrowings (Note 22)	**102,899**	72,357
Less: Total cash and bank balances (Note 18)	**(271,774)**	(134,710)
Net debt (A)	**(168,875)**	(62,353)
Equity attributable to owners of the Company	**253,976**	315,966
Adjusted net assets value (B)	**253,976**	315,966
Net debt to adjusted net assets value ratio (times) (A)/(B)	*****	*

* Not presented as the Company is in a net cash position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

38 Dividends

The Group	31 December 2020 $'000	31 December 2019 $'000
Final dividend paid in respect of FY2019 (2019: FY2018) of 1.09 cents (2019: 0.705 cents) per share	**14,213**	9,193
Interim dividend paid in respect of FY2020 (2019: FY2019) of Nil (2019: 0.195 cents) per share	–	2,543
	14,213	11,736

For the financial year ended 31 December 2019, the Company had declared tax-exempt one-tier dividend of 1.285 cents per share.

39 Subsequent events

On 18 February 2021, the Group through its wholly-owned subsidiary, RP Ventures Pte. Ltd. has subscribed for 840,000 ordinary shares in Mequity Hills Pte.Ltd. for a consideration of $840,000 which represented 42% equity interest in the company. Mequity Hills Pte. Ltd. has entered into an agreement to acquire a 999-year leasehold residential site at 10A and 10B Institution Hill, Singapore at the purchase price of $33,600,000 which will be financed by internal funds and bank borrowings. The Group intends to amalgamate 10A and 10B Institution Hill with another 999-year leasehold site at 11 Institution Hill ("new site") after it exercises the option to purchase issued on 1 February 2021 to acquire the new site. The amalgamated site will have an estimated total land area of 14,300 square feet with a total gross floor area of 40,040 square feet for residential development.

On 2 March 2021, the Company's indirect associate in Australia, RPPG (Revesby) Pty Ltd, held through Roxy-Pacific Developments Pty Ltd, has entered into a sale and purchase agreement with a third party, for the sale of land situated at 34-36 Mavis Street, at a sale price of AUD10,800,000.

40 Comparative figures

Certain reclassifications have been made to the prior year's financial statements to reclassify the amount owing by associate to net investment loan to associate since the settlement of these loans are neither planned nor likely to occur in the foreseeable future. The effects are as follows:

The Group	(As previously reported) 31 December 2019 $'000	Adjustments $'000	(As reclassified) 31 December 2019 $'000
Assets			
Non-Current Assets			
Investments in associates and joint ventures	168,432	28,039	196,471
Current Assets			
Amounts owing by associates	62,456	(28,039)	34,417

SHAREHOLDINGS STATISTICS

As at 15 March 2021

Issued and fully paid-up capital	–	S$47,590,007
Total number of shares including treasury shares	–	1,312,904,844
Total number of shares excluding treasury shares	–	1,303,979,944
Number of treasury shares	–	8,924,900
Class of shares	–	Ordinary
Voting rights (excluding treasury shares)	–	One Vote Per Share

Distribution of Shareholdings as at 15 March 2021

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	58	3.66	2,743	0.00
100 – 1,000	98	6.18	52,886	0.00
1,001 – 10,000	371	23.39	1,684,021	0.13
10,001 – 1,000,000	1,014	63.93	58,304,123	4.44
1,000,001 and above	45	2.84	1,252,861,071	95.43
Total	1,586	100.00	1,312,904,844	100.00

Percentage of shareholdings in the hands of public (Public Float)

As at 15 March 2021, approximately 20.28% 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 Singapore Exchange Securities Trading Limited.

