
# Annual Report 2018

## Mapping Visions, Leading Transformations

TOP GLOBAL LIMITED

# Contents

SGX Mainboard listed Top Global Limited (the "Group") is focused on the following businesses:

- Real Estate Development
- Hospitality & Leisure
- Property Management Services
- Smart Solutions

# Corporate Profile

The Group aims to become a leading lifestyle developer in the region, offering avant-garde projects and integrated support services tailored to the evolving needs of its clients. At the same time, it is well-positioned to capture the rising demands of Asia's affluent and middle-class.

The Group, through its controlling interest in Indonesia-listed PT Suryamas Dutamakmur Tbk ("PT Suryamas"), has a rich wealth of experience in Indonesia developing real estate properties, selling land and houses, as well as operating a golf course, country club and hotel. Top Global's growth strategy is to explore joint ventures and collaborations with other real estate players, as well as the acquisition and setting up of other businesses in Singapore and the region, to increase its project and market exposure. It will continue to focus on identifying business opportunities to diversify beyond Singapore and Indonesia into other regions, striving to differentiate its projects in terms of style, concept and value.

Over the years, Top Global has been involved in numerous Singapore and Indonesia property developments which include residential, township, and industrial projects.

Notable projects include The Quinn and The Maisons (R Maison and E Maison) in Singapore, and Rancamaya Golf Estate, Harvest City, Royal Tajur and Royal Balaraja Commercial Park in Indonesia.

Going beyond its Real Estate Development business, Top Global also owns and manages several residential, commercial and recreational properties in various countries under its Property Management Services.

In its hospitality & leisure business, Top Global is dedicated to provide a one-stop solution to small and mid-sized hospitality businesses with the use of technology to manage and simplify operations. The Group currently owns and operates its own chain of hostel and also manages several hospitality properties across various countries within the region.

# Chairman's Statement

**SUKMAWATI WIDJAJA**
Executive Chairman

**Dear Valued Shareholders**

In 2018, we have seen the global economy impacted by escalating trade tensions between USA and China. Singapore, a global trading hub with exports equating to around 200 per cent of it outputs, has suffered detrimentally because of it. Non-oil domestic exports from Singapore fell by 2.6 per cent in November 2018 year-on-year. The temporary truce has thus far limited the impact of the trade war on Singapore's economy, but the extent would be seen as more data becomes available. Brought about by these tensions, economic uncertainty and volatility is expected to continue in 2019.

In Indonesia, the trade tensions have affected investors' confidence and put pressure on the rupiah. We have seen the rupiah weaken over the course of 2018 and Indonesian exports to US and China are also impacted by the tariffs and weakening Chinese currency respectively.

## REAL ESTATE BUSINESS

The Singapore property market in 2018 was initially buoyed by positive sentiments and collective sales transactions that have driven up the private home prices. With the uncertain economic outlook and threat of further interest rate hikes, the Singapore government maintained the need for its intervention to prevent a property bubble. In July 2018, another round of cooling measures were introduced with Additional Buyers' Stamp Duty (ABSD) increasing 5 per cent for individuals and 10 per cent for entities as well as an additional 5 per cent non-remissible duty for property developers. Based on URA estimates, overall private home prices in Singapore rose 7.9 per cent in 2018 with signs of slow down in price increases with a modest 0.5 per cent increase in the third quarter of 2018, followed by a fall of 0.1 per cent in the fourth quarter. There is a sizeable supply pipeline from public land tenders and private collective sales accumulated before the measures and we will remain cautious and continue to assess opportunities for real estate development in Singapore carefully.

The Group's Indonesian real estate business is in the development of the Rancamaya Estate, Royal Tajur, and Harvest City projects. In Rancamaya, we have built on the momentum of a successful launch of the Salvador cluster in Kingsville last year with another new cluster - Amadeus. In Royal Tajur, the Group has also launched its first tower of its low rise apartment development – Royal Heights. Harvest City continues to be well received and we have added new commercial area including the first supermarket within Harvest City to support the increase in residents.

Based on Bank Indonesia's Indonesia Residential Property Price Index, residential pricing has been increasing steadily in 2018. There are plans from the Indonesian government to cut taxes on luxury properties and revise other tax rules in a bid to boost the construction and real estate industry. As such, we expect the long term outlook on the Indonesian residential property market to be positive and will look to capitalise on opportunities that arise through our land bank in our 3 developments of Rancamaya Estate, Royal Tajur and Harvest City.

## HOSPITALITY AND LEISURE BUSINESS

In Singapore, the Group has increased its efforts to grow the hospitality business as smart solutions provider. Apart from management of its existing 5Footway.inn chain of hostels and management services for other hospitality properties, we are focused on providing value added solutions to other hospitality partners.

In this age where technology has revolutionised consumer behaviour, the hospitality industry is faced with many options. While some have started their journey to add new technological elements into their traditional operation, it remains to be seen what the majority of others will do as these options often require significant financial commitment and changes to achieve benefits beyond marketing objectives. For many independent hotel operators, they may simply lack resources to explore or commit to new technologies at this stage.

It is within this space where the Group sees the opportunity to present our practical solutions from the perspective of an operator who has already successfully implemented them and are reaping the benefits.

Our solutions are aimed to deliver efficiency, productivity and reliability to the users and are enabled by our continued enhancement of our existing capabilities from our in-house property management software, self-service check-in kiosks and security system.

In Indonesia, R Hotel Rancamaya Golf & Resort continues to perform exceptionally well as it continues to add new awards to its impressive list of accolades. In 2018, the hotel was once again nominated at the Annual World Golf Awards for Indonesia's best Golf Course and Golf Hotel. These sustained achievements is a testament to our successful management of the resort.

## MOVING FORWARD

In light of the tight labour market and high costs of business for hotel operators in Singapore, we see opportunities to provide our one-stop smart solutions to address these issues. Where many operators are still assessing the way or finding the means to keep up with the technological changes in their business models, our comprehensive solution would enable them through our practical approach with tangible benefits at affordable prices.

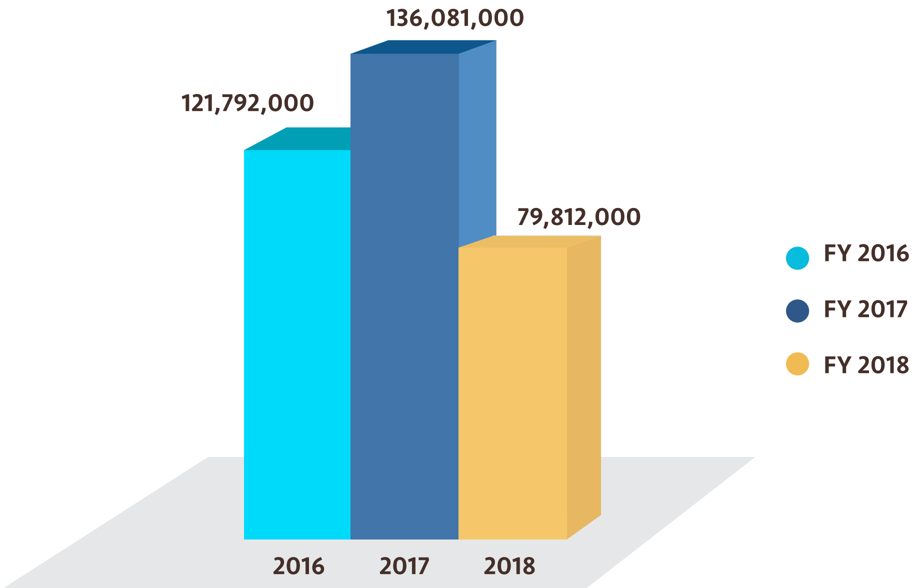
Apart from Singapore, we have and will continue to expand our services to other parts of Indonesia where our expertise in revenue management and technological capabilities gives us the edge to grow our hospitality solutions business.

For the real estate business, the Group will continue to monitor the landscape for changes in government policies that impact our primary geographical locations of Singapore and Indonesia. We remain keen to explore and capitalise on the right opportunities despite the challenging conditions in Singapore. In Indonesia, the Group will continue with development in Rancamaya Estate, Royal Tajur and Harvest City. We will also continue to add to our existing land bank as more developments are made.

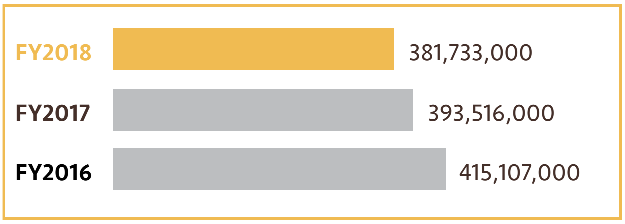
## CLOSING REMARKS

In closing, I would also like to express our appreciation to the Board members for their counsel and advice; our staff for their dedicated service and contribution; and all our shareholders, financiers, business partners, customers and associates for their strong support and commitment to Top Global.

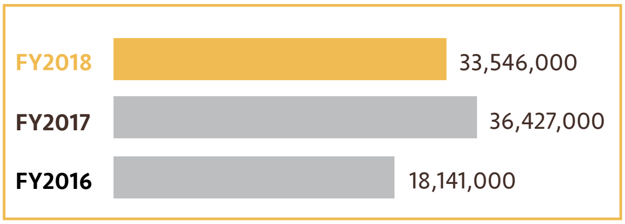
# Financial Highlights



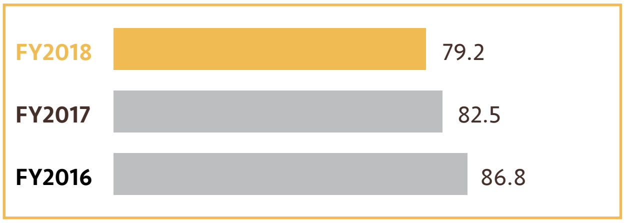

NETS ASSETS



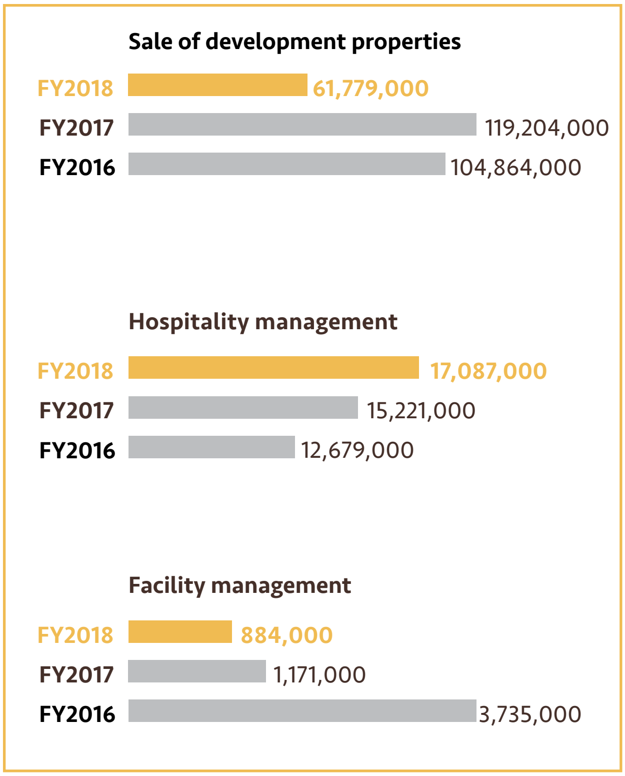

GROSS PROFIT




NET ASSET VALUE PER SHARE (CENTS)




REVENUE - BREAKDOWN



# Financial Review

## TURNOVER
The Group's revenue decrease by S$56.3 million or 41% to S$79.8 million in financial year ended 31 December 2018 ("FY2018"). The drop in revenue as compared to the prior year was largely attributable to the lower sales of development properties from Braddell and Bartley projects which amounted to S$62.2 million.

The decline was partially offset by the increase in sales of development properties from its Indonesia subsidiary, PT Suryamas Dutamakmur ("Suryamas"), amounting to S$4.8 million mainly due to higher hand over of units for FY2018 following encouraging marketing performance in the prior year for Harvest City project. The revenue from hospitality management segment had also increased by S$1.8 million in FY2018 mainly due to the consolidation of 5Footway Group's results for the full year.

## GROSS PROFIT
The Group's gross profit declined by S$2.9 million from FY2017 mainly due to lower sales recognised from the property development segment. In Singapore, gross profit from the property development segment declined by S$10.8 million due to the decline in sales from the Braddell and Bartley projects. However, gross profit from Indonesia's property development segment improved by S$7.1 million or 24% in FY2018 largely due to higher sales recognised due to the performance from Harvest City project. In the hospitality management, total gross profit improved by S$1.1 million or 34% from the prior year. The improvement was mainly due to an increase in gross profit of S$0.7 million arising from consolidation of the 5Footway Group and in addition, lower direct cost incurred in the operation of golf course and country club in Indonesia amounting to S$0.4 million.

## OTHER GAINS/LOSSES
Other gains/losses increased by S$2.8 million mainly due to the increase in net fair value gain on financial assets, at fair value through profit or loss amounting to S$4.6 million. This gain was partially being offset by the losses recognised on the disposal of several Indonesian subsidiary corporations amounting to S$1.4 million.

## EXPENSES
Distribution and marketing expenses decreased by S$2.3 million in FY2018 mainly due to the decrease in commission expenses amounting to S$2.1 million and advertising cost amounting S$0.2 million as sale of development properties declined.

Administrative expenses increased by S$0.7 million mainly due to increase in employee compensation of S$0.6 million arising from the full year consolidation of 5Footway Group results in FY2018. In addition, depreciation expenses increased by S$0.5 million as a result of the acquisition of the Singapore's office unit in Tong Building and higher depreciation expenses recognised on the investment properties. This is partially being offset by lower rental expenses of S$0.2 million due to shift in Singapore's office to the Group's own property instead of leasing a third party property.

Finance costs decreased by S$1.1 million primarily due to lower finance costs incurred on Braddell and Bartley projects by S$0.6 million as bank loan has been fully repaid. In addition, finance costs incurred by its subsidiary, Suryamas, also declined by S$0.5 million due to lower borrowing rates.

## FINANCIAL POSITION
As at 31 December 2018, the Group had a healthy financial position with total assets amounting to S$455.6 million. The decrease of S$22.3 million from FY2017 was mainly due to the decrease in development properties (current and non-current) of S$31.2 million due sales of development properties in Braddell project. In addition, trade and other receivables decreased by S$10.7 million mainly due to full collection of milestone payments for both Braddell and Bartley projects. The decrease was partially offset by increase in financial assets through profit or loss by S$8.3 million mainly due to fair value gain recognised on the equity investments in Bossier Casino Venture. The Group's investment properties increased by S$14.0 million as compared to 31 December 2017 primarily due to the Group's acquisition of a shop house in Holland Village.

The Group's total liabilities as at 31 December 2018 stood at S$73.8 million, which was S$10.6 million lower as compared to 31 December 2017. The decrease was mainly attributed to the decrease in trade and other payables of S$11.7 million as advances received from development projects in Indonesia has been pared down following the handover of the development properties and. In addition, deferred tax liabilities also decreased by S$0.5 million due to depreciation and disposal of subsidiary corporations. The decrease was partially offset by an increase in current income tax liabilities of S$1.7 million mainly due to fair value gains recognised on financial assets through profit or loss.

The total shareholders' equity for the Group stood at S$254.6 million as at 31 December 2018 as compared to S$265.2 million as at 31 December 2017.

## CASH FLOW
In FY2018, the Group had net cash generated from operating activities of S$18.6 million mainly due from receipts arising from the sale of development properties offset by decrease in trade and other payables. Net cash used in investing activities of S$15.1 million in FY2018 was mainly due to the purchase of investment property in Holland Village and investment in financial assets through profit or loss, offset by proceeds from disposal of subsidiary corporations.

Net cash used in financing activities of S$1.3 million for FY2018 was mainly due to repayment of borrowings and interest net of new loan drawn down. As a result of the aforesaid, cash and cash equivalents increased to S$42.5 million as of 31 December 2018 from S$40.1 million as at 31 December 2017.

## REAL ESTATE DEVELOPMENT

### RANCAMAYA ESTATE

Rancamaya Estate is a prime residential estate located about an hour's drive from Jakarta via Jogorawi Toll Road and it is surrounded by a backdrop of mountainous views of Mount Salak, Pangrango and Gede. Rancamaya Estate was awarded with the title of "The Most Preferred Landed in Bogor" award in 2017 from rumah123.com, which was held in conjunction with SWA, MARS, and Kompas magazines.

Located in the northern part of Rancamaya Estate with a land area of 3.5 hectares, the Salvador cluster is located within the Kingsville district which has a total land area of 28 hectares. During the year, Rancamaya also released residential products in other clusters – Rosewood and Richmond Peak – for sale. These clusters have recorded impressive sales results during the launches and construction of theses clusters are targeted to be completed by mid-2019.

Riding on the strong demand in the Kingsville district, Rancamaya released a new residential cluster – Amadeus – during the year. Amadeus is a residential cluster with a land area of 6.05 hectares that is strategically situated close to the integrated Kingsville Commercial Area and King's club house.

| | |
|---|---|
| Land Area | : 778 Ha |
| Housing | : Mid – Range, Luxury Cluster Housing |
| % of Land Developed | : 48% |
| Location | : Rancamaya, Bogor |

### ROYAL TAJUR

Royal Tajur is a residential development situated in the Central Business District of Tajur in the City of Bogor. Since its launch in 2014, Royal Tajur has become the preferred residence property choice for homeowners. Its strategic location in Jalan Raya Tajur, has been a key factor in the sales of residence housing in Royal Tajur and it has also received the "Prospective Housing in Bogor" award from Properti Indonesia 2017.

The Royal Tajur neighborhood is surrounded by Biotrop forest which provides a natural tranquillity and panoramic view Mount Salak. The Royal Tajur 'new city' area, which sits on land size of 82 hectares, is designed by an experienced master planner to integrate balance between residential, supporting facilities, commercial areas, mixed use and natural beauty.

Following the promising response received during the launches for Avebury and Bradfield clusters, Royal Tajur released the first tower of its low-rise apartment development - Royal Heights – for sale. In addition, Royal Tajur also has limited number of exclusive units in the Prominence cluster which targets premium class home buyers.

| | |
|---|---|
| Land Area | : 7.2 Ha (Phase 1) 2 + PSA: 74.5 Ha (Phase 2) |
| Housing | : Small, medium to high end landed housing, low-rise apartment |
| % of Land Developed | : 100% (Phase 1) 11% (Phase 2) |
| Location | : Tajur, Bogor |

# Operations Review

## REAL ESTATE DEVELOPMENT

### HARVEST CITY

Harvest City is a township project marketed as "A City of Prosperity" and is located in the Cibubur-Cileungsi area, 15 kilometres east of Jarkarta and 35 kilometres from Jakarta's Central Business District. As part of its city development plan, Harvest City has been accelerating the provision of facilities for its residents, which currently amounts to more than 5,000 households.

Until the end of 2018, the existing facilities in Harvest City included Festival Oriental, Fitness Center, Harvest Box, Harvest Futsal, Harvest Walk, Hobbit Hill, Harvest City Traditional Market, Ibnu Sina and Santo Yoseph schools, Waterjoy Theme Park, Narma Supermarket, and Gegaz Gokart.

| | |
|---|---|
| Land Area | : 1,050 Ha |
| Housing | : Low Cost & Middle Range Housing |
| % of Land Developed | : 19% |
| Location | : Cibubur, Cileungsi |

In view of the growing population, Harvest City launched the Orchid Boulevard shop house to provide opportunities for small and medium enterprises to develop their businesses in the area and at the same time provide additional retail options to the residents. During the year, Harvest City collaborated with Narma Toserba to build a new supermarket which will cover an area of 3,500 square metres. The supermarket is targeted to complete in the first half of 2019.

Along with the expansion of its facilities, Harvest City is set to launch a new cluster of residential properties, Suite Hortensia, in the second quarter of 2019.

## HOSPITALITY & LEISURE

### RANCAMAYA GOLF & COUNTRY CLUB

Rancamaya Golf and Country Club ("RGCC") is located 1.5 hours from Jakarta and 20 minutes from Bogor. Its golf course is designed by the renowned golf course architect – Ted Robinson – with breath-taking views of Mount Salak. RGCC incorporates a series of lakes connected by small waterfalls which provides the soothing sound of moving water and relaxing environment within the course. Being set out on a hilly terrain, the course also incorporated strategically placed hazards and large greens which all add to the challenge and enjoyment of the game.

The course set within the Rancamaya Estate offers a variety of facilities including highly rated R Hotel Rancamaya. Besides the usual driving range, practice greens, RGCC has a uniquely Thai designed clubhouse with open air locker rooms, pro shop, and local Indonesian restaurant.

# Operations Review

## HOSPITALITY & LEISURE

### R HOTEL RANCAMAYA

R Hotel Rancanmaya is one of the icons in Rancamaya Estate. It is a four-star contemporary luxury hotel located within the Rancamaya Golf & Country Club Resort in Tajur's Central Business District that spans a land area of approximately five hectares.

R Hotel started its operations in January 2015 and comprises 140 rooms, 10 villa rooms and 10 meeting rooms which can be combined to form a ballroom. The villa rooms of R Hotel feature contemporary architectural designs blended with elements of Balinese culture, offering a perfect escape to its occupants.