Twenty Largest Shareholders

List of 20 Largest Shareholders as at 15 March 2021

NO.	NAME	NO. OF SHARES	%
1	KIAN LAM INVESTMENT PTE LTD	521,760,945	39.74
2	SEN LEE DEVELOPMENT PTE LTD	146,293,125	11.14
3	TEO HONG LIM(1)	130,295,687	9.92
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	64,673,640	4.93
5	CHEONG FUNG FAI	39,516,125	3.01
6	SUTANTIO	39,100,875	2.98
7	TJANDRAWATI	37,046,625	2.82
8	DBS NOMINEES PTE LTD	36,312,668	2.77
9	OCBC SECURITIES PRIVATE LTD	32,728,670	2.49
10	HONG LEONG FINANCE NOMS PTE LTD	31,028,920	2.36
11	TEO HONG HEE	30,483,750	2.32
12	LIM SWEE HAH	20,542,500	1.56
13	RAFFLES NOMINEES (PTE) LIMITED	12,145,896	0.93
14	CITIBANK NOMS SPORE PTE LTD	11,340,007	0.86
15	CHEONG KWAI FUN (ZHANG GUIFEN)	10,333,125	0.79
16	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	8,309,055	0.63
17	LIM BEE YONG	7,312,250	0.56
18	MAYBANK KIM ENG SECURITIES PTE LTD	7,235,787	0.55
19	TEO KOK THYE	7,218,750	0.55
20	PHILLIP SECURITIES PTE LTD	5,983,551	0.46
	TOTAL	1,199,661,951	91.37

(1) Excludes Mr Teo Hong Lim's 24,203,410 shares registered in the name of nominees.

SHAREHOLDINGS STATISTICS

As at 15 March 2021

Substantial shareholders as shown in the Register of Substantial Shareholders as at 15 March 2021

	Number of Shares			
Substantial shareholders	**Direct Interest**	**%[1]**	**Deemed Interest**	**%[1]**
Kian Lam Investment Pte Ltd[2]	521,760,945	40.01	146,293,125	11.22
Sen Lee Development Private Limited	146,293,125	11.22	–	–
Teo Hong Lim[3][4]	130,295,687	9.99	692,257,480	53.09
Sutantio[5]	39,100,875	3.00	37,046,625	2.84
Tjandrawati[5]	37,046,625	2.84	39,100,875	3.00

Notes:

(1) Percentage of substantial shareholdings is computed based on the total number of issued shares excluding treasury shares.

(2) Kian Lam Investment Pte Ltd ("**Kian Lam**") holds more than 50% of the issued share capital of Sen Lee Development Private Limited ("**Sen Lee**") and is deemed to be interested in the shares of the Company held by Sen Lee.

(3) Teo Hong Lim holds more than 20% of the issued share capital of Kian Lam. In this respect, pursuant to Section 7 of the Companies Act, Cap. 50, Teo Hong Lim is deemed to be interested in the shares of the Company held by Kian Lam and Sen Lee.

(4) 24,203,410 shares held by Teo Hong Lim are registered in the name of nominees.

(5) Sutantio is the husband of Tjandrawati. Each of them is deemed to be interested in the shares held by each other.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Roxy-Pacific Holdings Limited (the "**Company**") will be convened and held by electronic means on Friday, 16 April 2021 at 10:00 a.m. (of which there will be a live webcast) for the following purposes:–

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve Directors' fee of S$237,600 (2020: S$237,600) for the financial year ending 31 December 2021 and the payment thereof on a quarterly basis. **(Resolution 2)**

3. To re-elect Mr Teo Hong Lim, a Director retiring under Regulation 103 of the Constitution of the Company. **(Resolution 3)** **(See Explanation Note 1)**

4. To re-elect Mr Tong Din Eu, a Director retiring under Regulation 103 of the Constitution of the Company. **(Resolution 4)** **(See Explanation Note 2)**

5. To re-elect Mr Yeo Wee Kiong, a Director retiring under Regulation 107 of the Constitution of the Company. **(Resolution 5)** **(See Explanation Note 3**)

   To note the retirement of Mr Winston Tan Tien Hin pursuant to Regulation 103 of the Company's Constitution. Mr Tan has indicated that he will not be standing for re-election at the forthcoming AGM. Mr Tan will cease to be a Director of the Company, a member of the Audit Risk Management Committee, the Remuneration Committee and the Nominating Committee with effect from the close of the forthcoming AGM.

6. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolution with or without modifications:–

7. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**"), and Rule 806 of the Listing Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

NOTICE OF ANNUAL GENERAL MEETING

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

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed five per cent (5%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares,

and adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution; and

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

(Resolution 7)
(See Explanatory Note 4)

8. **Proposed renewal of the Share buyback mandate**

That approval be and is hereby given:–

(a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:–

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

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

(the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the Directors of the Company be authorised to exercise the authority conferred on them pursuant to the Share Buy Back Mandate at any time and from time to time, during the period commencing from the date of passing of this resolution and expiring on the earliest of:

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

NOTICE OF
ANNUAL GENERAL MEETING

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

(iii) the date on which the share buy back are carried out to the full extent of the Share Buy Back Mandate; and

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

In this resolution:–

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

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

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

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

(Resolution 8)
(See Explanatory Note 5)

9. **Any Other Business**

To transact any other business that may be properly transacted at the Annual General Meeting.

BY ORDER OF THE BOARD

Koh Seng Geok
Executive Director and Company Secretary

Singapore, 30 March 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Special Business to be transacted:

1. Mr Teo Hong Lim will, upon being re-elected, remain as Executive Chairman, Chief Executive Officer and a member of Nominating Committee. Detailed information on Mr Teo Hong Lim as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") are found under "Statement of Corporate Governance" in the Company's Annual Report 2020.

2. Mr Tong Din Eu will, upon being re-elected, remain as Chairman of the Audit Risk Management Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST. He will remain as Chairman of the Remuneration Committee and a member of the Nominating Committee. Detailed information on Mr Tong as set out in Appendix 7.4.1 of the Listing Manual of SGX-ST are found under "Statement of Corporate Governance" in the Company's Annual Report 2020.

3. Mr Yeo Wee Kiong will, upon being re-elected, remain as a member of the Audit Risk Management Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST. He will remain as a member of the Nominating Committee and Remuneration Committee. Detailed information on Mr Yeo as set out in Appendix 7.4.1 of the Listing Manual of SGX-ST are found under "Statement of Corporate Governance" in the Company's Annual Report 2020.

4. Resolution 7, if passed, will empower the Directors of the Company from the date of the above meeting until the conclusion of the next AGM, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares and convertible securities, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, of which up to five (5)% of the total number of issued shares (excluding treasury shares and subsidiary holdings)(including shares to be allotted and issued in pursuance of instruments made or granted pursuant to this resolution) may be issued other than on a pro-rata basis to shareholders.

   For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

5. Resolution 8, if passed, will empower the Directors of the Company from the date of the above meeting until the conclusion of the next, or the date by which the next AGM of the Company is required by the law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to repurchase its own ordinary shares by way of market purchases and/or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price (as defined in the Ordinary Resolution). The rationale for, authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy Back Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 are set out in greater detail in the Letter to Shareholders dated 30 March 2021, which was also enclosed in the Company's announcement on SGXNet on 29 March 2021.

NOTES:

1. The AGM will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the joint statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation of 1 October 2020 which provides additional guidance on the conduct of general meetings up to 30 June 2021.

2. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at https://roxypacific.listedcompany.com/newsroom.html. This Notice will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

NOTICE OF
ANNUAL GENERAL MEETING

3. Alternative arrangements for participation at the AGM:

   Due to the current COVID-19 situation, shareholders will not be able to attend the AGM in person. Alternative arrangements have been made by the Company to allow shareholders to participate at the AGM by:

   (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;

   (b) submitting questions in advance in relation to any resolution set out in the Notice of AGM, if any; and/or

   (c) appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM.

   Details of the steps and deadlines for pre-registration, submission of questions in advance and voting at the AGM by shareholders, including CPF and SRS investors, are set out below.

4. Live Webcast:

   (1) Shareholders may watch the AGM proceedings through the Live AGM Webcast. To do so, shareholders will need to register at https://complete-corp.com/roxy-pacific-agm/ (the "**Registration Link**") by 10:00 a.m. on 13 April 2021 (the "**Registration Deadline**") to enable the Company to verify their status.

   (2) Following verification, authenticated shareholders will receive an email by 10:00 a.m. on 15 April 2021 containing a link to access the live audio-visual webcast of the AGM proceedings as well as a toll-free telephone number to access the live audio-only stream of the AGM proceedings.