R Hotel has received numerous regional and international accolades over the years. Recent awards include "Indonesia Best Golf Hotel" by World Golf Awards, "2017 Certificate of Excellence" by Tripadvisor, "Best Guest Experience in Service Premium" by Traveloka, "Outstanding Wedding Destination in Indonesia" by Asian Lifestyle Tourism Awards, and "Luxury Hotel of The Year 2017" by Luxury Travel Guide. The numerous awards received shows the community's appreciation of R Hotel's presence and services, which is backed by the hotel's high occupancy rate and a choice location for Meeting, Incentive, Conference, and Exhibition (MICE) events.

## PROPERTY MANAGEMENT SERVICES

Top Global provides a full suite of hospitality property management services to a wide range of property types including Hotels, Hostels, Service Apartments, Golf Courses and Resorts. The list of services is as follows:

***Conceptualisation and Feasibility Study***

The Group is capable of providing project concepts to define properties position through market surveys and to develop cost and cash flow strategies to optimise returns of property owners.

***Project Management***

Top Global provides management in the pre-opening construction phase by assisting in development of cost plan and project contracting.

***Management Accounting, Reporting and Compliance***

Supported by a team of experienced accountants, Top Global assist property owners to fulfil statutory requirements and provide property owners with comprehensive analysis of business performance.

***Revenue Management***

Top Global provides Dynamic Pricing Services to its hospitality customers to maximise revenue and optimise occupancy rates. Dynamic Pricing is based on the use of disciplined tactics, analytical and strategic skills through specialised knowledge and experience, supported by continuous market research.

***Marketing Communication***

Top Global leverages on design and technology to improve efficiency and drive sales across multiple sales channels. The Group assists the property owners in the creation of website designs, digital marketing outreach and various marketing campaigns.

***Operation and Maintenance***

The Group assist property owners to standardise operating procedures and train hospitality crew to ensure smooth and efficient operations. In addition, the team of property managers perform regular maintenance checks and rectify defects to ensure seamless operations.

# Operations Review

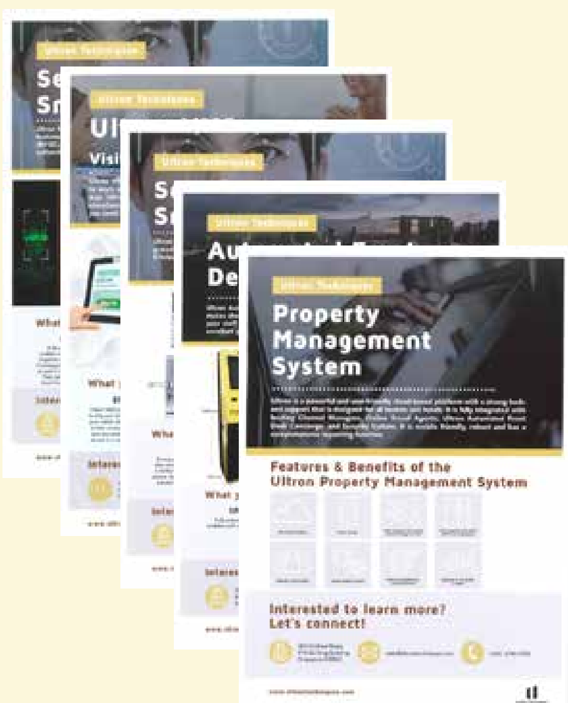
## SMART SOLUTIONS

***Property Management System***

Top Global owns a proprietary Property Management System which is a powerful and user-friendly cloud-based platform with a strong backend support that is designed for all hostels and hotels. It is fully integrated with leading Channel Managers, Online Travel Agents, Top Global's Automated Front Desk Concierge, and Security System. It is mobile friendly, robust and has a comprehensive reporting function.

***Automated Front Desk Concierge***

Top Global's Automated Front Desk Concierge (AFDC) is an automatic check-in kiosk that makes checking in quick and hassle-free. With the AFDC, manpower can be deployed to focus on delivering excellent guest experiences during their stay with the hotel.




***Visitor Management System***

Top Global's Visitor Management System (VMS) helps to streamline and fully automate the guest registration process. VMS also helps to improve security through ensuring an audit trail that provides visibility and accountability over the management of visitors.

***Security System - SMART RFID Lock***

Top Global's RFID Lock is fully integrated with Top Global's AFDC and PMS. It helps to streamline the check-in process to enhance guest experience. With wireless communication capabilities built-in, our RFID Lock can be remotely controlled that will cut down on manpower and improved productivity.

***Security System - SMART Door***

Top Global's SMART Door is built on facial recognition technology. It uses dual camera to scan facial features and verify the identity of guest. The passport picture of the guest can be send to our SMART Door in advance for registration and authentication.

# Board of Directors

**MDM OEI SIU HOA @ SUKMAWATI WIDJAJA**

*Executive Chairman*

Mdm Sukmawati Widjaja was appointed Executive Chairman of Top Global Limited on 12 March 2010. In her five decades as one of Asia's most influential business pioneers, Mdm Sukmawati has built up a striking track record in sectors as diverse as property, banking and agriculture. She is the Vice-Chairman of the family-controlled Sinar Mas Group (which was founded by her late father, Mr Eka Tjipta Widjaja). After taking over the reins in 1988, she was instrumental in maintaining the group's lead as one of Indonesia's top conglomerates, with interests ranging from palm oil and paper, to food and property development. Her investment experience is also extensive. She was an international figure in numerous high-profile mega projects. Over the years, she has developed pivotal business as well as personal connections worldwide. Apart from having been granted audiences with top potential leaders of the US, China, Indonesia, Singapore and other countries, she has access to business tycoons in almost every industry internationally. Moreover, Mdm Sukmawati has extensive expertise and experience in taking qualified companies through IPOs and RTOs at the world's major exchanges and has been part of senior management in several listed companies. With her long-time passion for real estate, Mdm Sukmawati sees great potential for Top Global Limited to work together on suitable projects with the region's largest property players. Her vast connections should prove invaluable as Top Global Limited expands in Singapore, China, Indonesia, Malaysia and other countries.

**MR HANO MAELOA**

*Chief Executive Officer & Executive Director*

Mr Maeloa was appointed as the Executive Director of Top Global Limited on 27 July 2007 and as the Managing Director on 12 March 2010, he was redesignated as Chief Executive Officer on 8 November 2010. His business management experience spans a multitude of industries that range from banking and securities & fund management to real estate and golf & country clubs, as well as shipping and food & beverages. He has excellent business contacts throughout the Asia-Pacific region. Mr Maeloa has been Chief Executive Officer of Pancon Marine & Shipping Services since 2003 as well as a director at Bintan Golden Shipping since 2002. On the investment front, he gained valuable experience at companies such as Harumdana Sekuritas, where he served as a vice-president director for five years. In the food industry, he earned his spurs at the likes of Wendy Foods in Hong Kong, where he was Managing Director for eight years. Currently, Mr Maeloa is a director of Asia-Pacific Strategic Investments, a company listed on the Singapore Exchange Securities Trading Limited. He graduated with a BSc in business administration from the University of Southern California.

**MS JENNIFER CHANG SHYRE GWO**

*Chief Operating Officer & Executive Director*

Ms Chang was appointed Chief Operating Officer and as the Executive Director on 8 November 2010. Her task is to oversee the Group's business and operations, which includes but is not limited to business development, finance, administration, corporate secretarial, corporate governance and communications. She has more than 26 years of exposure to and experience in operational accounting and various corporate functions across the Asia-Pacific region. Ms Chang joined Top Global Limited after leaving Auric Pacific, where she had been Chief Executive Officer of its food division since 2008. Previously, she was regional director of controlling & treasury at Kraft Foods Asia Pacific Services and finance director at GE Hydro Asia, a General Electric joint venture in Hangzhou, China. She is a member of both the Institute of Singapore Chartered Accountants and CPA Australia. Her master's in business administration was earned at Victoria University in Australia.

# Board of Directors

**MR YEO CHIN TUAN DANIEL**

*Lead Independent Non-Executive Director*

Mr Yeo was appointed as the Lead Independent Non-Executive Director of Top Global Limited, as well as the chairman of its Audit and Remuneration Committees and a member of its Nominating Committee, on 26 April 2010. His experience in the financial industry spans more than 27 years. He began his career with Refco Singapore as a vice president in the 1980s and later became a pioneer in the Singapore futures and options market. After witnessing the birth of the Singapore International Monetary Exchange (SIMEX), he built up a distinguished track record servicing high net worth clients in foreign exchange and bullion trading. While he was a director at ING Futures & Options (S) Pte Ltd, he assisted with the acquisition of Barings (S) Pte Ltd. He also served as an executive director at UOB International Treasury, establishing business linkages with international brokerages.

**DR LAM LEE G**

*Independent Non-Executive Director*

Dr Lam was appointed as the Independent Non-Executive Director on 26 April 2010. Currently, he is also Chairman – Indochina, Myanmar and Thailand and Senior Adviser – Asia, of Macquarie Capital. He started his career in Canada at Bell-Northern Research (the R&D arm of Nortel) and in Hong Kong at Hong Kong Telecom. He later joined Singapore Technologies Telemedia (then part of Temasek Holdings) and BOC International Holdings (the international investment banking arm of the Bank of China group) where he served as Vice-Chairman and Chief Operating Officer of its investment banking division. Until late 2006, Dr Lam was President and Chief Executive Officer of Chia Tai Enterprises International (now called C.P. Lotus Corporation). He holds a BSc in sciences and mathematics, an MSc in systems science, an MBA from the University of Ottawa in Canada, a postgraduate diploma in public administration from Carleton University in Canada, an MPA and a PhD from the University of Hong Kong, an LLB (honours) from Manchester Metropolitan University in the UK, an LLM the University of Wolverhampton in the UK and PCLL from the City University of Hong Kong.

**MS MIMI YULIANA MAELOA**

*Non-Executive Director*

Ms Mimi was appointed as the Non-Executive Director on 26 April 2010. Ms Mimi has served in various positions at her family's businesses and currently works at Golden Agri International. She has notable experience in banking, investment and asset management, having worked at the Union Bank of Switzerland in Singapore, Credit Suisse First Boston Hong Kong Chase Manhattan Bank in New York, JP Morgan in Singapore and Goldman Sachs in Singapore. She graduated with a BSc in finance from the University of Southern California and holds an MBA from Woodbury University in California.

# Key Management

**MR KENNETH LIAN**
*Business Development Director*

Mr Kenneth Lian was appointed as Business Development Director of Top Global Limited on 12 November 2015. As the Business Development Director, his main task is directing efforts for the development of products to support the Group's growth. He has more than 27 years of experience in all aspects of property development, acquisition and portfolio management.

Mr Lian is also the founder of PT Suryamas Dutamakmur Tbk, a subsidiary of Top Global Limited. Mr Lian has been appointed the President Director of PT Suryamas Dutamakmur Tbk since 1990. His remarkable experience in property sectors is very instrumental in Suryamas' flagship developments such as the Rancamaya Golf Estate, the Rancamaya Golf & Country Club, the R Hotel at Rancamaya and several housing estate such as The Mahogany Residence, Royal Tajur and Harvest City.

**MR GOH BINGZHENG**
*Finance Director*

Mr Goh Bingzheng joined Top Global Limited in September 2015 as Financial Controller overseeing the Group's finance function. He is responsible for financial and accounting matters, internal control, corporate governance, treasury, corporate finance and taxation. Prior to joining Top Global Limited, he was with PricewaterhouseCoopers LLP for 7 years, providing assurance services to a wide range of companies operating in various industries such as real estate, media and transport and logistics.

He graduated from Nanyang Technological University with a Bachelor of Accountancy (Honours) degree and is a member of Institute of Singapore Chartered Accountants since 2011.

**MS ROSE LING**
*Director of Group Administration, Sales and Collaboration*

Ms Rose Ling joined Top Global Limited in May 2010 as General Administration Manager. She is responsible for the Group's Human Resource/Administrative and Sales & Marketing matters. For the past 17 years, Ms Ling has accumulated vast working experiences in various industry sectors. The core function she has performed includes key accounts relations, office administration and human resource management. She holds a Diploma in Economics from London School of Economics and graduated from University of London with a Bachelor of Science (Management) with honours.

**MR YEI MAUNG**
*Project Manager*

Mr Yei Maung joined Top Global Limited in September 2002. He has more than 25 years of working experience in Singapore's building and construction sector, having participated in a wide range of projects that include flatted factories, schools, condominiums, community clubs, residential flats and cluster housing.

He holds a degree in Applied Science in Construction Management from the Royal Melbourne Institute of Technology in Australia.

The Board of Directors (the "Board") is committed to ensuring that the highest standards of corporate governance are practised throughout Top Global Limited (the "Company" and together with its subsidiaries, the "Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2018 ("FY2018"), with specific reference to the principles and guidelines of the Code of Corporate Governance 2012 ("2012 Code"), and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Listing Manual"), the Singapore Companies Act ("Companies Act") and the disclosure guide developed by the SGX-ST in January 2015 ("Guide"), focusing on areas such as internal control, risk management, financial reporting, internal and external audits.

The Company has complied with the principles and guidelines as set out in the 2012 Code and the Listing Manual where applicable except where otherwise stated. Appropriate explanations have been provided in the relevant sections below where these are deviations from the 2012 Code and Guide.

**The 2012 Code**

The 2012 Code is divided into four main sections, namely:
(A) Board Matters
(B) Remuneration Matters
(C) Accountability and Audit
(D) Shareholders' Rights and Responsibilities

**(A) Board Matters**

The Board of Directors in office at the date of this report comprises:
Madam Oei Siu Hoa @ Sukmawati Widjaja (Executive Chairman)
Mr Hano Maeloa (Chief Executive Officer and Executive Director)
Ms Jennifer Chang Shyre Gwo (Chief Operating Officer and Executive Director)
Mr Yeo Chin Tuan Daniel (Lead Independent Non-Executive Director)
Dr Lam Lee G (Independent Non-Executive Director)
Ms Mimi Yuliana Maeloa (Non-Executive Director)

Key information on the Directors can be found on page 10 to 11 under the section on Board of Directors of this Annual Report.

**Principle 1: The Board's Conduct of Affairs**
**Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.**

**The Board's Conduct of Affairs**

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. The principal role of the Board is to review and decide strategic plans, key operational and financial issues, evaluate performance of the Group and supervise executive Management to achieve optimal shareholders' value.

**Matters Requiring Board Approval**

- corporate policies, strategies and objectives of the Company;
- annual budgets;
- quarterly, half yearly and full year announcements;
- annual report and accounts;
- convening of shareholders' meeting;
- material acquisitions, investments and disposal of assets;
- corporate strategic direction, strategies and action plan;
- transactions or investments involving any conflict of interest relating to a substantial shareholder or a Director;

- financial restructuring and share issuance, dividends and other returns to shareholders; and
- issuance of policies and key business initiatives.

There has been no change to the Group's internal guidelines which had been approved by the Board for material transactions and investments by the Company and Group, with limits for different levels of approving authorities, categories of expenditures and investments.

The Board has delegated certain functions to various board committees, namely the Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit Committee ("AC") (collectively, the "Board Committees"). Each of the various Board Committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these various Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board meets on a quarterly basis and as warranted by particular circumstances. Four (4) Board meetings were held in FY2018, of all were the regular quarterly meetings. Telephonic attendance and conference via audio-visual communication at Board and Board Committees meetings are allowed under the Company's Articles of Association ("Articles").

The attendance of the Directors at Board and Board Committees meetings, as well as the frequency of such meetings held in FY2018 is as follows:

| | **Board Meeting** | | **AC Meeting** | | **NC Meeting** | | **RC Meeting** | |
|---|---|---|---|---|---|---|---|---|
| **Name of Director** | **No of Meetings held** | **No of Meetings Attended** | **No of Meetings held** | **No of Meetings Attended** | **No of Meetings held** | **No of Meetings Attended** | **No of Meetings held** | **No of Meetings Attended** |
| Madam Oei Siu Hoa @ Sukmawati Widjaja | 4 | 3 | - | - | - | - | - | - |
| Mr Hano Maeloa | 4 | 4 | - | - | - | - | - | - |
| Ms Jennifer Chang Shyre Gwo | 4 | 4 | - | - | - | - | - | - |
| Mr Yeo Chin Tuan Daniel | 4 | 3 | 4 | 3 | 1 | 1 | 1 | 1 |
| Dr Lam Lee G | 4 | 3 | 4 | 3 | 1 | 1 | 1 | 1 |
| Ms Mimi Yuliana Maeloa | 4 | 4 | 4 | 3 | 1 | 1 | 1 | 1 |

Newly appointed Directors would be briefed by the Chief Executive Officer ("CEO") of the Company on the Group's business and corporate governance policies and practices. Familiarisation sessions include visits to project sites. The Company provides a formal letter to each new Director upon his appointment, setting out clearly the Director's duties and obligations. Directors are kept informed of changes to regulatory requirements from time to time by the Company Secretary. Board members are encouraged to keep themselves updated especially on their relevant professional, statutory, and regulatory requirements and guidelines to enhance their discharge of their duties and responsibilities as Directors.

To keep pace with new laws, regulations, changing commercial risks and financial reporting standards, all Directors attend specifically tailored training conducted by professionals at least annually. Directors are also encouraged to attend, at the Group's expense, relevant and useful seminars for their continuing education and skills improvement courses that are conducted by external organisations and provided with updates and/or briefings from time to time by internal or external auditors and the Company Secretary in areas such as Directors' duties and responsibilities, corporate governance practices, risk management matters and changes in financial reporting standards. The Company Secretary will bring to Directors' attention, information on seminars that may be of relevance or use to them.

Briefings, updates and trainings for the Directors in FY2018 include:

- the external auditor, Nexia TS Public Accounting Corporation, briefed the AC on changes or amendments to accounting standards during AC meetings;
- information on new audit quality indicators framework;
- the Directors are regularly briefed by the Executive Chairman, CEO and Chief Operating Officer ("COO") on the business activities of the Group; and
- the Company Secretary briefed the Board on the regulatory updates.

**Principle 2: Board Composition and Guidance**
**There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders[1]. No individual or small group of individuals should be allowed to dominate the Board's decision making.**

*[1] The term 10% shareholder shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares.*

**Board Composition and Independent Directors**

The Board currently comprises six members, three of whom are Executive Directors, two are Independent Non-Executive Directors and one is a Non-Executive Director. Guideline 2.1 of the 2012 Code is met as the Independent Non-Executive Directors make up one-third of the Board.

The Company's Executive Directors are Madam Oei Siu Hoa @ Sukmawati Widjaja who is the Executive Chairman ("Chairman"), Mr Hano Maeloa who is the CEO and Ms Jennifer Chang Shyre Gwo who is the COO. The Independent Non-Executive Directors are Mr Yeo Chin Tuan Daniel and Dr Lam Lee G, and the Non-Executive Director is Ms Mimi Yuliana Maeloa.

The Company acknowledges that under Guideline 2.2 of the 2012 Code, the Independent Directors should make up at least half the Board as (a) the Chairman and the CEO are immediate family members, (b) the Chairman is part of the management team and (c) the Chairman is non-independent. The Board, after review, is of the opinion that, notwithstanding that the Independent Directors do not make up at least half of the Board, given its current scope and size of the operations of the Company and the Group, the Board is of the view that the present composition and size are adequate to facilitate effective decision making.

In addition, Mr Yeo Chin Tuan Daniel is the Lead Independent Non-Executive Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the Chairman or CEO or COO has failed to resolve or where such contact is inappropriate, as well as at the Company's general meetings.

The Board has the requisite mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. Each Director has been appointed based on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategies and the performance of its business. The current Board composition provides a diversity of skills, experience, gender and knowledge to the Company.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors. The NC is of the view that the current Board comprises persons who as a group provide an appropriate balance and diversity of skills, experience and knowledge for the Board to be effective. Key information of the Board members' qualifications and experience are presented in pages 10 to 11 of this Annual Report.

The independence of each Independent Non-Executive Director is reviewed annually by the NC. The NC adopts the 2012 Code's definition of what constitutes an independent director in its review. The NC is of the view that the two Independent Non-Executive Directors are independent in accordance with the 2012 Code.

The Independent Non-Executive Directors have also confirmed their independence in accordance with the 2012 Code.

There are no Directors who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the 2012 Code that would otherwise deem him not to be independent.

The Board is able to exercise objective judgment independently from the Management and no individual or small group of individuals dominate the decisions of the Board.

As and when required, the Independent Non-Executive Directors and Non-Executive Director will hold a meeting without the presence of Management and Executive Directors, in order to facilitate a more effective check on the Management and/or the Executive Directors. The Independent Non-Executive Directors and Non-Executive Director had met once without the presence of Management and Executive Directors in FY2018.

To-date, none of the Independent Non-Executive Directors of the Company have been appointed as Director of the Company's principal subsidiaries. The Board and the Management are of the view that the current Board structures in the principal subsidiaries are already well organised and constituted. The Board and the Management will, from time to time, renew the Board structures of the principal subsidiaries and will make an appropriate corporate decision to consider the appointment of the Independent Non-Executive Director to Board of the Company's principal subsidiaries.

During the financial year under review, none of the Directors has served on the Board for a period exceeding nine years from the date of his/ her first appointment. For any Director who has served the Board beyond nine years, the NC will perform rigorous review to assess the independence of the relevant Directors.

**Principle 3: Chairman and Chief Executive Officer**
**There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.**

**Chairman and Chief Executive Officer**

Madam Oei Siu Hoa @ Sukmawati Widjaja serves as Executive Chairman of the Board and Mr Hano Maeloa, the son of Madam Oei Siu Hoa @ Sukmawati Widjaja, assumes the role of CEO. There is a clear division of responsibilities between the Executive Chairman and the CEO to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision-making.

The Executive Chairman is responsible for the workings of the Board, ensuring the integrity and effectiveness of its governance process. The Executive Chairman ensures that Board meetings are held as and when necessary and set the meeting agenda in consultation with the CEO, and Ms Jennifer Chang Shyre Gwo, the COO and Executive Director. The Executive Chairman, with the assistance of the CEO, the COO and Company Secretary, ensures Board members are provided with adequate and timely information. The Executive Chairman assists to ensure procedures are introduced to comply with the Company's guidelines on corporate governance. The CEO is responsible for the business and operational decisions of the Group.

Notwithstanding that the CEO is the son of the Executive Chairman, the Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities. The Board is also of the view that there is a sufficiently strong independent element on the Board which enables the exercise of judgement with regards to the corporate affairs of the Group.

**Lead Independent Non-Executive Director**

In view of the Executive Chairman and the CEO are related by close family ties and both are part of the executive management team, Mr Yeo Chin Tuan Daniel has been appointed as the Lead Independent Non-Executive Director of the Company pursuant to the recommendation in Guideline 3.3 of the 2012 Code. Where a situation arises that may involve conflict of interests between the roles of the Executive Chairman and the CEO, it is the Lead Independent Non-Executive Director's responsibility, together with the other Independent Non-Executive Director, to ensure that shareholders' rights are protected. The Lead Independent Non-Executive Director of the Company is available to shareholders where they have concerns, which contact through the normal channels of the Executive Chairman and the CEO had failed to resolve or for which such contact is inappropriate.

Hence, the Board believes that notwithstanding the close family ties between the Executive Chairman and the CEO, the current composition of the Board is able to make objective and prudent judgement on the Group's corporate affairs. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence.

Led by the Lead Independent Non-Executive Director, the Independent Non-Executive Directors will meet in the absence of the other directors as and when circumstances warrant. The Independent Non-Executive Directors have met once in the absence of other Directors in FY2018.

**Principle 4: Board Membership**
**There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.**

**Nominating Committee ("NC")**

The NC consists of two Independent Non-Executive Directors and one Non-Executive Director. The members of the NC are as follows:

Dr Lam Lee G (Chairman)
Mr Yeo Chin Tuan Daniel
Ms Mimi Yuliana Maeloa

The functions of the NC are reflected in the existing terms of reference approved by the Board and they include:

- recommending to the Board on all Board appointments;
- developing a process for evaluation of the performance of the Board, each of its Board Committees and individual Director;
- recommending to the Board on the re-appointment or re-nomination of incumbent Directors, having regard to the respective Director's contributions and performance;
- determining annually whether or not a Director is independent;
- in situations where a Director has multiple board representations, to review whether the Director is able to carry out his/her duties as Director adequately; and
- reviewing and making recommendations to the Board on the training and professional development programmes for the Board.

During the financial year under the review, the NC together with the Management had arranged for the Board members to attend various training programmes and seminars to ensure that the Board members were constantly updated and equipped with the necessary and relevant skills, knowledge and competencies to cope with the increasingly complex operation of the Group in order to discharge their duties effectively.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part time employment capacity;
- Geographical location of Directors;
- Size and composition of the Board;
- Nature and scope of the Group's operations and size; and
- Capacity, complexity and expectations of the other listed directorships and principle commitments held.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2018.

The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills and experience to complement and strengthen the Board. In its search and selection process for new Directors, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates. The NC would meet and appraise the nominees to ensure that the candidates possess relevant experience and calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group. New Directors are appointed by the Board by way of a Board resolution, upon the NC's recommendation. In accordance with the Company's Articles, these new Directors who are appointed by the Board are subject to re-election by shareholders at the next annual general meeting ("AGM") after their appointment.

The Company's Articles also provides that at least one-third of the remaining Directors be subject to re-election by rotation at each AGM. For the avoidance of doubt, each Director shall retire at least once every three (3) years. This will enable all shareholders to exercise their rights in selecting all Board members. In relation to the re-election of incumbent Directors, the NC would assess the performance of the Director in accordance with the performance criteria set by the Board and also consider the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-election of the incumbent Director to the Board for consideration and approval.

The NC has recommended the following Directors to retire pursuant to Article 106 of the Company's Articles, being eligible and having consented, be re-elected at the forthcoming AGM:

| Name of Director | Appointment | Date appointed |
|---|---|---|
| Ms Mimi Yuliana Maeloa | Non-Executive Director | 26 April 2010 |
| Mr Yeo Chin Tuan, Daniel | Lead Independent Non-Executive Director | 26 April 2010 |

Information on other principal commitments of the Directors is set out in the "Board of Directors" section of this Annual Report. The date of initial appointment and last re-election of each director to the Board together with his/her directorships in other listed companies, both current and those held over in the preceding three years, are set out below:

| Name of Director | Date of first appointment to the Board | Date of last re-election as Director | Current directorships in listed companies | Past directorships in listed companies (preceding three years) |
|---|---|---|---|---|
| Madam Oei Siu Hoa @ Sukmawati Widjaja | 12 March 2010 | 26 April 2018 | N.A. | N.A. |
| Mr Hano Maeloa | 27 July 2007 | 26 April 2018 | China Medical (International) Group Limited | Asia-Pacific Strategic Investments Limited |
| Ms Jennifer Chang Shyre Gwo | 8 November 2010 | 12 April 2017 | China Medical (International) Group Limited | N.A. |
| Mr Yeo Chin Tuan, Daniel | 26 April 2010 | 28 April 2016 | R3D Global Limited | China Medical (International) Group Limited |
| Dr Lam Lee G | 26 April 2010 | 12 April 2017 | Adamas Finance Asia Limited<br>Aurum Pacific (China) Group Limited<br>AustChina Holdings Limited<br>China LNG Group Limited<br>China Medical (International) Group Limited<br>China Real Estate Grp Limited<br>China Shandong Hi-Speed Financial Group Limited<br>CSI Properties Limited<br>Elife Holdings Limited<br>Glorious Sun Enterprises Limited<br>Haitong Securities Company Limited<br>Hsin Chong Group Holdings Limited<br>Hua Long Jin Kong Company Limited<br>Huarong Investment Stock Corporation Limited<br>Kidsland International Holdings Limited<br>Mei Ah Entertainment Group Limited | Asia-Pacific Strategic Investments Limited<br>Mingyuan Medicare Development Company Limited<br>Roma Group Limited<br>Rowsley Limited<br>UDL Holdings Limited<br>Vietnam Equity Holding<br>Xi’an Haitiantian Holdings Company Limited |

| Name of Director | Date of first appointment to the Board | Date of last re-election as Director | Current directorships in listed companies | Past directorships in listed companies (preceding three years) |
|---|---|---|---|---|
| | | | Mingfa Group (International) Company Limited<br>National Arts Entertainment and Culture Group Ltd.<br>Singapore eDevelopment Ltd<br>Sunwah International Limited<br>Sunwah Kingsway Capital Holdings Limited<br>Tianda Pharmaceuticals Limited<br>TMC Life Sciences Berhad<br>Vongroup Limited | |
| Ms Mimi Yuliana Maeloa | 26 April 2010 | 28 April 2016 | N.A. | N.A. |

The Company currently does not have any alternate directors.

**Sufficient Time and Attention by Directors**

The Group has guidelines in place to address the competing time commitments faced by Directors serving on multiple boards and the Board has determined a general guideline that the maximum number of listed company board representations which any Director may hold is five (5). Any exceptions to this guideline are specifically approved by the NC, giving regard to whether the particular Director would still be able to devote sufficient time and attention to the affairs of the Group, taking into consideration the Director's number of listed company board representations and his or her other principal commitments.

Notwithstanding that Dr Lam Lee G currently has directorships in more than 5 listed companies (including the Company), the NC is of the view that, Dr Lam Lee G has the capability and ability to undertake other obligations or commitments together with serving on the Board effectively. Such number of board representations enables the Director to widen his experience as a board member and at the same time, addresses competing time commitments faced by the Director who serves on multiple boards. The NC is satisfied that sufficient time and attention has been given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2018.

**Succession Planning for Directors, in particular, the Chairman and for the CEO**

Succession planning is an important part of the governance process. The NC will review the board succession plans for Directors, in particular, the Chairman and the CEO and make recommendations to the Board with regards to any adjustments that are deemed necessary.

**Principle 5: Board Performance**
**There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.**

**Assessing Board Performance**

The 2012 Code states that there should be a formal assessment of the effectiveness of the Board as a whole and its Board Committees and the contributions by each Director to the effectiveness of the Board. The 2012 Code further recommends that the NC proposes effective criteria to evaluate how the Board should be evaluated.

The table below sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:

| Board and Board Committees | Individual Directors |
|---|---|
| 1. Size and composition<br>2. Access to information<br>3. Board processes<br>4. Strategic planning<br>5. Board accountability<br>6. Risk management<br>7. Succession planning | 1. Commitment of time<br>2. Knowledge and abilities<br>3. Teamwork<br>4. Independence (if applicable)<br>5. Overall effectiveness<br>6. Attendance at Board and Board Committee meetings |

The NC continued with the existing internal guidelines adopted in the previous year which include an annual board assessment checklist that was being completed by all members of the Board individually, and a group checklist prepared jointly by the members of the NC to evaluate the performance of the Board, its Board committees and each individual Director. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance.

No external facilitator was used in the evaluation process.

The NC is satisfied that the current size and composition of the Board provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Company. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

The Board has met its performance objectives in FY2018.

**Principle 6: Access to Information**
**In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.**

**Board Access to Information**

The Board has separate and independent access to key management personnel and the Company Secretary at all times. Requests for information from the Board are dealt with promptly by Management. The Board is informed of all material events and transactions as and when they occur. The Management provides the Board with quarterly reports of the Company's performance include information on financial, business and corporate issues to enable Directors to be properly briefed on issues to be considered at the Board and Board Committees meetings. The Management also consults with Board members regularly whenever necessary and appropriate. The Board members receive board papers prior to Board meetings in a timely manner. Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.

The Company Secretary attends all Board and Board Committees meetings. The Company Secretary administers, attends and prepares minutes of Board and Board Committees meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and that the Company's Articles and the relevant rules and regulations applicable to the Company are complied with. All Directors have separate and independent access to the Company Secretary. The appointment and removal of the Company Secretary are subject to the approval of the Board.

The Board, in fulfilling its responsibilities, can as a group or individually, when deemed fit, direct the Company to appoint professional advisers to render professional advice.

**(B) Remuneration Matters**

**Principle 7: Procedures for Developing Remuneration Policies**
**There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.**

**Principle 8: Level and Mix of Remuneration**
**The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.**

**Principle 9: Disclosure on Remuneration**
**Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.**

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

**Remuneration Committee**

The RC comprises three members, the majority of whom are independent. All members of the RC are non-executive and the members of the RC are as follows:

Mr Yeo Chin Tuan Daniel (Chairman)
Dr Lam Lee G
Ms Mimi Yuliana Maeloa

**Remuneration Matters**

The duties and responsibilities of the RC are as follows:

- review and recommend an appropriate remuneration framework/package for the Directors and key management personnel, and service contract terms to the Directors and key management personnel to ensure that it can attract, retain and motivate individuals of the right caliber to manage the business of the Group;
- make recommendations to the Board on specific remuneration packages for each Executive Director, the CEO and key management personnel of the Group;
- review all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind;
- review periodically the appropriateness and relevance of certain aspects of remuneration policies and practices including incentive payments where applicable, variable bonuses, the options to be issued under the share option scheme, the awards to be granted under the share plan and other benefits-in-kind; and
- oversee the administration of the employees' share option scheme and performance share plan.

No Director or member of the RC shall be involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist it in its deliberations. No remuneration consultants were engaged in FY2018. The RC may obtain expert professional advice on remuneration matters, if required, at the expense of the Company.

The RC reviews and recommends to the Board on the specific remuneration package which comprises a fixed component and a variable component for the Executive Directors and key management personnel. The fixed and variable components are in the form of a base salary and variable bonus that are linked to the performance of the Company and individual. There are appropriate and meaningful measures in place for the purpose of assessing the performance of Executive Directors and key management personnel. In determining remuneration packages of Executive Directors and key management personnel, the RC will ensure that Directors and key management personnel are adequately but not excessively rewarded. The RC will consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contributions to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

The RC had reviewed and is satisfied that the performance conditions used (e.g. leadership qualities, people development skills and commitment, etc.) to determine the Executive Directors and key management personnel entitlement under the short-term and long-term incentive schemes have been met in FY2018.

In reviewing and recommending the remuneration of Independent Non-Executive Directors and Non-Executive Director, the RC will consider, in consultation with the Board, the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the particular Director. The RC will ensure that the Independent Non-Executive Directors and Non-Executive Director are not over compensated to the extent that their independence may be compromised.

**Level and Mix of Remuneration**

The Company adopted the objectives as recommended by the 2012 Code to determine the framework and levels of remuneration for Directors and key management personnel so as to ensure that it is competitive and sufficient to attract, retain and motivate the individuals who possess the required experience and expertise to run the Group successfully, without being excessive.

In addition to the above, the Company ensures that performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Executive Directors and key management personnel and in order to promote the long-term success of the Company.

Each Executive Director has a service agreement with the Company. The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The Independent Non-Executive Directors have not entered into service agreements with the Company.

**Director's Remuneration**

| Name of Director | Salary % | Bonus % | Fees % | Fringe Benefits % | Allowances % | Total % |
|---|---|---|---|---|---|---|
| **S$2,000,000 to S$2,250,000** | | | | | | |
| Madam Oei Siu Hoa @ Sukmawati Widjaja | 46 | 50 | 2 | 2 | – | 100 |
| **S$1,500,000 to S$1,750,000** | | | | | | |
| Mr Hano Maeloa | 51 | 42 | 2 | 5 | – | 100 |
| **S$750,000 to S$1,000,000** | | | | | | |
| Ms Jennifer Chang Shyre Gwo | 50 | 42 | 5 | – | 3 | 100 |
| **Below S$250,000** | | | | | | |
| Mr Yeo Chin Tuan Daniel | – | – | 100 | – | – | 100 |
| Dr Lam Lee G | – | – | 100 | – | – | 100 |
| Ms Mimi Yuliana Maeloa | – | – | 100 | – | – | 100 |

The Executive Directors and Non-Executive Directors receive directors' fees, in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board Committees. The directors' fees are recommended by the Board for shareholders' approval at the AGM.

**Remuneration of Top 4 Key Management Personnel (who are not Directors or the CEO)**

| Name of Director | Salary % | Bonus % | Fees % | Fringe Benefits % | Allowances % | Total % |
|---|---|---|---|---|---|---|
| **Below S$250,000** | | | | | | |
| Mr Kenneth Lian | 84 | 7 | – | – | 9 | 100 |
| Mr Goh Bingzheng | 70 | 21 | – | – | 9 | 100 |
| Ms Ling Ngiik Kee, Rose | 67 | 25 | – | – | 8 | 100 |
| Mr Yei Maung | 67 | 27 | – | – | 6 | 100 |

As at end of FY2018, there were 4 key management personnel in the Company (who are not Directors or the CEO).

There were no share options/awards granted to the Directors and the top 4 key management personnel in FY2018.

There were no termination, retirement or post-employment benefits granted to Directors, the CEO, the COO and key management personnel other than the standard contractual notice period termination payment in lieu of service.

The Company has decided not to fully disclose the remuneration paid to each Director and the aggregate remuneration paid to the top 4 key management personnel having regard to the highly competitive human resource environment and the confidential nature of staff remuneration matters, so as to ensure the Company's competitive advantage in the retention of its key management team.

Mr Kenneth Lian is the husband of Madam Oei Siu Hoa @ Sukmawati Widjaja, and is the Business Development Director of the Company. The remuneration of Mr Kenneth Lian was between S$150,000 to S$200,000 in FY2018. Except for the above, there was no employee of the Group who was an immediate family member of a Director or the CEO whose remuneration exceeded S$50,000 in FY2018.

**Share Option Scheme Committee and Performance Share Plan Committee**

The Company has a share option scheme and a performance share plan in place. The Share Option Scheme Committee is responsible for the administration of the "Top Global Share Option Scheme 2011" (the "Scheme"), in accordance with the rules of the Scheme. The Performance Share Plan Committee is responsible for the administration of the "Top Global Performance Share Plan" (the "PSP") in accordance with the rules of the PSP. Both the Scheme Committee and the PSP Committee are made up of the members of the RC, namely Mr Yeo Chin Tuan Daniel, Dr Lam Lee G and Ms Mimi Yuliana Maeloa.

Please refer to the Directors' Statement in this Annual Report for further details of the Scheme and the PSP.

**(C) Accountability and Audit**

**Principle 10: Accountability**
**The Board should present a balanced and understandable assessment of the company's performance, position and prospects.**

**Principle 11: Risk Management and Internal Controls**
**The Board is responsible for the governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.**

**Principle 12: Audit Committee**
**The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.**

**Accountability**

The Board understands its accountability to shareholders on the Group's position, performance and progress. The Board will update shareholders on the operations and financial position of the Group through quarterly and full year results announcements as well as timely announcements of other matters as prescribed by the relevant rules and regulations to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance, position and prospects.

The Management provides the Board on a quarterly basis, financial reports and other information on the Group's performance, financial position and prospects for their effective monitoring and decision-making.

**Risk Management and Processes**

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as respond appropriately to controls and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board. Currently, the Company does not have a risk management committee.

**Internal Controls**

The Board is responsible for the overall internal control framework, but acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The 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. The internal controls in place will address the financial, operational, compliance and information technology risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss and assets are safeguarded. Regular evaluations are performed to ensure that internal controls are adequate to meet the Group's requirements.

Relying on the reports from the internal and external auditors, the AC carried out assessment of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls were reported to the AC. The AC will also follow up on the actions taken by the Management on the recommendations made by the internal and external auditors.

The Board has received assurances from the CEO and COO:

- that the financial records have been properly maintained and the financial statements give true and fair view of the Group's operations and finances; and
- the Group's risk management and internal control systems are effective.

Based on the various management controls in place, the reports from the internal and external auditors, reviews conducted by the Management, the Board with the concurrence of the AC, is of the opinion that the internal controls addressing financial, operational, compliance and information technology risk and the risk management systems maintained by the Group are adequate and effective in FY2018.

The Board also notes that all internal control systems and risk management systems contain inherent limitations and no system of internal controls or risk management system could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

As the Group continues to grow the business, the Board will continue to review and take appropriate steps to strengthen the Group's overall system of internal controls and risk management systems.

**Audit Committee**

The AC of the Company is made up of three Board members, the majority of whom are Independent Non-Executive Directors. All members of the AC are non-executive and members of the AC are as follows:

Yeo Chin Tuan Daniel (Chairman)
Dr Lam Lee G
Ms Mimi Yuliana Maeloa

The Board is of the view that all members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experience to discharge their responsibilities properly.

The AC is regulated by its terms of reference and its key functions include:

- review the audit plans of the Company's external auditors, including the results of the auditors' review and audit report, the Management letter and Management's response and evaluation of the Company's system of internal controls;
- review the quarterly and annual financial statements of the Group focusing in particular, on significant financial reporting issues and judgements, any significant adjustments, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards stock exchange and statutory/regulatory requirements before submission to the Board for approval;
- review any formal announcements relating to the Company's financial performance;
- discuss problems and concerns, if any, arising from the audits, in consultation with the external auditors and internal auditors where necessary and to meet the external auditors and internal auditors without the presence of the Management, at least annually;
- review the assistance and cooperation given by the Management to the external auditors;
- review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors;
- review the internal audit function and ensure coordination between external auditors and internal auditors and the Management;
- review the adequacy of the Company's internal controls;
- review the scope and results of the internal audit procedures including the effectiveness of the internal audit functions and ensure that the said functions are adequately resourced;

- review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position and the Management's response;
- review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions;
- review any potential conflict of interest;
- report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- review interested person transactions, falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
- recommend to the Board the appointment, re-appointment and removal of the external auditors and approve the remuneration and terms of engagement of the external auditors;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- undertake generally such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time.

Apart from the above functions, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore laws, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he/ she is interested.

The AC has full access to and cooperation of the Management, external auditors and internal auditors. It also has the discretion to invite any Director and executive officer to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly.

The external auditors provides regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

The Company's external auditors, Nexia TS Public Accounting Corporation had carried out their duties in the course of their statutory audit, and considered the internal controls that are relevant to the Company's preparation of financial statements. Any internal control weaknesses noted during their audit, including the external auditors' recommendations to address such non-compliance and weakness, would be reported to the AC.

The Management would then follow-up on the external auditors' recommendations as part of Management's role in the review of the Company's internal control systems. The Management together with the Board has reviewed all the audit reports and findings from the external auditors. In addition, the AC has reviewed the Company's system of internal controls, including financial, operational and compliance records, risk management policies and systems established by Management during the year and is satisfied that the overall system of controls is adequate.

The AC has met with the external and internal auditors once without the presence of Management in FY2018.

During the financial year under review, the AC reviewed and approved the internal and external audit plans and financial results.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the non-audit work carried out by the external auditors based on value for-money consideration. During the year under review, the aggregate amount of audit fees paid to the external auditors amounted to S$287,945. There were no non-audit services rendered by external auditors during FY2018. The AC had reviewed the audited services provided by the external auditors and was satisfied that the nature and extent of such services would not prejudice the independence of the external auditors.