   (3) Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

5. Submission of Proxy Forms to Vote:

   1. A shareholder (whether individual or corporate) must appoint the Chairman of the AGM ("**Chairman**") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company. The instrument for the appointment of proxy ("**proxy form**") may be accessed at the Company's website at https://roxypacific.listedcompany.com/newsroom.html or the SGX website at URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

   2. The proxy form is not valid for use by investors who hold shares through relevant intermediaries (as defined in Section 181(1C) of the Companies Act) ("**Investors**") (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An investor who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5:00 p.m. on 7 April 2021, being at least 7 working days before the date of the AGM to submit his/her voting instructions.

   3. The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:

      (a) mail to the Company's registered office at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769; or

      (b) email to roxypacific-agm@complete-corp.com,

   by no later than 10:00 a.m. on 13 April 2021, being 72 hours before the time fixed for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

6. Submission of questions

   1. Shareholders may submit questions relating to the items on the agenda of the AGM via the Registration Link. All questions must be submitted by 10:00 a.m. on 13 April 2021.

   2. The Company will endeavour to address the substantial and relevant questions at or before the AGM and the Company's responses will be posted on the SGXNet and the Company's website.

Personal data privacy:

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

In the case of a member who is a relevant intermediary, by submitting an instrument containing personal data of individuals, such member (i) warrants that it has obtained the prior consent of such individuals for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such individuals in connection with their participation in the broadcast of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the AGM (including any adjournment thereof) for the said Purposes, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ROXY-PACIFIC HOLDINGS LIMITED
Co. Registration No. 196700135Z
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. Due to the current COVID-19 situation, members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through the Live AGM Webcast by registering at https://complete-corp.com/roxy-pacific-agm/ by 10:00 a.m on 13 April 2021.
2. CPF/SRS Investors who wish to appoint the Chairman of the AGM should approach their respective CPF Agent Banks/SRS Operators to submit their voting instructions by 5:00 pm on 7 April 2021.
3. By submitting a proxy form appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 March 2021.

I/We, ____________________(NRIC/Passport/Co. Reg No ____________________)

of ____

being *a member/members of ROXY-PACIFIC HOLDINGS LIMITED (the "Company"), hereby appoint the Chairman of the Annual General Meeting ("AGM") of the Company, being Mr. Teo Hong Lim (the Executive Chairman and Chief Executive Officer of the Company), as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held by electronic means on Friday, 16 April 2021 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting in the spaces provided hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] or cross (x) within the box provided.

No	Ordinary Resolutions	No. of Votes or indicate with a tick [✓] or cross (x)[1]		
		For	Against	Abstain
	Ordinary Business			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 and the Auditor's Report thereon.			
2.	To approve Directors' fee of S$237,600 (2020: S$237,600) for the financial year ending 31 December 2021 and the payment thereof on a quarterly basis.			
3.	To re-elect Mr Teo Hong Lim, a Director retiring under Regulation 103 of the Constitution of the Company.			
4.	To re-elect Mr Tong Din Eu a Director retiring under Regulation 103 of the Constitution of the Company.			
5.	To re-elect Mr Yeo Wee Kiong, a Director retiring under Regulation 107 of the Constitution of the Company.			
6.	To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
	Special Business			
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.			
8.	Proposed renewal of the Share buyback mandate.			

[1] All resolutions would be put to vote by poll in accordance with listing rules of the Singapore Exchange Securities Trading Limited.

Please tick "(✓) " or cross (x) or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution.

Dated this __________ day of ____________________2021

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. In accordance with the alternative arrangements under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, members of the Company who wish to have their votes cast at the Annual General Meeting must appoint the Chairman of the Annual General Meeting as their proxy to do so.
2. This Proxy Form is not valid for use by investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors should approach their respective SRS Operators at least seven working days before the Annual General Meeting to specify voting instructions. Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.
3. This Proxy Form must be under the hand of the appointor or his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. This Proxy Form together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must either be (a) submitted by mail to the registered office of the Company at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769; or (b) submitted by email to roxypacific-agm@complete-corp.com, not later than 72 hours before the time set for the Annual General Meeting.

   In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy forms electronically via email.
5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
6. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject such members that are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
7. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

fold here

Affix
Postage
Stamp

The Company Secretary

ROXY-PACIFIC HOLDINGS LIMITED

50 East Coast Road #B1-18

Roxy Square

Singapore 428769

fold here

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