The AC has recommended and the Board has approved the nomination for re-appointment of Nexia TS Public Accounting Corporation as external auditors of the Company at the forthcoming AGM.

Nexia TS Public Accounting Corporation has been appointed to audit the accounts of the Company and its Singapore-incorporated subsidiaries. The Company does not have any significant associated company. The Group has appointed different auditors for its overseas subsidiaries. One of the Company's subsidiaries, PT Suryamas Dutamakmur Tbk is listed on the Indonesia Stock Exchange. The Company is in compliance with Rules 712 and 715 of the Listing Manual in relation to the external auditors.

**Whistle-Blowing Policy**

Whistle-blowing policy and procedures are put in place to provide the Group's employees and external parties who have dealings with the Group with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other impropriety in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The Company's employees and external parties who have dealings with the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting and other matters by reporting to the Whistleblowing Committee of the Group. The contact information of the Whistleblowing Committee is set out in its corporate website at www.topglobal.com.sg.

**Principle 13: Internal Audit**
**The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.**

**Internal Audit**

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company's assets. The Company has engaged a professional firm, BDO LLP, as well as leveraged on internal resources for its internal audit functions of the Group to perform the review and test of controls of its processes. Mr Soegi Harto is an Indonesian citizen and graduated from the University of Tarumanagara in Jakarta in 1991. He started his career at Siddharta & Siddharta Public Accountant Office, and then held various positions at PT Indocement Tunggal Perkasa, PT Asuransi Sinar Mas, PT Simas Life, PT Kalibesar Raya Utama, and PT Asuransi Chiyoda Indonesia. He has served as head of the internal audit unit for the Group's Indonesian subsidiaries since December 2009.

The appointed internal auditor reports directly to the AC and is responsible for (i) assessing the reliability, adequacy and effectiveness of the system of internal controls are in place to protect the fund and assets of the Group to ensure control procedures are complied with, (ii) assessing the operations of the business processes under review are conducted efficiently and effectively and (iii) identifying and recommending improvement to internal control procedures, where required.

The internal auditor plans its internal audit schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC will review the activities of the internal auditor, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified.

The AC is of the opinion that the internal audit firm and internal audit unit, are adequately qualified (given, *inter alia*, its adherence to standards set by internationally recognised professional bodies) and adequately resourced with qualified personnel to discharge its responsibilities effectively, and has appropriate standing within the Company, given, *inter alia*, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC. The AC has reviewed the internal audit reports and based on the controls in place and is satisfied that the internal audit functions have been adequately carried out.

**(D) Shareholders rights and Responsibilities**

**Principle 14**
**Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.**

**Shareholder Rights**

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to all major developments that will or expect to have an impact on the Company and/or the Group.

The Group strongly encourages shareholder participation during the AGM which is held in a central location in Singapore, to stay informed of the Company's goals and strategies and to ensure a high level of accountability by the Management. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business related matters.

The Company's Articles allow any shareholder to approve not more than two proxies during his/her absence, to attend and vote on his/her behalf at the general meetings. In addition, pursuant to Section 181(6) of the Companies Act, a shareholder who is a custodial institution or relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote on his/her behalf, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two proxies, the number and class of shares to be presented by each proxy must be stated. This allows shareholders who hold shares through corporations to attend and participate in the AGM as proxies.

**Principle 15: Communication with Shareholders**
**Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.**

**Communication with Shareholders**

In line with the Company's obligations for continuing disclosure, the Board's policy is for shareholders to be informed of all major developments and transactions that impact the Company and/or the Group.

The Company does not practice selective disclosure. Information is disseminated to shareholders on a transparent and timely basis. All price-sensitive information and financial results announcements are publicly released via SGXNET. Quarterly and full year results as well as the annual reports are announced or issued within the mandatory period.

Shareholders' meetings are the main forum for communication with the Shareholders. Annual reports and circular, including the notices of meetings are dispatched to all shareholders within the stipulated time before the meeting. The notices of meetings are also published in the newspapers and announced via SGXNET. Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.topglobal.com.sg.

**Principle 16: Conduct of Shareholder Meetings**
**Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.**

Shareholders are encouraged to attend the general meetings of the Company as this is the principal forum for any dialogue they may have with the Directors and Management of the Company. Separate resolutions on each distinct issue are tabled during the general meeting.

The Company's Articles allow for abstentia voting. To facilitate participation by the shareholders, the Company's Articles allow any member of the Company who is unable to attend the general meetings to appoint up to two proxies to attend and vote on his/her behalf, other than a relevant intermediary (as defined in the Section 181(6) of the Companies Act) to attend and vote on their behalf. A relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the general meetings.

At the Company's general meetings, shareholders are given the opportunity to voice their views and ask Directors and/or Management questions regarding the Company and/or the Group. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The external auditors are also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

Minutes of the general meetings which include relevant comments and queries from shareholders relating to the agenda of the general meetings together with responses from the Board and Management are prepared and made available to the shareholders upon request.

All resolutions are put to vote by poll, and their detailed results including the total number and percentage of votes cast for and against each resolution will be announced via SGXNET after the conclusion of the general meeting. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings. All minutes of general meetings will made available to shareholders upon their request.

**Material Contracts**

There were no material contracts entered into by the Group involving the interest of the CEO, any Director or controlling shareholder of the Company, either still subsisting as at FY2018, or if not then subsisting, entered into since the end of the previous financial year.

**Interested Person Transactions ("IPT")**

The Company has established internal control policy to ensure that transactions with interested persons are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. All IPTs are recorded in an IPT register and subject to quarterly review by the AC.

The Company does not have a general mandate for IPTs. There were no IPTs with value more than S$100,000 transacted during FY2018.

**Dealing in Securities**

Pursuant to Rule 1207(19) of the Listing Manual, the Company has adopted the internal code of best practices on dealings in the Company's securities by the Company, its Directors and officers of the Group. Under the said code, the Company, its Directors and all officers of the Group are not allowed to deal in the Company's shares while in possession of price-sensitive information and during the period commencing two weeks before the announcement of the Company and Group's quarterly results and one month before the announcement of the Company and Group's yearly results and ending on the date of the announcement of the relevant results. In addition, the Company, its Directors and officers of the Group are advised not to deal in the Company's securities for short term considerations and are expected to observe the insider trading laws at all times even when dealing in Company's securities within the permitted trading periods.

**Code of Business Conduct**

The Company has a Code of Business Conduct which all employees are required to observe and comply with for the purpose of maintaining high standards of integrity, professionalism, and business conduct.

**Treasury Shares**

There were 514,200 treasury shares held by the Company as at 31 December 2018.

**Dividend Policy**

The Group currently does not have a fixed dividend policy. The Directors will review, *inter alia*, the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and make appropriate recommendations to the Board on dividend declaration. The Board has not declared dividends for FY2018 as the Directors had deemed it more appropriate to retain the cash in the Group at this juncture for its future growth plans.

**Sustainability Reporting**

The Company has embarked on their sustainability reporting journey and will produce the report by 31 May 2019.

The directors present their statement to the members together with the audited financial statements of the Group and statement of changes in equity of the Company for the financial year ended 31 December 2018 and the statement of financial position of the Company as at 31 December 2018.

In the opinion of the directors,

(a) the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 40 to 155 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

**Directors**

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

Madam Oei Siu Hoa @ Sukmawati Widjaja
Mr Hano Maeloa
Ms Jennifer Chang Shyre Gwo
Mr Yeo Chin Tuan Daniel
Dr Lam Lee G
Ms Mimi Yuliana Maeloa

**Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for options to take up unissued shares under the Top Global Share Option Scheme 2011 and Top Global Performance Share Plan as disclosed in the "Share options" in this statement.

**Directors' interests in shares or debentures**

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

| | Holdings registered in name of director | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| | At 01.01.2018 | At 31.12.2018 | At 01.01.2018 | At 31.12.2018 |
| **Company** | | | | |
| (No. of ordinary shares) | | | | |
| Madam Oei Siu Hoa @ Sukmawati Widjaja | - | - | 248,759,810 | 248,759,810 |
| Mr Hano Maeloa | 600,000 | 600,000 | - | - |
| Ms Jennifer Chang Shyre Gwo | 78,000 | 78,000 | - | - |

According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests to subscribe for ordinary shares of the Company granted pursuant to the Top Global Share Option Scheme 2011 as set out on page 32 under "Share options" in this statement.

The directors' interests in the ordinary shares of the Company as at 21 January 2019 were the same as those as at 31 December 2018.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Madam Oei Siu Hoa @ Sukmawati Widjaja is deemed to have an interest in the shares of all the Company's subsidiary corporations as at 31 December 2018.

**Share options**

**(a) Options to take up unissued shares**

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

**(b) Unissued shares under option**

**Top Global Share Option Scheme 2011 (the "ESOS 2011")**

The ESOS 2011 was approved by the shareholders of the Company at an Extraordinary General Meeting held on 28 March 2011 to replace the Top Global Share Option Scheme 2001 which expired on 7 June 2011 and remains in force at the discretion of the Share Scheme Committee, subject to a maximum period of ten (10) years.

Under the rules of the ESOS 2011, all directors and employees of the Company are eligible to participate in the ESOS 2011. Controlling shareholders or their associates are also eligible to participate in the ESOS 2011 subject to the approval of independent shareholders in the form of separate resolutions for each participant. Further, independent shareholders' approval is also required in the form of separate resolutions for each grant of options and the terms thereof, to each participant who is a controlling shareholder or his associate.

The Share Scheme Committee is charged with the administration of the ESOS 2011 in accordance with the rules of the ESOS 2011. The Share Scheme Committee administering the ESOS 2011 comprises the directors, Mr Yeo Chin Tuan Daniel (Chairman), Dr Lam Lee G and Ms Mimi Yuliana Maeloa.

None of the directors in the Share Scheme Committee participated in any deliberation or decision in respect of options granted to himself.

The number of options to be offered to a participant shall be determined at the discretion of the Share Scheme Committee provided that:

(a) the total number of shares which may be offered to any participant during the entire operation of the ESOS 2011 (including adjustments under the rules) shall not exceed 15% of the shares in respect of which the Company may grant options;

(b) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates during the entire operation of the ESOS 2011 (including adjustments under the rules) shall not exceed 25% of the shares in respect of which the Company may grant options; and

(c) the number of shares which may be offered to each participant who is a controlling shareholder or his associate during the entire operation of the ESOS 2011 shall not exceed 10% of the shares in respect of which the Company may grant options.

The exercise price for each share in respect of which an option is exercisable shall be determined by the Share Scheme Committee at its absolute discretion and fixed by the Share Scheme Committee at:

(i) a price (the "Market Price") equal to the average of the last dealt prices for a share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the period of five (5) consecutive market days immediately prior to the relevant offer date and rounded up to the nearest whole cent in the event of fractional prices; and

(ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price.

**Share options (Continued)**

**(b) Unissued shares under option (Continued)**

**Top Global Share Option Scheme 2011 (the "ESOS 2011") (Continued)**

Options granted to a participant not holding a salaried office or employment in the Group shall be exercised before the fifth (5th) anniversary of the relevant offer date, failing which all the unexercised options shall immediately lapse and become null and void.

Details of the unissued shares under options granted pursuant to the ESOS 2011 and options outstanding as at 31 December 2018 are as follows:

| | | Number of options to subscribe for ordinary shares of the Company | | | |
|---|---|---|---|---|---|
| Type of share option | Date of grant | Balance as at 1.1.2018 | Balance as at 31.12.2018 | Exercise price per share | Exercise period |
| Executive - Directors and employees | 5 April 2011 | 3,365,400[1] | 3,365,400[1] | $1.20[1] | 5.4.2013 to 4.4.2021 |
| | 20 April 2011 | 800,000[1] | 800,000[1] | $1.20[1] | 20.4.2013 to 19.4.2021 |
| | | 4,165,400[1] | 4,165,400[1] | | |

The information on directors of the Company participating in the ESOS 2011 is as follows:

| | Number of unissued ordinary shares of the Company under option | | | |
|---|---|---|---|---|
| Name of director | Aggregate granted since commencement of the ESOS 2011 to 31.12.2018 | Aggregate cancellation of options since commencement of the ESOS 2011 to 31.12.2018 | Effect of share consolidation | Aggregate outstanding as at 31.12.2018 |
| Madam Oei Siu Hoa @ Sukmawati Widjaja | 400,000,000 | (231,730,000) | (166,587,300) | 1,682,700[1] |
| Mr Hano Maeloa | 400,000,000 | (231,730,000) | (166,587,300) | 1,682,700[1] |
| Ms Jennifer Chang Shyre Gwo | 80,000,000 | - | (79,200,000) | 800,000[1] |

[1] Number of share options and exercise price have been adjusted pursuant to the share consolidation exercise which took place on 1 October 2015.

Since the commencement of the ESOS 2011 till the end of the financial year:

- With the exception of Madam Oei Siu Hoa @ Sukmawati Widjaja and Mr Hano Maeloa who each received approximately 6.2% of the total share options available under the ESOS 2011, none of the eligible employees and directors received 5% or more of the total share options available under the ESOS 2011.

- No options have been granted at a discount.

There were no options granted during the financial year to subscribe for unissued shares of the Company or any corporations in the Group. There were no options granted to the director or employee of the parent company and its subsidiary corporations as the Company does not have a parent company.

**Share options (Continued)**

**(c) Top Global Performance Share Plan (the "PSP")**

The PSP was approved by the shareholders of the Company at an Extraordinary General Meeting held on 8 December 2009 and remains in force at the discretion of the Performance Share Plan Committee ("PSP Committee"), subject to a maximum period of ten (10) years. The PSP shall complement the ESOS 2011 and serve as an additional and flexible incentive tool.

Under the rules of the PSP, all directors and employees of the Group as well as the controlling shareholders are eligible to participate in the PSP.

The total number of shares over which shares to be issued under the PSP, together with the number of shares issued under the ESOS 2011 shall not exceed 15% of the issued share capital of the Company at any time.

The PSP Committee is charged with the administration of the PSP in accordance with the rules of the PSP. The PSP Committee administering the PSP comprises the directors, Mr Yeo Chin Tuan Daniel (Chairman), Dr Lam Lee G and Ms Mimi Yuliana Maeloa.

None of the directors in the PSP Committee participated in any deliberation or decision in respect of shares granted to himself.

The number of shares to be offered to a participant shall be determined at the discretion of the PSP Committee provided that:

(i) the aggregate number of shares available under the PSP shall not exceed 15% of the total number of issued shares excluding treasury shares from time to time;

(ii) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates shall not exceed 20% of the new shares available under the PSP;

(iii) the number of shares which may be offered to each participant who is a controlling shareholder or their associates shall not exceed 10% of the new shares available under the PSP; and

(iv) the aggregate number of shares available for directors and employees of the Group shall not exceed 20% of the new shares available under the PSP.

No shares had been granted to any participant since the commencement of the PSP.

**Audit committee**

The members of the Audit Committee at the end of the financial year were as follows:

| | |
|---|---|
| Mr Yeo Chin Tuan Daniel | (Chairman and independent director) |
| Dr Lam Lee G | (Independent director) |
| Ms Mimi Yuliana Maeloa | |

All members of the Audit Committee were non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50. In performing those functions, the Audit Committee reviewed:

(i) the scope and the results of internal audit procedures with the internal auditor;

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

**Audit committee (Continued)**

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50. In performing those functions, the Audit Committee reviewed: (Continued)

(iii) the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2018 before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group;

(iv) the co-operation and assistance given by the Company's management to the independent auditor;

(v) the reappointment of the independent auditor of the Company; and

(vi) interested person transactions.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor has unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

**Independent auditor**

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

| | |
|---|---|
| ........................................................ | ........................................................ |
| **Oei Siu Hoa @ Sukmawati Widjaja** | **Hano Maeloa** |
| Director | Director |

1 April 2019

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of Top Global Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 40 to 155.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRS") 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 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

### *Basis for Opinion*

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

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial current year. 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.

*Revenue Recognition*
Refer to Note 23 to the financial statements.

Area of Focus:

Revenue is recognised when control over the development properties had been transferred to the customers, either over time or at a point in time, depending on the contractual terms and the legal environment of the jurisdictions where the development properties are located in.

The Group's revenue from the sales of development properties recognised at a point in time represented approximately 77% of the Group's total revenue.

We focus on this area as revenue from the sales of development properties recognised at a point in time requires assessment of whether the Group has an enforceable right to payment for performance completed to date. This involves judgement in assessing the enforceability of the right to payment under the contracts entered into with customers and the legal environment of the jurisdiction where the contract is subject to.

How Our Audit Addressed the Area of Focus:

We performed procedures to understand, evaluate and validate relevant key controls put in place by management over the revenue recognition on development properties.

***Key Audit Matters* (Continued)**

*Revenue Recognition* (Continued)
Refer to Note 23 to the financial statements. (Continued)

How Our Audit Addressed the Area of Focus: (Continued)

We reviewed the contractual terms of the contracts entered into with customers to determine management's judgement and assessment whether:

- performance obligations are satisfied either over time or at a point in time; and
- the Group has an enforceable right to payment under the legal environment of the jurisdiction.

We performed test of details to ensure revenue is appropriately recognised during and especially as at the end of the financial year against the underlying contracts including the sales and purchase contracts with customers and the legally binding handover documents signed by all relevant parties which demonstrated that the control of the development properties have been properly transferred at the respective point of sale.

*Valuation of Development Properties*
Refer to Note 8 to the financial statements.

Area of Focus:

Development properties comprised of properties held for sale, properties under development and land for development. These development properties are stated at the lower of cost and net realisable value ("NRV"), NRV being the estimated net selling price less estimated costs to complete based on management's forecasts.

The carrying amount of development properties stated at the lower of cost and NRV is dependent on the following key judgements and estimates that are made by management:

- an estimation of costs to complete;
- an estimation of expected sales prices, which are based on recent sales prices achieved; and
- the outcome of applications for planning permission/consent and other regulatory approvals.

Changes to these assumptions and estimates coupled with the macroeconomic and the regulatory policies of the real estate industry could result in a material misstatement that warrants audit focus in this area.

How Our Audit Addressed the Area of Focus:

We performed procedures to understand, evaluate and validate relevant key controls put in place by the management in the determination of estimated costs to complete. We have also reviewed management's assumptions used in the estimation of costs to complete and compared with actual costs incurred to ensure there are no material misstatement in the cost recognition.

We have assessed management's estimated selling prices to either recently transacted prices or prices of comparable properties located in the same vicinity as the respective development projects, whichever is available. We focused our work on development projects with slower-than-expected sales or with low or negative margin.

We performed sensitivity analysis on the key judgements relating to the future expected sales price and costs to complete.

For land under development, we have considered management's plans and respective sites' profitability based on the above work done for any write-down required.

***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.

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

***Other Information* (Continued)**

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

***Responsibilities of Management and Directors for the Financial Statements***

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

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

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

- 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 financial year 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 director on the audit resulting in this independent auditor's report is Loh Hui Nee.

**Nexia TS Public Accounting Corporation**
***Public Accountants and Chartered Accountants***

**Singapore**
**1 April 2019**

# Statements of Financial Position

AS AT 31 DECEMBER 2018

| | Note | Group 31.12.2018 $'000 | Group 31.12.2017 $'000 | Group 01.01.2017 $'000 | Company 31.12.2018 $'000 | Company 31.12.2017 $'000 | Company 01.01.2017 $'000 |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| **Current assets** | | | | | | | |
| Cash and cash equivalents | 4 | 42,547 | 40,086 | 48,403 | 31,737 | 11,171 | 3,131 |
| Financial assets, at fair value through profit or loss | 5 | 17,624 | 22 | 24 | – | – | – |
| Trade and other receivables | 7 | 4,584 | 15,517 | 21,062 | 92,804 | 117,245 | 132,704 |
| Inventories | | 291 | 272 | 314 | – | – | – |
| Development properties | 8 | 99,310 | 123,720 | 220,506 | – | – | – |
| | | 164,356 | 179,617 | 290,309 | 124,541 | 128,416 | 135,835 |
| **Non-current assets** | | | | | | | |
| Financial assets, at fair value through profit or loss | 5 | 4,869 | 14,208 | 16,331 | – | – | – |
| Financial assets, at fair value through other comprehensive income | 6 | 3,219 | 2,980 | 80 | – | – | – |
| Trade and other receivables | 7 | 5,763 | 5,515 | 6,087 | – | – | – |
| Development properties | 8 | 166,599 | 173,406 | 190,473 | – | – | – |
| Investment in an associated company | 9 | – | – | 1,981 | – | – | – |
| Investments in joint ventures | 10 | * | 44 | * | – | – | – |
| Investments in subsidiary corporations | 11 | – | – | – | 141,152 | 143,431 | 142,931 |
| Investment properties | 12 | 54,235 | 40,270 | 10,377 | – | – | – |
| Property, plant and equipment | 13 | 54,831 | 59,628 | 39,181 | 49 | 71 | 49 |
| Deferred income tax assets | 14 | 1,522 | 1,422 | 4,298 | – | – | – |
| Intangible assets | 15 | 170 | 822 | – | – | – | – |
| | | 291,208 | 298,295 | 268,808 | 141,201 | 143,502 | 142,980 |
| **Total assets** | | 455,564 | 477,912 | 559,117 | 265,742 | 271,918 | 278,815 |
| **LIABILITIES** | | | | | | | |
| **Current liabilities** | | | | | | | |
| Trade and other payables | 16 | 39,737 | 51,290 | 52,052 | 9,370 | 7,067 | 9,714 |
| Current income tax liabilities | | 2,575 | 891 | 3,094 | – | – | – |
| Borrowings | 17 | 4,946 | 14,052 | 17,203 | 4 | 4 | 4 |
| Provisions | 19 | 56 | 305 | 1,100 | 11 | 169 | 327 |
| | | 47,314 | 66,538 | 73,449 | 9,385 | 7,240 | 10,045 |

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

# Statements of Financial Position

AS AT 31 DECEMBER 2018

| | | Group | | | Company | | |
|---|---|---|---|---|---|---|---|
| | Note | 31.12.2018 | 31.12.2017 | 01.01.2017 | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Non-current liabilities** | | | | | | | |
| Trade and other payables | 16 | 1,185 | 1,296 | 1,369 | – | – | – |
| Borrowings | 17 | 14,286 | 5,276 | 58,294 | 5 | 9 | 12 |
| Deferred income tax liabilities | 14 | 5,707 | 6,253 | 6,748 | – | – | – |
| Post-employment benefits | 20 | 4,525 | 4,129 | 3,602 | – | – | – |
| Provisions | 19 | 814 | 904 | 548 | – | 30 | 30 |
| | | 26,517 | 17,858 | 70,561 | 5 | 39 | 42 |
| **Total liabilities** | | 73,831 | 84,396 | 144,010 | 9,390 | 7,279 | 10,087 |
| **Net assets** | | 381,733 | 393,516 | 415,107 | 256,352 | 264,639 | 268,728 |
| **EQUITY** | | | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | | | |
| Share capital | 21 | 265,667 | 265,667 | 265,667 | 265,667 | 265,667 | 265,667 |
| Treasury shares | 21 | (101) | (101) | (91) | (101) | (101) | (91) |
| Other reserves | 22 | (11,174) | (3,441) | 9,977 | 4,914 | 4,914 | 4,914 |
| Retained profits/ (accumulated losses) | | 220 | 3,045 | 3,504 | (14,128) | (5,841) | (1,762) |
| | | 254,612 | 265,170 | 279,057 | 256,352 | 264,639 | 268,728 |
| **Non-controlling interests** | 11 | 127,121 | 128,346 | 136,050 | – | – | – |
| **Total equity** | | 381,733 | 393,516 | 415,107 | 256,352 | 264,639 | 268,728 |

* Less than $1,000

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

# Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

| | Note | 2018 $'000 | 2017 $'000 |
|---|---|---|---|
| Revenue | 23 | 79,812 | 136,081 |
| Cost of sales | | (46,266) | (99,654) |
| Gross profit | | 33,546 | 36,427 |
| Other income | | | |
| - Interest | 26 | 1,273 | 1,225 |
| - Others | 26 | 885 | 1,403 |
| Other gains/(losses) | | | |
| - Impairment loss on trade receivables | 27 | (98) | (15) |
| - Others | 27 | 4,729 | 1,871 |
| Expenses | | | |
| - Distribution and marketing | | (5,607) | (7,858) |
| - Administrative | | (27,159) | (26,484) |
| - Finance | 28 | (2,149) | (3,220) |
| Share of loss of an associated company | 9 | – | (86) |
| Share of loss of joint ventures | 10 | (19) | (19) |
| Profit before income tax | | 5,401 | 3,244 |
| Income tax expense | 29 | (3,613) | (4,820) |
| **Net profit/(loss)** | | 1,788 | (1,576) |
| **Other comprehensive (loss)/income:** | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Currency translation differences arising from consolidation – Losses | 22(b)(iv) | (8,239) | (16,318) |
| *Items that will not be reclassified subsequently to profit or loss:* | | | |
| Financial assets, at fair value through other comprehensive income – Fair value gains – equity investment | 22(b)(v) | 239 | 2,900 |
| Remeasurement of post-employment benefits | 20 | 50 | (231) |
| Currency translation differences arising from consolidation – Losses | 22(b)(iv) | (2,736) | (6,193) |
| **Other comprehensive loss, net of tax** | | (10,686) | (19,842) |
| **Total comprehensive loss** | | (8,898) | (21,418) |
| **(Loss)/profit attributable to:** | | | |
| Equity holders of the Company | | (3,359) | (1,883) |
| Non-controlling interests | | 5,147 | 307 |
| | | 1,788 | (1,576) |
| **Total comprehensive (loss)/income attributable to:** | | | |
| Equity holders of the Company | | (11,323) | (15,466) |
| Non-controlling interests | | 2,425 | (5,952) |
| | | (8,898) | (21,418) |
| **Loss per share for loss attributable to equity holders of the Company (cents per share)** | | | |
| Basic loss per share | 30(a) | (1.05) | (0.59) |
| Diluted loss per share | 30(b) | (1.05) | (0.59) |

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

# Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

| | Note | Share capital | Treasury shares | Share option reserve | Tax amnesty reserve | General reserve | Translation reserve | Fair value reserve | Retained profits*/ (accumulated losses) | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ← Attributable to equity holders of the Company | | | | | | | | → | | |
| | | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Group** | | | | | | | | | | | | |
| **2018** | | | | | | | | | | | | |
| Balance as at 1 January 2018 (as previously reported) | | 265,667 | (101) | 4,914 | 63 | (51) | (11,267) | 10,760 | (2,540) | 267,445 | 128,346 | 395,791 |
| Cumulative effects of adopting SFRS(I) | 39(b) | – | – | – | – | – | – | (7,860) | 5,585 | (2,275) | – | (2,275) |
| Balance as at 1 January 2018 – SFRS(I) | | 265,667 | (101) | 4,914 | 63 | (51) | (11,267) | 2,900 | 3,045 | 265,170 | 128,346 | 393,516 |
| Total comprehensive (loss)/ income for the financial year | | – | – | – | – | – | (8,239) | 239 | (3,323) | (11,323) | 2,425 | (8,898) |
| Acquisition of non-controlling interests | 36(b) | – | – | – | – | – | – | – | 498 | 498 | (548) | (50) |
| Additional paid-in capital | | – | – | – | – | – | – | – | – | – | 350 | 350 |
| Disposal of subsidiary corporations | 36(c) | – | – | – | (3) | – | 270 | – | – | 267 | (3,452) | (3,185) |
| **Balance as at 31 December 2018** | | 265,667 | (101) | 4,914 | 60 | (51) | (19,236) | 3,139 | 220 | 254,612 | 127,121 | 381,733 |

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

# Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

| | Note | Share capital | Treasury shares | Share option reserve | Tax amnesty reserve | General reserve | Translation reserve | Fair value reserve | Retained profits*/ (accumulated losses) | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ← Attributable to equity holders of the Company | | | | | | | | → | | |
| | | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Group** | | | | | | | | | | | | |
| **2017** | | | | | | | | | | | | |
| Balance as at 1 January 2017 (as previously reported) | | 265,667 | (91) | 4,914 | 63 | (51) | 5,051 | 5,571 | (2,067) | 279,057 | 136,050 | 415,107 |
| Cumulative effects of adopting SFRS(I) | 39(a) | – | – | – | – | – | – | (5,571) | 5,571 | – | – | – |
| Balance as at 1 January 2017 – SFRS(I) | | 265,667 | (91) | 4,914 | 63 | (51) | 5,051 | – | 3,504 | 279,057 | 136,050 | 415,107 |
| Total comprehensive (loss)/ income for the financial year | | – | – | – | – | – | (16,318) | 2,900 | (2,048) | (15,466) | (5,952) | (21,418) |
| Purchase of treasury shares | 21 | – | (10) | – | – | – | – | – | – | (10) | – | (10) |
| Additional paid-in capital | | – | – | – | – | – | – | – | – | – | 444 | 444 |
| Acquisition of a subsidiary corporation | 36(a)(iii) | – | – | – | – | – | – | – | – | – | 693 | 693 |
| Acquisition of non-controlling interests | 36(b) | – | – | – | – | – | – | – | 1,589 | 1,589 | (2,889) | (1,300) |
| **Balance as at 31 December 2017** | | 265,667 | (101) | 4,914 | 63 | (51) | (11,267) | 2,900 | 3,045 | 265,170 | 128,346 | 393,516 |

* Retained profits of the Group are distributable except for the:
(a) remeasurement of post-employment benefits of $1,015,000 (2017: $1,051,000)
(b) retained profits/(accumulated loss) of joint ventures amounting to $Nil (2017: $19,000).

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

# Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

| | Note | Share capital | Treasury shares | Share option reserve | Accumulated losses | Total |
|---|---|---|---|---|---|---|
| | | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Company** | | | | | | |
| **2018** | | | | | | |
| **Balance as at 1 January 2018** | | 265,667 | (101) | 4,914 | (5,841) | 264,639 |
| Total comprehensive loss for the financial year | | – | – | – | (8,287) | (8,287) |
| **Balance as at 31 December 2018** | | 265,667 | (101) | 4,914 | (14,128) | 256,352 |
| **2017** | | | | | | |
| **Balance as at 1 January 2017** | | 265,667 | (91) | 4,914 | (1,762) | 268,728 |
| Total comprehensive loss for the financial year | | – | – | – | (4,079) | (4,079) |
| Purchase of treasury shares | 21 | – | (10) | – | – | (10) |
| **Balance as at 31 December 2017** | | 265,667 | (101) | 4,914 | (5,841) | 264,639 |

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

# Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

| | Note | 2018<br>$'000 | 2017<br>$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net profit/(loss) | | 1,788 | (1,576) |
| Adjustments for: | | | |
| Income tax expense | 29 | 3,613 | 4,820 |
| - Depreciation of property, plant and equipment | 24 | 4,518 | 4,112 |
| - Depreciation of investment properties | 24 | 983 | 679 |
| - Amortisation of intangible assets | 24 | 68 | – |
| - Loss on disposal of property, plant and equipment | 27 | 54 | 2 |
| - Gain on bargain purchase | 27, 36(a)(iii) | (26) | – |
| - Loss on remeasurement of previous interest in an associated company | 9, 27 | – | 1,441 |
| - Loss on disposal of subsidiary corporations | 27, 36(c) | 1,438 | – |
| - Write-down of development properties | 8, 24 | – | 688 |
| - Impairment loss on goodwill | 27 | 584 | – |
| - Net fair value gain on financial assets, at fair value through profit or loss | 27 | (6,939) | (2,357) |
| - Share of loss of an associated company | 9 | – | 86 |
| - Share of loss of joint ventures | 10 | 19 | 19 |
| - Interest income | 26 | (1,273) | (1,225) |
| - Finance expenses | 28 | 2,149 | 3,220 |
| - Unrealised currency translation losses | | (703) | (688) |
| | | 6,273 | 9,221 |
| Change in working capital, net of effects from acquisition and disposal of subsidiary corporations: | | | |
| - Trade and other receivables | | 10,063 | 7,165 |
| - Inventories | | (31) | 18 |
| - Development properties | | 13,716 | 64,173 |
| - Trade and other payables | | (10,383) | 514 |
| - Post-employment benefits | | 630 | 624 |
| - Provisions | | (338) | (794) |
| Cash generated from operations | | 19,930 | 80,921 |
| - Interest received | | 1,025 | 977 |
| - Income tax paid | | (2,380) | (4,678) |
| **Net cash provided by operating activities** | | 18,575 | 77,220 |
| | | | |
| **Cash flows from investing activities** | | | |
| Additions to property, plant and equipment | | (2,683) | (25,667) |
| Additions to investment properties | 12 | (13,407) | (4,460) |
| Additions to financial assets, at FVPL | 5 | (1,324) | – |
| Proceed from return of capital of financial assets, at FVPL | 5 | – | 2,313 |
| Proceed from disposal of financial assets, at FVPL | 5 | – | 2,169 |
| Proceeds from disposal of property, plant and equipment | | 311 | 1 |
| Proceeds from disposal of subsidiary corporations, net of cash disposed of | 36(c) | 1,995 | – |
| Acquisition of a subsidiary corporation, net of cash acquired | 36(a)(ii) | 17 | (66) |
| **Net cash used in investing activities** | | (15,091) | (25,710) |

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

# Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

| | Note | 2018<br>$'000 | 2017<br>$'000 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Acquisition of non-controlling interests | 36(b) | (50) | (1,300) |
| Proceed from additional paid-in capital from non-controlling interests | | 350 | 444 |
| Proceeds from borrowings | | 9,632 | 19,493 |
| Purchase of treasury shares | 21 | – | (10) |
| Repayment of borrowings | | (9,070) | (74,358) |
| Repayment of lease liabilities | 17(c) | (69) | (94) |
| Interest paid | | (2,149) | (3,278) |
| **Net cash used in financing activities** | | (1,356) | (59,103) |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 2,128 | (7,593) |
| | | | |
| **Cash and cash equivalents** | | | |
| Beginning of financial year | | 40,086 | 48,403 |
| Effects of currency translation on cash and cash equivalents | | 333 | (724) |
| **End of financial year** | 4 | 42,547 | 40,086 |

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1 General information

Top Global Limited (the "Company") is listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange" or "SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is the 302 Orchard Road, #18-02 Tong Building, Singapore 238862.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiary corporations are disclosed in Note 11 to the financial statements.

## 2 Significant accounting policies

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS"). SFRS(I) are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRS as issued by the International Accounting Standard Board ("IASB"). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise stated.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar ("SGD" or "$") and all values are rounded to the nearest thousand ($'000) as indicated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

***First time adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)")***

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018. These financial statements for the financial year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening statements of financial position has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 January 2018 are disclosed in Note 39 to the financial statements.

## 2 Significant accounting policies (Continued)

### 2.2 Revenue recognition

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

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

(a) *Revenue from development properties*

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

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

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

(b) *Revenue from hospitality management*

Revenue from hospitality management is primarily from hotel operations and golf and country club management. Revenue is recognised at a point in time when the performance obligation is satisfied.

## 2 Significant accounting policies (Continued)

### 2.2 Revenue recognition (Continued)

(b) *Revenue from hospitality management* (Continued)

(i) Hotel operations – hotel rooms, food and beverages, events and other hotel services

Revenue from hotel rooms is recognised based on room occupancy.

Revenue from food and beverages sales is recognised when these are served and invoiced.

Revenue from events, including banquets and other related hotel services like laundry, valet, transport and any other ancillary services is recognised when the events have taken place and/or services are rendered.

(ii) Golf and country club management – use of facilities, food and beverages and golf membership fees

Revenue from the use of golf course and country club facilities is recognised when the facilities are used and/or when the events have taken place.

Revenue from food and beverages sales is recognised when these are served and invoiced.

Revenue from golf membership fees consist of the following:

| **Type of membership** | **Refundable** | **Non refundable** | **Period** |
|---|---|---|---|
| Founder | 90% | 10% | 1993 – 1995 |
| Gold chartered | 50% | 50% | 1995 – 1996 |
| Chartered | – | 100% | 1996 onwards |

Refundable deposits will be returned to the members after 30 years at amount equivalent when the fees were received. Non-refundable deposits are recognised as revenue when 20% of the golf membership fees have been collected.

(c) *Rental income*

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

(d) *Revenue from rendering of services*

Rendering of services including parking fee income and school fees arising from educational operation is recognised when the services are rendered.

(e) *Interest income*

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

(f) *Management fee income*

Management fee income is recognised when services are rendered.

(g) *Commission income*

Commission income is recognised when the rights to receive payment is established.

**2 Significant accounting policies (Continued)**

**2.3 Government grants**

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

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

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

**2.4 Group accounting**

*(a) Subsidiary corporations*

*(i) Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

*(ii) Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

**2 Significant accounting policies (Continued)**

**2.4 Group accounting (Continued)**

*(a) Subsidiary corporations* (Continued)

*(ii) Acquisitions* (Continued)

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

*(iii) Disposals*

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

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

Please refer to the paragraph "Investments in subsidiary corporations, an associated company and joint ventures" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

*(b) Transactions with non-controlling interests*

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

*(c) Associated company and joint ventures*

An associated company is an entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in an associated company and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

**2 Significant accounting policies (Continued)**

**2.4 Group accounting (Continued)**

(c) *Associated company and joint ventures* (Continued)

(i) *Acquisitions*

Investments in an associated company and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on the associated company and joint ventures represents the excess of the cost of acquisition of the associated company or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company or joint ventures are recognised as a reduction at the carrying amount of the investments.

When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated company or joint ventures are eliminated to the extent of the Group's interest in the associated company or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of the associated company or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in an associated company or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, an associated company and joint ventures" for the accounting policy on investments in an associated company and joint ventures in the separate financial statements of the Company.

## 2 Significant accounting policies (Continued)

### 2.5 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using for purpose other than to produce inventories.

(b) *Depreciation*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | Useful lives |
|---|---|
| Plant and equipment | 3-5 years |
| Motor vehicles | 3-5 years |
| Furniture and fittings | 3-8 years |
| Land use rights | 37-50 years |
| Leasehold improvement | 3 years |
| Golf course | 20 years |
| Golf and country club equipment | 3-8 years |
| Buildings and club house | 15-20 years |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/(losses) - net".

## 2 Significant accounting policies (Continued)

### 2.6 Intangible assets

*(a) Goodwill*

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum 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 (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of the subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

*(b) Acquired trademark*

A trademark acquired is initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5 years, which is their estimated useful life.

### 2.7 Borrowing costs

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

### 2.8 Investment properties

*(a) Measurement*

Investment properties include those portions of commercial buildings, commercial units and residential units that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Costs of self-constructed investment properties include costs of materials, direct labour and any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

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

**2 Significant accounting policies (Continued)**

**2.8 Investment properties (Continued)**

*(b) Depreciation*

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives (or lease terms, if shorter unless it is reasonably certain that the Group will obtain ownership by the end of the lease term) of each component of the investment properties.

The estimated useful lives for the current and comparative years are as follows:

| | Useful lives |
|---|---|
| Leasehold land and buildings | 20 to 50 years |
| Freehold properties | 50 years |

The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

*(c) Disposal*

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

*(d) Transfers*

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

(i) commencement of development with a view for own use, for a transfer from investment properties to property, plant and equipment; and

(ii) commencement of an operating lease to another party, for a transfer from development properties to investment properties.

**2.9 Investments in subsidiary corporations, an associated company and joint ventures**

Investments in subsidiary corporations, associated company and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

**2.10 Impairment of non-financial assets**

*(a) Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

## 2 Significant accounting policies (Continued)

### 2.10 Impairment of non-financial assets (Continued)

(a) *Goodwill* (Continued)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*
*Investment properties*
*Property, plant and equipment*
*Investments in subsidiary corporations, an associated company and joint ventures*

Intangible assets, investment properties, property, plant and equipment and investments in subsidiary corporations, an associated company and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

## 2 Significant accounting policies (Continued)

### 2.11 Financial assets

*(a) Classification and measurement*

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

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

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

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

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

At initial recognition

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

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains/(losses) - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Interest income".

**2 Significant accounting policies (Continued)**

**2.11 Financial assets (Continued)**

*(a) Classification and measurement* (Continued)

(i) *Debt instruments* (Continued)

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains/(losses) - net".

(ii) *Equity instruments*

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

*(b) Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(b) details how the Group determines whether there has been a significant increase in credit risk.

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

*(c) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

## 2 Significant accounting policies (Continued)

### 2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.13 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

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

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

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

### 2.14 Borrowings

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

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

### 2.15 Trade and other payables

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

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

### 2.16 Leases

(a) *When the Group is the lessee:*

The Group leases motor vehicles and office equipment under finance leases and leases land, premises and office equipment under operating leases from non-related parties.

(i) *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

## 2 Significant accounting policies (Continued)

### 2.16 Leases (Continued)

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

(i) *Lessee – Finance leases* (Continued)

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) *Lessee - Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) *When the Group is the lessor:*

The Group sublets its leasehold land and premises and freehold properties under operating leases to non-related parties.

*Lessor - Operating leases*

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

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

Contingent rents are recognised as income in profit or loss when earned.

### 2.17 Development properties

(a) *Properties under development*

Development properties are those land and properties which are held with the intention for development and sale in the ordinary course of business. They are stated at the lower of cost plus a portion of attributable profit (where appropriate) less progress billings and the estimated net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the land and properties.

**2 Significant accounting policies (Continued)**

**2.17 Development properties (Continued)**

(a) *Properties under development* (Continued)

The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding the development properties are also capitalised, on a specific identification basis as part of the cost of the development properties until the completion of development. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that the cost of development properties will exceed sale proceed of the development properties, the expected loss is recognised as an expense immediately. The development properties in progress have operating cycles longer than one year. Revenue recognition on properties under development is described in Note 2.2(a) to the financial statements.

(b) *Completed properties held for sale*

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction costs, related overhead expenditure, and financing charges and other net costs incurred during the period of development. Write-down is made when it is anticipated that the development properties' net realisable value has fallen below cost. Revenue recognition on completed properties held for sale is described in Note 2.2(a) to the financial statements.

**2.18 Inventories**

Inventories comprises of operating supplies and food and beverage inventory items which are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**2.19 Income taxes**

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

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.

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

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

Deferred income tax is measured:

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

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

**2 Significant accounting policies (Continued)**

**2.19 Income taxes (Continued)**

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

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

**2.20 Provisions**

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

At the reporting date:-

(a) The Group recognises the estimated liability to repair or replace products still under warranty and hotel equipment and supplies based on the followings:

(i) Waterproofing and construction business in Singapore under warranty are calculated based on historical experience of the level of repairs and replacements.

(ii) Hotel equipment and supplies are calculated based on a percentage of service revenue.

(iii) Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

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

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

**2.21 Employee compensation**

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Post-employment benefits*

The Group operates both defined benefit and defined contribution post-employment benefit plans.

**2 Significant accounting policies (Continued)**

**2.21 Employee compensation (Continued)**

(a) *Post-employment benefits* (Continued)

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(c) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "Treasury shares" account, when treasury shares are re-issued to the employees.

**2 Significant accounting policies (Continued)**

**2.21 Employee compensation (Continued)**

(c) *Share-based compensation* (Continued)

If an equity-settled, share-based compensation is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the compensation is recognised immediately.

(d) *Performance shares*

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

**2.22 Currency translation**

(a) *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 are presented in Singapore Dollar, which is the functional currency of the Company.

(b) *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 exchange 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. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

**2 Significant accounting policies (Continued)**

**2.22 Currency translation (Continued)**

(b) *Transactions and balances* (Continued)

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "Finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "Other gains/ (losses) - net".

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

(c) *Translation of Group entities' financial statements*

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

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

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

**2.23 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

**2.24 Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

**2.25 Share capital and treasury shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When entity purchases its own ordinary shares ("Treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

**2 Significant accounting policies (Continued)**

**2.25 Share capital and treasury shares (Continued)**

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

**2.26 Accounting for tax amnesty assets and liabilities**

The Group applies Pernyataan Standar Akuntansi Keuangan ("PSAK") 70 (2016), "*Accounting for Tax Amnesty Assets and Liabilities*" which provides an optional approach on the accounting treatment for tax amnesty assets and liabilities in accordance with Law No. 11 Year 2016 about Tax Amnesty ("Tax Amnesty Law") which became effective on 1 July 2016.

The tax amnesty assets are initially measured at the amount reported in the SKPP* (as deemed cost). Any tax amnesty liabilities are initially measured at the amount of cash and cash equivalents that will settle the contractual obligation related to the acquisition of tax amnesty assets. Any difference between amounts initially recognised for the tax amnesty assets and the related tax amnesty liabilities shall be recorded in equity as "Additional Paid-In Capital" ("APIC"). The APIC is not reversed to profit or loss or reclassified to retained profits subsequently.

The tax amnesty assets and liabilities are subsequently measured in accordance with the existing requirements under the respective SFRS(I) and INT SFRS(I), consistent with the basis of the amount recognised at initial recognition. The tax amnesty assets and liabilities are not offset and are presented separately from other assets and liabilities. The application of the optional approach is prospective and restatement of the prior year financial statements is not required.

*SKPP : Surat Keterangan Pengampunan Pajak (i.e. Tax Amnesty Acknowledgement Letter)

**3 Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical accounting estimates, assumptions and judgements in applying the entity's accounting policies**

(a) *Provision of expected credit loss ("ECL") of trade receivables*

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

**3 Critical accounting estimates, assumptions and judgements (Continued)**

**3.1 Critical accounting estimates, assumptions and judgements in applying the entity's accounting policies (Continued)**

(a) *Provision of expected credit loss ("ECL") of trade receivables* (Continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 33(b).

The carrying amount of trade receivables as at 31 December 2018 is $1,612,000 (31 December 2017: $11,708,000; 1 January 2017: $17,703,000)

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

Development properties are stated at the lower of cost and net realisable value.

The Group assesses at each reporting date the net realisable value of development properties by reference to sales prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices on the remaining unsold units of the development properties and accordingly, the carrying amount of development properties for sale may have to be written down in future periods.

Based on the assessment, management had recognised a write-down of development properties of $Nil (2017: $688,000) during the financial year.

The carrying amount of the development properties stated at net realisable value as at 31 December 2018 is $265,909,000 (31 December 2017: $297,126,000; 1 January 2017: $410,979,000).

(c) *Useful lives of property, plant and equipment and investment properties*

Property, plant and equipment and investment properties are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment and investment properties as stated in Notes 2.5 and 2.8 to the financial statements respectively.

The carrying amount of the Group's property, plant and equipment as at 31 December 2018 is $54,831,000 (31 December 2017: $59,628,000; 1 January 2017: $39,181,000). The carrying amount of the Group's investment properties at 31 December 2018 is $54,235,000 (31 December 2017: $40,270,000; 1 January 2017: $10,377,000). Changes in the expected level of usage and development could impact the economic useful lives of these assets; therefore; future depreciation charges could be revised. If the actual useful lives of these items of property, plant and equipment and investment properties had been 10% higher from management's estimates, the carrying amounts of the property, plant and equipment and investment properties would be an estimated $452,000 (31 December 2017: $411,000; 1 January 2017: $373,000) and $98,000 (31 December 2017: $68,000; 1 January 2017: $Nil) lower respectively.

The carrying amount of the Group's property, plant and equipment and investment properties are disclosed in Notes 13 and 12 to the financial statements respectively.

## 3 Critical accounting estimates, assumptions and judgements (Continued)

### 3.2 Critical judgements in applying the entity's accounting policies

(a) *Deferred income tax assets*

The Group recognises income tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred income tax recognised and the extent to which amounts should or can be recognised.

A deferred income tax asset is recognised for tax losses and capital allowances carried forward if it is probable that the entities within the Group will generate sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations in the respective jurisdictions in which the respective entities within the Group operates in.

Due to their inherent nature, assessments of likelihood are judgmental and not subjected to precise determination. The Group has unrecognised tax losses and merger and acquisition allowance of approximately $6,343,000 and $2,022,000 (31 December 2017: $4,169,000 and $3,768,000) respectively which can be carried forward as at 31 December 2018 (Note 14).

If the tax authority regards the entities within the Group is not satisfying and/or meeting certain statutory requirements in their respective countries of incorporation, the unrecognised tax losses and merger and acquisition allowances will be forfeited.

(b) *Sale of development properties*

For the sale of development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making the assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgement made in determining the enforceability of the right to payment under legal environment of the jurisdictions where the contracts are subject to.

## 4 Cash and cash equivalents

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Cash at bank and on hand | 7,287 | 9,005 | 5,673 | 1,303 | 774 | 519 |
| Cash at bank – project account[(1)] | – | – | 33,969 | – | – | – |
| Short-term bank deposits | 35,260 | 31,081 | 8,761 | 30,434 | 10,397 | 2,612 |
| | 42,547 | 40,086 | 48,403 | 31,737 | 11,171 | 3,131 |

Short-term bank deposits are made for varying periods of between one month and twelve months depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates.

**4 Cash and cash equivalents (Continued)**

(1) The cash is held under the Singapore's Housing Developer Act (Project Account) Rules (1997 Ed.), withdrawals from which are restricted to payments for expenditure incurred on project under development and conditions as stipulated under the said Rules.

**5 Financial assets, at fair value through profit or loss ("FVPL")**

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Beginning of financial year | 14,230 | – |
| Adoption of SFRS(I) 9* | – | 16,355 |
| | 14,230 | 16,355 |
| Net fair value gains recognised in profit or loss (Note 27) | 6,939 | 2,357 |
| Additions | 1,324 | – |
| Disposals | – | (2,169) |
| Return of capital | – | (2,313) |
| End of financial year | 22,493 | 14,230 |
| **Less: Current portion** | (17,624) | (22) |
| **Non-current portion** | 4,869 | 14,208 |

Financial assets, at FVPL are analysed as follows:

| | | |
|---|---|---|
| Listed equity securities | | |
| - United States | 4,869 | 5,297 |
| - Indonesia | 22 | 22 |
| Unlisted equity securities | | |
| - United States | 17,602 | 8,911 |
| | 22,493 | 14,230 |

* Refer to Note 39 to the financial statements for details of adjustments as at 1 January 2017 on adoption of SFRS(I) 9.

## 6 Financial assets, at fair value through other comprehensive income ("FVOCI")

| | Group 2018 $'000 | 2017 $'000 |
|---|---|---|
| Beginning of financial year | 2,980 | – |
| Adoption of SFRS(I) 9* | – | 80 |
| | 2,980 | 80 |
| Fair value gains recognised in other comprehensive income (Note 22(b)(v)) | 239 | 2,900 |
| End of financial year | 3,219 | 2,980 |
| Financial assets, at FVOCI are analysed as follows: | | |
| Unlisted equity securities - Singapore | 3,219 | 2,980 |

* Refer to Note 39 to the financial statements for details of adjustments as at 1 January 2017 on adoption of SFRS(I) 9.

## 7 Trade and other receivables

| | Group 31.12.2018 $'000 | 31.12.2017 $'000 | 01.01.2017 $'000 | Company 31.12.2018 $'000 | 31.12.2017 $'000 | 01.01.2017 $'000 |
|---|---|---|---|---|---|---|
| Trade receivables | | | | | | |
| - Joint ventures | – | 40 | – | – | – | – |
| - Non-related parties | 4,331 | 14,338 | 20,358 | 2,104 | 2,045 | 2,048 |
| Less: Loss allowance for trade receivables – non-related parties (Note 33(b)) | (2,719) | (2,670) | (2,655) | (2,045) | (2,045) | (2,045) |
| Trade receivables – net | 1,612 | 11,708 | 17,703 | 59 | – | 3 |
| Other receivables | | | | | | |
| - Subsidiary corporations | – | – | – | 93,387 | 117,754 | 133,193 |
| - Associated company | – | – | 821 | – | – | – |
| - Joint ventures | – | 320 | – | – | – | – |
| - Non-related parties | 6,209 | 5,692 | 5,764 | – | – | – |
| Less: Loss allowance of other receivables – subsidiary corporations (Note 33(b)) | – | – | – | (732) | (732) | (732) |
| Other receivables – net | 6,209 | 6,012 | 6,585 | 92,655 | 117,022 | 132,461 |
| Deposits | 675 | 1,313 | 450 | 1 | 59 | 59 |
| Prepayments | 350 | 444 | 555 | 89 | 164 | 181 |
| Prepaid tax | 863 | 1,089 | 1,525 | – | – | – |
| Advance payments | 638 | 466 | 331 | – | – | – |
| Total trade and other receivables | 10,347 | 21,032 | 27,149 | 92,804 | 117,245 | 132,704 |
| **Less: Current portion** | (4,584) | (15,517) | (21,062) | (92,804) | (117,245) | (132,704) |
| **Non-current portion** | 5,763 | 5,515 | 6,087 | – | – | – |

## 7 Trade and other receivables (Continued)

**Current**

The non-trade amounts due from subsidiary corporations, associated company and joint ventures are unsecured, interest-free and are repayable on demand.

Prepaid tax is the income tax paid in advance to the Indonesia tax authorities for sales of uncompleted development properties which is in accordance with the Indonesian regulations governing the transfer of rights and/or buildings.

Advance payments generally consist of advances paid for the operating expenses of the Indonesia subsidiary corporations.

**Non-current**

Included in other receivables are loans to an investee (within other receivables from non-related parties) and associated company amounting to $5,763,000 (31 December 2017: $5,515,000; 1 January 2017: $5,266,000) and $Nil (31 December 2017: $Nil; 1 January 2017: $821,000) respectively. The loan to an investee is unsecured, interest-bearing at 5% (2017: 5%) per annum and will be repayable in full within 12 months after the issuance of the TOP of the property development project which is estimated to be in November 2019.

In the prior financial years, the loan to an associated company is a convertible loan which is unsecured and interest bearing at 3% per annum. The loan is convertible into ordinary shares of the associated company if the associated company achieves a pre-determined performance target which is calculated based on cumulative earnings before interest expense, taxes and depreciation and amortisation expense. In the event that the associated company is unable to achieve the performance target, the loan would be repayable in full by 31 December 2019. Management has assessed and is of the opinion that the performance target is unlikely to be met by the associated company and the sum would be repayable in full by 31 December 2019 and therefore, classified and measured the loan as financial assets at amortised cost.

The Group had on 31 August 2017 and 11 December 2017 acquired additional equity interests of 16.25% and 32.5% respectively in the associated company. The Group's equity interests in the associated company thus increased from 35% to 51.25% and from 51.25% to 83.75% at the respective dates of acquiring the additional equity interests. The Group obtained control over the associated company and therefore the loan and receivable due from the associated company was reclassified as due from subsidiary corporation and was eliminated as intercompany balances as at the end of the financial year 2017 (Notes 9 and 36(a) to the financial statements respectively).

The fair value of non-current other receivables is computed based on cash flows discounted at market lending rate. The fair value is within Level 2 of the fair values hierarchy. The fair value and the market lending rate used are as follows:

| | | | | | **Lending rates** | |
|---|---|---|---|---|---|---|
| | | **Group** | | | **Group** | |
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **%** | **%** | **%** |
| Loan to an investee company | 5,863 | 6,359 | 5,696 | 4.1 | 3.9 | 3.9 |
| Loan to an associated company | – | – | 615 | – | – | 3.9 |

## 8 Development properties

| | Group | | |
|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | $'000 | $'000 | $'000 |
| **Current** | | | |
| *Properties under development, for which revenue is recognised over time* | | | |
| Aggregate cost incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts | 1,328 | – | 354,601 |
| Less: Progress billings | (1,239) | – | (240,832) |
| | 89 | – | 113,769 |
| *Properties for which revenue is recognised at a point in time* | | | |
| Properties held for sale | 77,034 | 105,080 | 90,441 |
| Properties under development | 22,187 | 18,640 | 16,296 |
| | 99,310 | 123,720 | 220,506 |
| **Non-current** | | | |
| Land for development | 166,599 | 173,406 | 190,473 |
| | 265,909 | 297,126 | 410,979 |

During the financial year 2017, the Group recognised a write-down of $688,000 on its development properties to its net realisable value (Note 24) in view of the decline in the estimated sales prices of its development properties which is based on the recent sales prices achieved.

The freehold land and leasehold land under development have been pledged as security of the borrowings (Note 17).

At the reporting date, the development properties held by the Group are as follows:

**Development properties in Singapore**

Properties under development

| Location | Description | Tenure | Stage of completion | | | TOP date | Site area (sq. m) | Gross floor area (sq. m) | Group's effective interest in the property | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 | 31.12.2017 | 01.01.2017 | | | | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | | | % | % | % | | | | % | % | % |
| Braddell Road Singapore | 5 storey apartments with facilities | Freehold | – | 100 | 93.5 | May 2016 | 7,700 | 10,780 | – | 95 | 95 |
| Sommerville Walk Singapore | 5 storey apartments with facilities | Freehold | – | 100 | 95.9 | April 2016 | 2,568 | 3,576 | – | 95 | 95 |
| Bartley Road Singapore | 5 storey apartments with facilities | Freehold | – | 100 | 94.0 | June 2016 | 7,084 | 10,830 | – | 100 | 100 |

**8 Development properties (Continued)**

At the reporting date, the development properties held by the Group are as follows:

**Development properties in Indonesia**

(a) Properties held for sale

| **Project** | **Land area (hectares)** | | | **Group's effective interest** | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | | | | **%** | **%** | **%** |
| Rancamaya Phase I | 3.14 | 3.44 | 4.08 | 72.96 | 72.96 | 71.52 |
| Rancamaya Phase II | 21.60 | 22.26 | 23.12 | 72.96 | 72.96 | 71.52 |
| Rancamaya Commercial Centre | 7.34 | 7.05 | 7.05 | 72.96 | 72.96 | 71.52 |
| Harvest City | 5.21 | 6.20 | 8.00 | 36.48 | 36.48 | 35.76 |

(b) Properties under development

| **Project** | **Land area (hectares)** | | | **Group's effective interest** | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | | | | **%** | **%** | **%** |
| Rancamaya Phase III | 3.43 | 3.53 | 0.94 | 72.96 | 72.96 | 71.52 |
| Harvest City | 18.17 | 24.45 | 18.59 | 36.48 | 36.48 | 35.76 |
| Royal Tajur | 3.99 | 2.21 | 0.69 | 48.88 | 48.88 | 47.92 |

(c) Land for development

| **Project** | **Land area [1] (hectares)** | | | **Group's effective interest** | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | | | | **%** | **%** | **%** |
| Rancamaya Phase III | 162.29 | 164.28 | 170.76 | 72.96 | 72.96 | 71.52 |
| Harvest City[2] | 792.65 | 781.68 | 792.68 | 36.48 | 36.48 | 35.76 |
| Royal Tajur | 45.36 | 44.13 | 43.50 | 48.88 | 48.88 | 47.92 |
| Balaraja | – | 21.51 | 21.44 | 36.48 | 36.48 | 35.76 |

(1) Represents the land area which has been cleared and owned.
(2) The Group has obtained the rights to develop 533.46 hectares of land with term of 30 years, which is due between 2029 and 2031.

Land under development for Rancamaya project with total area of 5.46 hectares are pledged as collateral for bank borrowings (Note 17).

Properties held for sale and land under development for Harvest City project with total area of 144.4 hectares have been pledged as collateral for bank borrowings (Note 17).

Land under development for Royal Tajur project with total area of 7.5 hectares have been pledged as collateral for bank borrowings (Note 17).

## 9 Investment in an associated company

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Beginning of financial year | – | 1,981 |
| Share of loss of associated company accounted for using the equity method | – | (86) |
| Fair value of previously held interest in the associated company (Note 36(a)(i)) | – | (454) |
| Loss on remeasurement of previous interest in the associated company (Notes 27 and 36(a)(iii)) | – | (1,441) |
| End of financial year | – | – |

Set out below is the associated company of the Group as at 31 December 2018 and 2017 and 1 January 2017 which, in the opinion of the directors, are material to the Group. The associated company as listed below have share capital consisting solely of ordinary shares. There are no contingent liabilities relating to the Group's interest in the associated company and in 5Footway Founders Pte. Ltd. and its subsidiary corporations ("5Footway Group").

| Name of associated company | Principal activities | Country of incorporation | % of ownership interest | | |
|---|---|---|---|---|---|
| | | | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| Held by Top Global Hospitality Pte. Ltd. | | | | | |
| 5Footway Founders Pte. Ltd.[a] | Investment holding in hostel and hotel operators and related consultancy services | Singapore | – | – | 35% |

[a] *Audited by Nexia TS Public Accounting Corporation for the financial year ended 31 December 2018. Previously audited by AccAssurance LLP for the financial years ended 31 December 2017 and 2016 respectively.*

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associated company would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

On 31 August 2017, the Group through its wholly-owned subsidiary corporation, Top Global Hospitality Pte Ltd, acquired an additional 16.25% equity interest in its associated company, 5Footway Group, which resulted in the Group obtaining control over 5Footway Group, as the Group's shareholding interest increased from 35% to 51.25% and accordingly accounted for it as a subsidiary corporation.

On 11 December 2017, the Group acquired an additional equity interest of 32.5% and the Group's shareholding interests increased from 51.25% to 83.75%. Refer to Note 36(a) to the financial statements for developments during the financial year ended 31 December 2018.

As 5Footway Group is accounted for as the Group's subsidiary corporation, no summarised financial information is presented for the financial year ended 31 December 2017.

No summarised financial information for the associated company are presented for the financial year ended 1 January 2017 as associated company is not material to the Group.

## 10 Investments in joint ventures

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Beginning of financial year | 44 | * |
| Acquisition of subsidiary corporation (Note 36(a)(iii)) | – | 63 |
| Share of loss of joint ventures accounted for using the equity method | (19) | (19) |
| Fair value of previous interest in the joint ventures (Note 36(a)(i)) | (25) | – |
| End of financial year | * | 44 |

* Less than $1,000

Set out below are the joint ventures of the Group as at 31 December 2018 and 2017 and 1 January 2017. The joint ventures as listed above have share capital consisting solely of ordinary shares.

| Name of joint ventures | Principal activities | Place of business/ country of incorporation | % of ownership interest | | |
|---|---|---|---|---|---|
| | | | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | | | % | % | % |
| Held by GMB Assets Management Pte. Ltd. | | | | | |
| (a) Top Golden Tree | Dormant | Cayman Islands | 50 | 50 | 50 |
| Held by 5Footway Holdings Pte. Ltd. | | | | | |
| (b) PC9 Pte. Ltd. | Hostel operator | Singapore | – | 49 | – |
| Held by 5Footway Management Pte. Ltd. | | | | | |
| (a) Emblem Japan Ltd. | Hotel, hostel and café operator | Japan | 30.03 | 30.03 | – |

*(a) Not required to be audited under the laws of the country incorporation*
*(b) Audited by Nexia TS Public Accounting Corporation for the financial year ended 31 December 2018. Previously audited by AccAssurance LLP for the financial years ended 31 December 2017 and 2016 respectively.*

The Group's joint arrangements are structured as a limited company. The Group has joint control over the arrangement under the contractual agreement, unanimous consent is required from all parties to the joint arrangement for all relevant activities. The joint arrangement provides the Group and the party to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture. There are no contingent liabilities relating to the Group's interests in joint ventures.

On 12 August 2018, the Group through its subsidiary corporation, 5Footway Holdings Pte. Ltd., acquired an additional 51% equity interest in its joint venture, PC9 Pte. Ltd. which resulted in the Group obtaining control over PC9 Pte. Ltd., as the Group's shareholding interest increased from 49% to 100% and accounted for it as a subsidiary corporation (Note 36(a) to the financial statements).

No summarised financial information for the joint ventures are presented as the joint ventures are not material to the Group.

## 11 Investments in subsidiary corporations

| | Company | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| *Equity investments at cost* | | |
| Beginning of financial year | 144,456 | 143,956 |
| Acquisition of non-controlling interests (Note 36(b)) | 50 | 500 |
| End of financial year | 144,506 | 144,456 |
| *Accumulated impairment losses* | | |
| Beginning of financial year | 1,025 | 1,025 |
| Impairment losses | 2,329 | – |
| End of financial year | 3,354 | 1,025 |
| Carrying amount | 141,152 | 143,431 |

Management assessed for impairment whenever there is any objective evidence or indication that investments in subsidiary corporations may be impaired. An allowance for impairment loss was made in respect of the Company's investments in certain subsidiary corporations to reduce the carrying amount of the investments to the recoverable amounts, after taking into account the financial conditions of the subsidiary corporations.

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017:

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by the Company | | | | | | | | | | | |
| (a) Raintree Cove Pte. Ltd. | Property and facility management | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) Top Global Properties Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) GMB Assets Management Pte. Ltd. | Dormant | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (d) Top Global China Pte. Ltd. | Dormant | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) Ultron Techniques Pte. Ltd. (formerly known as Top Gobal Construction Management Pte. Ltd.) | Dormant | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) Top Capital Investment Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) Holland V Investment Holdings Pte. Ltd. | Investment holding | Singapore | 100 | – | – | 100 | 100 | 100 | – | – | – |
| (a) Top Global Hospitality Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) Top Tomlinson One Pte. Ltd. | Property investment | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) Global Real Estate Investment Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (d) Top Global Property Investment Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by the Company | | | | | | | | | | | |
| (d) Top Global Real Estate Investment Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (a) Global Star Development Pte. Ltd. | Real estate developers | Singapore | 100 | 95 | 95 | 100 | 95 | 95 | – | 5 | 5 |
| (a) Margaritaville Investments Holding Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 100 | 100 | 100 | 100 | – | – | – |
| (e) PT Suryamas Dutamakmur Tbk | Real estate and hospitality and facilities management | Indonesia | 72.96 | 72.96 | 71.52 | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| Held by Top Global Properties Pte. Ltd. | | | | | | | | | | | |
| (a) Entro Development Pte. Ltd. | Property investment | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |
| Held by Entro Development Pte. Ltd. | | | | | | | | | | | |
| (d) TG Hospitality Solution Pte. Ltd. (formerly known as Cerapure Pte. Ltd.) | Dormant | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |
| Held by TG Hospitality Solution Pte. Ltd. (formerly known as Cerapure Pte. Ltd.) | | | | | | | | | | | |
| (d) Top Automation Pte. Ltd. (formerly known as Holland Vilage Pte. Ltd.) | Dormant | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by Top Automation Pte. Ltd. | | | | | | | | | | | |
| (a) Holland V Investment Holdings Pte. Ltd. | Investment holding | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |
| Held by GMB Assets Management Pte. Ltd. | | | | | | | | | | | |
| (a) GMB Capital Pte. Ltd. | Investment holding | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |
| Held by Ultron Techniques Pte. Ltd. (formerly known as Top Global Construction Management Pte. Ltd.) | | | | | | | | | | | |
| (a) Top Global (M) Sdn. Bhd. | Dormant | Malaysia | – | – | – | – | 100 | 100 | – | – | – |
| Held by Top Global Hospitality Pte. Ltd. | | | | | | | | | | | |
| (a) 5Footway Founders Pte. Ltd. | Investment holding | Singapore | – | – | – | 100 | 83.75 | 35 | – | 16.25 | 65 |
| (a) Bartley Blossom Pte. Ltd. | Property investment | Singapore | – | – | – | 100 | 100 | – | – | – | – |
| (a) Iconic Town Pte. Ltd. | Property investment | Singapore | – | – | – | 100 | 100 | – | – | – | – |
| (a) Jaunty City Pte. Ltd. | Property investment | Singapore | – | – | – | 100 | 100 | – | – | – | – |
| (a) Spring Walk Pte. Ltd. | Property investment | Singapore | – | – | – | 100 | 100 | – | – | – | – |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by Top Global Hospitality Pte. Ltd. (Continued) | | | | | | | | | | | |
| (a) TG Hospitality Solution Pte. Ltd. (formerly known as Cerapure Pte. Ltd.) | Dormant | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |
| (a) Top Automation Pte. Ltd. (formerly known as Holland Village Pte. Ltd.) | Dormant | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |
| Held by Global Real Estate Investment Pte. Ltd. | | | | | | | | | | | |
| (a) Bartley Homes Pte. Ltd. | Real estate | Singapore | – | – | – | 100 | 100 | 100 | – | – | – |
| Held by Top Global Real Estate Investment Pte. Ltd. | | | | | | | | | | | |
| (b) PT. Top Global Indonesia | Dormant | Indonesia | – | – | – | 100 | 100 | 100 | – | – | – |
| Held by PT Suryamas Dutamakmur Tbk | | | | | | | | | | | |
| (e) PT Saptakreasi Indah | Investment | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| (e) PT Centranusa Majupermai | Investment and real estate | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| (e) PT Permainusa Megacitra | Real estate | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by PT Suryamas Dutamakmur Tbk (Continued) | | | | | | | | | | | |
| (e) PT Multiraya Sinarindo | Real estate | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| (e) PT Rancamaya Asri Golf and Country | Golf course operator | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| (e) PT Golden Integrity Sejati | Educational services | Indonesia | – | – | – | – | 51.07 | 50.06 | – | 48.93 | 49.94 |
| (e) PT Tajur Surya Abadi | Real estate | Indonesia | – | – | – | 48.88 | 48.88 | 47.92 | 51.12 | 51.12 | 52.08 |
| (e) PT Inti Sarana Papan | Real estate | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| (e) PT Golden Edukasi Abadi | Educational services | Indonesia | – | – | – | – | 51.68 | 50.66 | – | 48.32 | 49.34 |
| Held by PT Saptakreasi Indah | | | | | | | | | | | |
| (e) PT Rancamaya Indah Hotel | Hotel | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| Held by PT Rancamaya Asri Golf and Country | | | | | | | | | | | |
| (e) PT Saptakreasi Indah | Investment | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by PT Permainusa Megacitra | | | | | | | | | | | |
| (e) PT Rancamaya Indah Hotel | Hotel | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| Held by PT Rancamaya Indah Hotel | | | | | | | | | | | |
| (e) PT Centranusa Majupermai | Investment and real estate | Indonesia | – | – | – | 72.96 | 72.96 | 71.52 | 27.04 | 27.04 | 28.48 |
| Held by PT Centranusa Majupermai | | | | | | | | | | | |
| (e) PT Dwigunatama Rintisprima | Real estate | Indonesia | – | – | – | 36.48 | 36.48 | 35.76 | 63.52 | 63.52 | 64.24 |
| Held by PT Multiraya Sinarindo | | | | | | | | | | | |
| (e) PT Wisma Surya Abadi | Real estate | Indonesia | – | – | – | – | 36.48 | 35.76 | – | 63.52 | 64.24 |
| Held by PT Tajur Surya Abadi | | | | | | | | | | | |
| (e) PT Puri Surya Abadi | Real estate | Indonesia | – | – | – | 48.88 | 48.88 | 47.92 | 51.12 | 51.12 | 52.08 |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by PT Dwigunatama Rintisprima | | | | | | | | | | | |
| (e) PT Dwikarya Langgengsukses | Real estate | Indonesia | – | – | – | 36.48 | 36.48 | 35.76 | 63.52 | 63.52 | 64.24 |
| (e) PT Kharisma Buana Mandiri | Water theme park operator | Indonesia | – | – | – | 36.48 | 36.48 | 35.76 | 63.52 | 63.52 | 64.24 |
| Held by PT Dwikarya Langgengsukses | | | | | | | | | | | |
| (e) PT Kharisma Buana Mandiri | Water theme park operator | Indonesia | – | – | – | 36.48 | 36.48 | 35.76 | 63.52 | 63.52 | 64.24 |
| Held by 5Footway Founders Pte. Ltd. | | | | | | | | | | | |
| (a)(f) 5Footway Partners Pte. Ltd. | Investment holding | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| Held by 5Footway Partners Pte. Ltd. | | | | | | | | | | | |
| (a)(f) 5Footway Holdings Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| Held by 5Footway Holdings Pte. Ltd. | | | | | | | | | | | |
| (a)(f) Ali Lane Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) Aliwal 8 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by 5Footway Holdings Pte. Ltd. (Continued) | | | | | | | | | | | |
| (a)(f) Aliwal 10 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) Aliwal 12 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) PC1 Pte. Ltd. | Operating and management of serviced apartments | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) PC2 Pte. Ltd. | Sale of food and beverages | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) PC4 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) PC5 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) 5FW Management Pte. Ltd. | Management services for hostel and hotel operators | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) 5FW Management II Pte. Ltd | Management services for hostel and hotel operators | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) SB Road Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by 5Footway Holdings Pte. Ltd. (Continued) | | | | | | | | | | | |
| (a)(f) BQ-One Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) BQ2 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) 3BQ Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) 5FW Management III Pte. Ltd. | Consultancy services for hostel and hotel operators | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) 5FW Management IV Pte. Ltd. | Consultancy services for hostel and hotel operators | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) PC10 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (a)(f) PC9 Pte. Ltd. | Hostel operator | Singapore | – | – | – | 75.12 | – | – | 24.88 | 37.10 | 73.71 |

## 11 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2018 and 2017 and 1 January 2017 (Continued):

| Name of subsidiary corporations | Principal activities | Country of business/ incorporation | Proportion of ordinary shares directly held by the Company | | | Proportion of ordinary shares held by the Group | | | Proportion of ordinary shares held by non-controlling interests | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % | 31.12.2018 % | 31.12.2017 % | 01.01.2017 % |
| Held by 5Footway Management Pte. Ltd. | | | | | | | | | | | |
| (b) 5FW Management (HK) Pte Limited | Dormant | Hong Kong | – | – | – | 75.12 | 62.90 | 26.29 | 24.88 | 37.10 | 73.71 |
| (b) 5FWII Management (Macau) Limited | Dormant | Macau | – | – | – | 69.11 | 57.88 | 24.19 | 30.89 | 42.12 | 75.81 |

*(a) Audited by Nexia TS Public Accounting Corporation, Singapore*
*(b) Not required to be audited under the laws of the country of incorporation*
*(c) Struck off during the financial year ended 31 December 2018*
*(d) Dormant and qualified to opt for audit exemption under the Singapore Companies Act, Chapter 50*
*(e) Audited by Crowe Indonesia*
*(f) Audited by AccAssurance LLP for the financial years ended 31 December 2017 and 2016*

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

**11 Investments in subsidiary corporations (Continued)**

On 12 August 2018, the Group through its subsidiary corporation, 5Footway Holdings Pte. Ltd., acquired an additional 51% equity interest in its joint venture, PC9 Pte. Ltd.. The acquisition resulted in the Group obtaining control with 100% shareholding interest in PC Pte. Ltd., which was consolidated with effect from the date of acquisition. Details of the acquisition are disclosed in Note 36(a) to the financial statements.

On 31 August 2017, the Group through its wholly-owned subsidiary corporation, Top Global Hospitality Pte. Ltd., acquired an additional 16.25% equity interest in its associated company, 5Footway Group. The acquisition resulted in the Group obtaining control with 51.25% shareholding interests in 5Footway Group, which was consolidated with effect from the date of acquisition. Subsequent to the acquisition, the Group acquired an additional 32.5% equity interest in 5Footway Group. As a result, the Group holds 83.75% shareholding interests in 5Footway Group. Details of the acquisition are disclosed in Note 36(a) to the financial statements.

*Carrying value of non-controlling interests*

| | Group | | |
|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** |
| PT Suryamas Dutamakmur Tbk | 48,304 | 51,748 | 56,479 |
| PT Dwigunatama Rintisprima | 74,642 | 69,899 | 71,226 |
| Other subsidiary corporations with immaterial non-controlling interests | 4,175 | 6,699 | 8,345 |
| Total | 127,121 | 128,346 | 136,050 |

*Summarised financial information of subsidiary corporations with material non-controlling interests*

Set out below are the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Transactions with non-controlling interests for the financial year ended 31 December 2018 and 2017 and 1 January 2017 are disclosed in Note 36(b) to the financial statements.

*Summarised statement of financial position*

| | PT Dwigunatama Rintisprima | | | PT Suryamas Dutamakmur Tbk | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Current** | | | | | | |
| Assets | 17,122 | 22,579 | 21,770 | 5,994 | 5,333 | 59,815 |
| Liabilities | (23,949) | (29,742) | (27,175) | (16,036) | (11,388) | (17,442) |
| Total current net (liabilities)/assets | (6,827) | (7,163) | (5,405) | (10,042) | (6,055) | 42,373 |
| **Non-current** | | | | | | |
| Assets | 145,771 | 143,483 | 152,691 | 183,965 | 186,503 | 150,372 |
| Liabilities | (502) | (378) | (792) | (7,849) | (10,575) | (9,323) |
| Total non-current net assets | 145,269 | 143,105 | 151,899 | 176,116 | 175,928 | 141,049 |
| **Net assets** | 138,442 | 135,942 | 146,494 | 166,074 | 169,873 | 183,422 |

**11 Investments in subsidiary corporations (Continued)**

*Summarised statement of comprehensive income*

| | PT Dwigunatama Rintisprima | | PT Suryamas Dutamakmur Tbk | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Revenue | 24,058 | 15,057 | 20,088 | 25,232 |
| **Profit before income tax** | 8,400 | 837 | 3,384 | 1,842 |
| Income tax expense | (32) | (531) | (176) | (511) |
| **Profit for the financial year** | 8,368 | 306 | 3,208 | 1,331 |
| Other comprehensive (loss) | (5,868) | (11,793) | (7,007) | (14,880) |
| **Total comprehensive income/(loss)** | 2,500 | (11,487) | (3,799) | (13,549) |
| Total comprehensive income/(loss) allocated to non-controlling interests | 676 | (3,106) | (1,027) | (3,664) |

*Summarised statement of cash flows*

| | PT Dwigunatama Rintisprima | | PT Suryamas Dutamakmur Tbk | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Cash flows from operating activities | | | | |
| Cash generated from/(used in) operations | 1,556 | 4,607 | (232) | (3,157) |
| Interest received | 136 | 152 | 105 | 196 |
| Income tax paid | (529) | (784) | (434) | (219) |
| **Net cash provided by/(used in) operating activities** | 1,163 | 3,975 | (561) | (3,180) |
| **Net cash (used in)/provided by investing activities** | (234) | (81) | 754 | (1,190) |
| **Net cash (used in)/provided by financing activities** | (994) | (3,055) | 1,233 | 2,255 |
| **Net (decrease)/increase in cash and cash equivalents** | (65) | 839 | 1,426 | (2,115) |
| **Cash and cash equivalents** | | | | |
| Beginning of financial year | 2,161 | 1,481 | 2,452 | 4,852 |
| Effects of currency translation on cash and cash equivalents | (90) | (159) | (134) | (286) |
| **End of financial year** | 2,006 | 2,161 | 3,744 | 2,451 |

## 12 Investment properties

| | Leasehold land and buildings $'000 | Freehold properties $'000 | Total $'000 |
|---|---|---|---|
| **Group** | | | |
| **2018** | | | |
| **Cost** | | | |
| Beginning of financial year | 2,969 | 39,576 | 42,545 |
| Cumulative effects of adopting SFRS(I)* | 111 | (1,666) | (1,555) |
| Beginning of financial year – SFRS(I) | 3,080 | 37,910 | 40,990 |
| Currency translation differences | (150) | – | (150) |
| Additions | 22 | 13,385 | 13,407 |
| Reclassified from development properties | 159 | – | 159 |
| Reclassified from property, plant and equipment (Note 13) | 1,890 | – | 1,890 |
| End of financial year | 5,001 | 51,295 | 56,296 |
| **Accumulated depreciation** | | | |
| Beginning of financial year | – | – | – |
| Cumulative effects of adopting SFRS(I)* | 111 | 609 | 720 |
| Beginning of financial year – SFRS(I) | 111 | 609 | 720 |
| Currency translation differences | (76) | – | (76) |
| Depreciation charge (Note 24) | 180 | 803 | 983 |
| Reclassified from property, plant and equipment (Note 13) | 434 | – | 434 |
| End of financial year | 649 | 1,412 | 2,061 |
| **Net book value at end of financial year** | **4,352** | **49,883** | **54,235** |
| **2017** | | | |
| **Cost** | | | |
| Beginning of financial year | 2,217 | 8,160 | 10,377 |
| Cumulative effects of adopting SFRS(I)* | – | – | – |
| Beginning of financial year – SFRS(I) | 2,217 | 8,160 | 10,377 |
| Currency translation differences | (146) | – | (146) |
| Additions | – | 4,460 | 4,460 |
| Reclassified from development properties | 1,009 | 25,290 | 26,299 |
| End of financial year | 3,080 | 37,910 | 40,990 |
| **Accumulated depreciation** | | | |
| Beginning of financial year | – | – | – |
| Cumulative effects of adopting SFRS(I) | – | – | – |
| Beginning of financial year – SFRS(I) | – | – | – |
| Currency translation differences | 41 | – | 41 |
| Depreciation charge (Note 24) | 70 | 609 | 679 |
| End of financial year | 111 | 609 | 720 |
| **Net book value at end of financial year** | **2,969** | **37,301** | **40,270** |

* Refer to Note 39 to the financial statements for details of adjustments as at 1 January 2018 and 1 January 2017 on adoption of SFRS(I) 1.

**12 Investment properties (Continued)**

*Transfer from property, plant and equipment*

During the financial year ended 31 December 2018, the Group transferred a completed club house building and a plot of land located within Mahogany Residence project from property, plant and equipment to investment properties as it has been leased out to a non-related party.

*Transfer from development properties*

During the financial year ended 31 December 2018, the Group transferred a plot of land from development properties to investment properties as it has been leased out to a third party to operate a Go-Kart circuit within the hotel premises.

During the financial year ended 31 December 2017, the Group transferred its water theme park (Waterjoy), garden restaurant (Hobbit Hill) and 17 units of condominium for residential purposes from development properties to investment properties in view that it is held for rental yields as operating leases signed with non-related parties.

Certain investment properties are leased to non-related parties under operating leases (Note 32(b)).

The following amounts are recognised in profit or loss:

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Rental income | 885 | 455 |
| Direct operating expenses arising from: | | |
| - Revenue generating properties | (215) | (103) |

At the reporting date, the details of the Group's investment properties are as follows:

| **Location** | **Description/existing use/under construction** | **Tenure** |
|---|---|---|
| **As at 31 December 2018** | | |
| 31 Tomlinson Road, Tomlinson Heights | 1 unit of condominium for residential purposes | Freehold |
| 9 - 15 Bartley Road, The Quinn | 17 units of condominium for residential purposes | Freehold |
| 26A and 26C Lorong Mambong Singapore 277685 | 1 unit of shop house for commercial purposes | Freehold |
| Jl. Transyogi Km.15, Cibubur, Jawa Barat, Indonesia | a. 32 units of traditional market | Leasehold |
| | b. 60 units of festive oriental, 16 foodcourts | Leasehold |
| | c. Restaurant (Saung Apung) | Leasehold |
| | d. 7 units of harvest box | Leasehold |
| | e. Water theme park (Water Joy) | Leasehold |
| | f. Garden restaurant (Hobbit Hill) | Leasehold |
| | g. Go-Kart circuit | Leasehold |
| Jl. Alternatif Cibubur 900 meter Exit Toll Cibubur. Kelurahan Harjamukti, Kecamatan Cimanggis, DKI Jakarta, Indonesia | Mahagony Residence Club House | Leasehold |

**12 Investment properties (Continued)**

| Location | Description/existing use/under construction | Tenure |
|---|---|---|
| Graha Yasa No. SH 01 Rancamaya Golf & Country Estate, Ciawi - Bogor | 7 units of shop houses | Leasehold |
| Gg Pesantren RT1 RW7 Kel. Rancamaya, Kec. Bogor Selatan, Bogor | 6 units of houses for residential purposes | Leasehold |
| **As at 31 December 2017** | | |
| 31 Tomlinson Road, Tomlinson Heights | 1 unit of condominium for residential purposes | Freehold |
| 9 - 15 Bartley Road, The Quinn | 17 units of condominium for residential purposes | Freehold |
| Jl. Transyogi Km.15, Cibubur, Jawa Barat, Indonesia | a. 32 units of traditional market | Leasehold |
| | b. 60 units of festive oriental, 16 foodcourts | Leasehold |
| | c. Restaurant (Saung Apung) | Leasehold |
| | d. 7 units of harvest box | Leasehold |
| | e. Water theme park (Water Joy) | Leasehold |
| | f. Garden restaurant (Hobbit Hill) | Leasehold |
| Graha Yasa No. SH 01 Rancamaya Golf & Country Estate, Ciawi - Bogor | 7 units of shop houses | Leasehold |
| Gg Pesantren RT1 RW7 Kel. Rancamaya, Kec. Bogor Selatan, Bogor | 6 units of houses for residential purposes | Leasehold |
| **As at 1 January 2017** | | |
| 31 Tomlinson Road, Tomlinson Heights | 1 unit of condominium for residential purposes | Freehold |
| Jl. Transyogi Km.15, Cibubur, Jawa Barat, Indonesia | a. 32 units of traditional market | Leasehold |
| | b. 60 units of festive oriental, 16 foodcourts | Leasehold |
| | c. Restaurant (Saung Apung) | Leasehold |
| | d. 7 units of harvest box | Leasehold |
| Graha Yasa No. SH 01 Rancamaya Golf & Country Estate, Ciawi - Bogor | 7 units of shop houses | Leasehold |
| Gg Pesantren RT1 RW7 Kel. Rancamaya, Kec. Bogor Selatan, Bogor | 6 units of houses for residential purposes | Leasehold |

**12 Investment properties (Continued)**

Fair value hierarchy - Recurring fair value measurement

| | Fair value measurement using | | |
|---|---|---|---|
| **Description** | **Quoted prices in active markets for identical assets (Level 1) $'000** | **Significant other observable inputs (Level 2) $'000** | **Significant unobservable inputs (Level 3) $'000** |
| **As at 31.12.2018** | | | |
| - Residential | – | 42,282 | – |
| - Commercial | – | 17,702 | – |
| **As at 31.12.2017** | | | |
| - Residential | – | 39,576 | – |
| - Commercial | – | 2,969 | – |
| **As at 01.01.2017** | | | |
| - Residential | – | 8,160 | – |
| - Commercial | – | 2,217 | – |

Included in residential investment properties are condominium and houses in Singapore and Indonesia for residential purposes.

Included in commercial investment properties are a shop house in Singapore and traditional and oriental festival markets, foodcourts, restaurant, harvest box, shop houses, water theme park, club house, garden restaurant and Go-Kart circuit (2017: traditional and oriental festival markets, foodcourts, restaurant, harvest box, shop houses, water theme park and garden restaurant) in Indonesia.

*Valuation techniques used to derive Level 2 fair values*

Level 2 fair values of the Group's properties have been derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is the selling price per square metre.

*Valuation process of the Group*

The Group performs the valuation of the investment properties required for financial reporting purposes, including Level 2 fair values. Discussion of valuation processes and results are held between the members of the Board of Directors based on the highest and best use basis and market transacted data available publicly on a yearly basis.

There were no changes in valuation techniques during the financial year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 December 2018 and 2017 and 1 January 2017.

## 13 Property, plant and equipment

| | Plant and equipment | Motor vehicles | Furniture and fittings | Land use rights | Leasehold improvement | Golf course | Golf and country club equipment | Buildings and club house | Total |
|---|---|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Group** | | | | | | | | | |
| **2018** | | | | | | | | | |
| *Cost* | | | | | | | | | |
| Beginning of financial year | 687 | 1,619 | 2,274 | 20,762 | 669 | 1,859 | 3,503 | 39,759 | 71,132 |
| Currency translation differences | – | (32) | (35) | (859) | – | (77) | (145) | (652) | (1,800) |
| Disposal of subsidiary corporations (Note 36(c)) | – | (25) | (235) | – | – | – | – | (8) | (268) |
| Additions | 92 | 278 | 1,621 | 4 | – | – | 152 | 755 | 2,902 |
| Disposals | (26) | (135) | (803) | – | (669) | – | – | (174) | (1,807) |
| Transfer to investment properties (Note 12) | – | – | – | (1,736) | – | – | – | (154) | (1,890) |
| End of financial year | 753 | 1,705 | 2,822 | 18,171 | – | 1,782 | 3,510 | 39,526 | 68,269 |
| *Accumulated depreciation* | | | | | | | | | |
| Beginning of financial year | 269 | 854 | 1,281 | 3,269 | 669 | 972 | 1,870 | 2,320 | 11,504 |
| Currency translation differences | – | (23) | (37) | (186) | – | (47) | (87) | (148) | (528) |
| Disposal of subsidiary corporations (Note 36(c)) | – | (14) | (165) | – | – | – | – | (1) | (180) |
| Depreciation charge (Note 24) | 239 | 377 | 852 | 990 | – | 294 | 436 | 1,330 | 4,518 |
| Disposals | (19) | (135) | (619) | – | (669) | – | – | – | (1,442) |
| Transfer to investment properties (Note 12) | – | – | – | (331) | – | – | – | (103) | (434) |
| End of financial year | 489 | 1,059 | 1,312 | 3,742 | – | 1,219 | 2,219 | 3,398 | 13,438 |
| ***Net book value*** | | | | | | | | | |
| **End of financial year** | **264** | **646** | **1,510** | **14,429** | **–** | **563** | **1,291** | **36,128** | **54,831** |

## 13 Property, plant and equipment (Continued)

| | Plant and equipment | Motor vehicles | Furniture and fittings | Land use rights | Leasehold improvement | Golf course | Golf and country club equipment | Buildings and club house | Total |
|---|---|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Group** | | | | | | | | | |
| **2017** | | | | | | | | | |
| *Cost* | | | | | | | | | |
| Beginning of financial year | 216 | 1,181 | 777 | 22,687 | 669 | 2,020 | 3,713 | 16,297 | 47,560 |
| Currency translation differences | – | (51) | (92) | (1,811) | – | (161) | (296) | (1,300) | (3,711) |
| Acquisition of subsidiary corporation (Note 36(a)(iii)) | 352 | – | 1,258 | – | – | – | – | – | 1,610 |
| Additions | 123 | 490 | 332 | – | – | – | 86 | 24,784 | 25,815 |
| Disposals | (4) | (1) | (1) | – | – | – | – | (22) | (28) |
| Transfer to development properties | – | – | – | (114) | – | – | – | – | (114) |
| End of financial year | 687 | 1,619 | 2,274 | 20,762 | 669 | 1,859 | 3,503 | 39,759 | 71,132 |
| *Accumulated depreciation* | | | | | | | | | |
| Beginning of financial year | 167 | 498 | 553 | 2,477 | 657 | 732 | 1,545 | 1,750 | 8,379 |
| Currency translation differences | – | (29) | (63) | (248) | – | (74) | (146) | (379) | (939) |
| Depreciation charge (Note 24) | 103 | 386 | 792 | 1,063 | 12 | 314 | 471 | 971 | 4,112 |
| Disposals | (1) | (1) | (1) | – | – | – | – | (22) | (25) |
| Transfer to development properties | – | – | – | (23) | – | – | – | – | (23) |
| End of financial year | 269 | 854 | 1,281 | 3,269 | 669 | 972 | 1,870 | 2,320 | 11,504 |
| ***Net book value*** | | | | | | | | | |
| **End of financial year** | **418** | **765** | **993** | **17,493** | **–** | **887** | **1,633** | **37,439** | **59,628** |

## 13 Property, plant and equipment (Continued)

| | Plant and equipment | Motor vehicle | Furniture and fittings | Total |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **Company** | | | | |
| **2018** | | | | |
| *Cost* | | | | |
| Beginning of financial year | 227 | 73 | 26 | 326 |
| Additions | 10 | – | – | 10 |
| Disposal | – | (73) | – | (73) |
| End of financial year | 237 | – | 26 | 263 |
| *Accumulated depreciation* | | | | |
| Beginning of financial year | 156 | 73 | 26 | 255 |
| Depreciation charge | 32 | – | * | 32 |
| Disposal | – | (73) | – | (73) |
| End of financial year | 188 | – | 26 | 214 |
| ***Net book value*** | | | | |
| **End of financial year** | **49** | **–** | ***** | **49** |
| **2017** | | | | |
| *Cost* | | | | |
| Beginning of financial year | 183 | 73 | 26 | 282 |
| Additions | 44 | – | * | 44 |
| End of financial year | 227 | 73 | 26 | 326 |
| *Accumulated depreciation* | | | | |
| Beginning of financial year | 136 | 73 | 24 | 233 |
| Depreciation charge | 20 | – | 2 | 22 |
| End of financial year | 156 | 73 | 26 | 255 |
| ***Net book value*** | | | | |
| **End of financial year** | **71** | **–** | ***** | **71** |

* Less than $1,000

The depreciation charge is allocated as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| | $'000 | $'000 | $'000 | $'000 |
| Cost of sales | 1,857 | 1,595 | – | – |
| Administrative expenses | 2,661 | 2,517 | 32 | 22 |
| Total | 4,518 | 4,112 | 32 | 22 |

Included within additions in the consolidated financial statements are motor vehicles acquired under finance lease amounting to $219,000 (2017: $146,000).

**13 Property, plant and equipment (Continued)**

The carrying amounts of motor vehicles and plant and equipment held under finance leases are $271,000 and $ Nil (31 December 2017: $147,000 and $ Nil, 1 January 2017: $112,000 and $15,000) respectively at the reporting date.

During the financial year ended 31 December 2018, the Group transferred a completed club house building and a plot of land located within Mahogany Residence project from property, plant and equipment to investment properties as it has been leased out to a third party (Note 12).

During the financial year ended 31 December 2017, part of the land used as marketing office was transferred to land for development based on revised development plans. As a result, land use rights with a carrying amount of $91,000 were reclassified from property, plant and equipment to development properties.

**14 Deferred income taxes**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

| | Group | | |
|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** |
| ***Deferred income tax assets*** | | | |
| - To be recovered after one year | (1,522) | (1,422) | (4,298) |
| ***Deferred income tax liabilities*** | | | |
| - To be settled after one year | 5,707 | 6,253 | 6,748 |

Movement in deferred income tax account is as follows:

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Beginning of financial year | 4,831 | 2,450 |
| Currency translation differences | 25 | 51 |
| Acquisition of subsidiary corporation (Note 36(a)(iii)) | – | 40 |
| Disposal of subsidiary corporations | (193) | – |
| (Credited)/charged to profit or loss | (478) | 2,290 |
| End of financial year | 4,185 | 4,831 |

**14 Deferred income taxes (Continued)**

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

*Deferred income tax assets*

| | Accelerated tax depreciation | Development properties | Unutilised tax losses | Others | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Group** | | | | | |
| **2018** | | | | | |
| Beginning of financial year | – | – | (1,092) | (330) | (1,422) |
| Currency translation differences | – | – | – | 16 | 16 |
| Credited to profit or loss | – | – | – | (116) | (116) |
| End of financial year | – | – | (1,092) | (430) | (1,522) |
| **2017** | | | | | |
| Beginning of financial year | (106) | (3,974) | – | (218) | (4,298) |
| Currency translation differences | – | – | – | 23 | 23 |
| Charged/(credited) to profit or loss | 106 | 3,974 | (1,092) | (135) | 2,853 |
| End of financial year | – | – | (1,092) | (330) | (1,422) |

*Deferred income tax liabilities*

| | Accelerated tax depreciation | Fair value gains on property, plant and equipment | Fair value gains on development properties | Fair value gains on investment properties | Others | Total |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Group** | | | | | | |
| **2018** | | | | | | |
| Beginning of financial year | 7 | 2,660 | 3,298 | – | 288 | 6,253 |
| Reclassification | – | (328) | – | 328 | – | – |
| Currency translation differences | – | 4 | 5 | – | – | 9 |
| Disposal of subsidiary corporations (Note 36(c)) | – | – | (193) | – | – | (193) |
| Credited to profit or loss | – | (132) | (194) | (25) | (11) | (362) |
| End of financial year | 7 | 2,204 | 2,916 | 303 | 277 | 5,707 |
| **2017** | | | | | | |
| Beginning of financial year | 7 | 2,819 | 3,674 | – | 248 | 6,748 |
| Currency translation differences | – | 9 | 19 | – | – | 28 |
| Acquisition of subsidiary corporation (Note 36(a)(iii)) | – | – | – | – | 40 | 40 |
| Credited to profit or loss | – | (168) | (395) | – | – | (563) |
| End of financial year | 7 | 2,660 | 3,298 | – | 288 | 6,253 |

**14 Deferred income taxes (Continued)**

The Group recognises deferred income tax assets on carried forward tax losses and allowances to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and merger and acquisition allowance of approximately $6,343,000 and $2,022,000 (2017: $4,169,000 and $3,768,000) respectively at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

No deferred income tax liabilities has been recognised for withholding taxes that would be payable on unremitted earnings of the Group's subsidiary corporations (established in Indonesia) as the Group is in a position to control the timing of the remittance of earnings and it is not probable that these subsidiary corporations will distribute such earnings in the foreseeable future.

**15 Intangible assets**

| | Group | | |
|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** |
| Composition: | | | |
| Goodwill (Note (a)) | – | 584 | – |
| Trademark (Note (b)) | 170 | 238 | – |
| | 170 | 822 | – |

(a) Goodwill

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Beginning of financial year | 584 | – |
| Acquisition of subsidiary corporation (Note 36(a)(iii)) | – | 584 |
| Impairment of goodwill (Note 27) | (584) | – |
| End of financial year | – | 584 |

*Impairment tests for goodwill*

Goodwill on consolidation arose from the acquisition of 5Footway Group and has been allocated to the Group's hospitality management segment in Singapore as the cash-generating unit ("CGU").

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the hospitality management business in which the CGU operates. The key assumptions and estimates used in the calculations are revenue growth of 1% (2017: 1%) and discount rate of 13.1% (2017:10.2%).

Management determined budgeted revenue growth based on past performance and its expectations of market/economic conditions and developments. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

**15 Intangible assets (Continued)**

(a) Goodwill (Continued)

**2018**
An impairment charge of $584,000 is included within "Other gains/(losses) – net" in the statement of comprehensive income. The impairment charge in the year arose as the carrying value of the CGU, not inclusive of goodwill, exceeded its recoverable amount. The Group has also reassessed the useful lives of its property, plant and equipment related to the same business segment and determined that no changes in the useful lives were required.

**2017**
Based on the impairment test of the 5Footway Group CGU as at 31 December 2017, the estimated recoverable amount of the CGU is $1,905,000, while the carrying amount of the CGU is $965,000.

If the assumed revenue growth rate used to estimate the recoverable amount had declined by 3.6% or discount rate increased by 14%, the recoverable amount of the CGU would fall to its carrying amount.

(b) Trademark

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| *Cost* | | |
| Beginning of financial year | 238 | – |
| Acquisition of subsidiary corporation (Note 36(a)(iii)) | – | 238 |
| End of financial year | 238 | 238 |
| | | |
| *Accumulated amortisation* | | |
| Beginning of financial year | – | – |
| Amortisation during the year (Note 24) | (68) | – |
| End of financial year | (68) | – |
| | | |
| ***Net book value*** | 170 | 238 |

## 16 Trade and other payables

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Current** | | | | | | |
| Trade payables | | | | | | |
| - Non-related parties | 1,559 | 2,681 | 2,960 | 13 | 153 | 25 |
| - Retention sum payable to non-related parties | 943 | 3,039 | 3,058 | – | – | – |
| | 2,502 | 5,720 | 6,018 | 13 | 153 | 25 |
| Other payables | | | | | | |
| - Non-related parties | 3,817 | 3,919 | 5,989 | 105 | 127 | 71 |
| - Subsidiary corporations | – | – | – | 5,258 | 3,090 | 5,322 |
| | 3,817 | 3,919 | 5,989 | 5,363 | 3,217 | 5,393 |
| Financial guarantees | – | – | – | – | – | 653 |
| Accruals for operating expenses | 5,848 | 6,628 | 5,275 | 3,994 | 3,697 | 3,643 |
| Rental deposit | 199 | 173 | 948 | – | – | – |
| Loan from shareholder of a subsidiary corporation | – | 2,055 | 1,945 | – | – | – |
| Advances received | 2,107 | 3,190 | 9,978 | – | – | – |
| Contract liabilities | 25,264 | 29,605 | 21,899 | – | – | – |
| | 39,737 | 51,290 | 52,052 | 9,370 | 7,067 | 9,714 |
| **Non-current** | | | | | | |
| Golf membership | 690 | 650 | 637 | – | – | – |
| - Deposits | 495 | 646 | 732 | – | – | – |
| - Deferred interest income | 1,185 | 1,296 | 1,369 | – | – | – |
| Total trade and other payables | 40,922 | 52,586 | 53,421 | 9,370 | 7,067 | 9,714 |

The non-trade amounts due to subsidiary corporations and loan from shareholder of a subsidiary corporation are unsecured, interest-free and are repayable on demand.

The Company has issued corporate guarantees to banks for credit facilities and borrowings of certain subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. These financial guarantees are amortised to profit or loss over the period of the subsidiary corporations' borrowings.

Advances received are the advance payments received for the monthly golf membership subscription and booking fee from the prospective buyer. Contract liabilities are the advance payments from customers for the purchase of development properties and land (Note 23(b)).

Golf membership deposits are the amounts which will be returned to the members after 30 years. Golf membership deposits are carried at amortised cost and the difference between the carrying amount and amortised cost is recorded as deferred interest income and will be amortised using the effective interest method. Amortisation of the deferred interest income is included in "Other income" on the consolidated statement of comprehensive income.

## 17 Borrowings

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| *Current (Secured)* | | | | | | |
| Bank loan (I) | 1,023 | 732 | 1,006 | – | – | – |
| Bank loan (II) | – | 1,441 | – | – | – | – |
| Bank loan (III) | 784 | 818 | 889 | – | – | – |
| Bank loan (IV) | – | 9,778 | 14,470 | – | – | – |
| Bank loan (VIII) | 1,358 | 982 | 768 | – | – | – |
| Bank loan (IX) | 652 | 243 | – | – | – | – |
| Bank loan (X) | 299 | – | – | – | – | – |
| Bank loan (XI) | 422 | – | – | – | – | – |
| Bank loan (XII) | 299 | – | – | – | – | – |
| Finance lease liabilities (Note 18) | 109 | 58 | 70 | 4 | 4 | 4 |
| | 4,946 | 14,052 | 17,203 | 4 | 4 | 4 |
| *Non-current (Secured)* | | | | | | |
| Bank loan (II) | 1,326 | – | 1,607 | – | – | – |
| Bank loan (III) | 2,026 | 2,932 | 4,075 | – | – | – |
| Bank loan (IV) | 8,083 | – | – | – | – | – |
| Bank loan (VII) | – | – | 52,600 | – | – | – |
| Bank loan (X) | – | 263 | – | – | – | – |
| Bank loan (XI) | 2,701 | 2,005 | – | – | – | – |
| Finance lease liabilities (Note 18) | 150 | 76 | 12 | 5 | 9 | 12 |
| | 14,286 | 5,276 | 58,294 | 5 | 9 | 12 |
| Total borrowings | 19,232 | 19,328 | 75,497 | 9 | 13 | 16 |

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the reporting date are as follows:

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Less than 1 year | – | 1,441 | 55,213 | 9 | 13 | 16 |

**17 Borrowings (Continued)**

(a) Security granted

**Bank loan (I)**

The bank loan (I) bears an interest rate of 9.5% (31 December 2017: 10.5%; 1 January 2017: 10.5%) per annum.

The bank loan (I) is repayable in one lump sum on 15 March 2018. The loan has thereafter been extended until 15 December 2019.

The bank loan (I) is secured by land area of 7.5 (31 December 2017: 0.54; 1 January 2017: 5.36) hectares of land located in Tajur, Bogor.

**Bank loan (II)**

The bank loan (II) bears an interest rate of 9.5% (31 December 2017: floating interest rate of 12%; 1 January 2017: floating interest rate of 12%) per annum.

The bank loan (II) is repayable in one lump sum on 15 December 2018. The loan has thereafter been extended until 1 February 2022.

The bank loan (II) is secured by land area of 7.5 (31 December 2017: 0.54; 1 January 2017: 5.36) hectares of land located in Tajur, Bogor.

**Bank loan (III)**

The bank loan (III) bears an interest rate of 9.75% (31 December 2017: 10.25%; 1 January 2017: 12%) per annum.

The bank loan (III) is repayable monthly within 96 months from the drawdown of the loan facility on October 2013.

The bank loan (III) is secured by the title of the land and buildings of the hotel covering approximately 5.01 hectares.

**Bank loan (IV)**

The bank loan (IV) bears an interest rate of 12.5% (31 December 2017: 12%; 1 January 2017: 11% and 13%) per annum.

The bank loan (IV) is repayable by 20 December 2018. The loan has thereafter been extended until 20 December 2020.

The bank loan (IV) is secured by land and existing buildings and buildings to be constructed at the related land of subsidiary corporations, PT Dwikarya Langgengsukses ("DLS") and PT Dwigunatama Rintisprima ("DRP"), which are located at "Harvest City" project with 7.5 (31 December 2017: 99.5; 1 January 2017: 7.50) hectares and 129.2 (31 December 2017: 162.3; 1 January 2017: 258.05) hectares respectively.

Based on the loan agreement with bank, DRP must obtain written approval from the bank prior to performing following activities as follows:

- Enter into new credit facility from another parties in relation with its project, except loans from shareholders and commercial transactions are prevalent;
- Act as guarantor for another parties and or guarantee property;
- Amendment of the Article of Association and change members of management;
- Declaration of bankruptcy;

**17 Borrowings (Continued)**

(a) Security granted (Continued)

**Bank loan (IV) (Continued)**

- Enter into mergers or acquisitions;
- Settle payables to the shareholders;
- Distribution of dividend; and
- Leasing DRP to other parties.

**Bank loan (VII)**

The bank loan (VII) bears an interest rate per annum of 1.7% (31 December 2017: 1.7%; 1 January 2017: 1.5%) over the bank's prevailing cost of funds as determined by the bank for interest periods of 1, 2, 3 and 6 months at the option of the Group.

Bank loan (VII) is repayable in one lump sum on 31 March 2018.

The bank loan (VII) is secured by:

a) open legal mortgage over the development property at Sommerville Walk and Braddell Road (Note 8);
b) first assignment of the rights, titles and interest in and to all the relevant agreements relating to the project;
c) deed of subordination of shareholders' or related corporations' loans owing by the subsidiary corporation to the Company/related corporations; and
d) deed of guarantee and indemnity for $62,395,000 from the Company on the loan drawn by the subsidiary corporation.

The management had decided to bring forward the repayment of the bank loan (VII) and it was fully repaid on 21 September 2017.

**Bank loan (VIII)**

The bank loan (VIII) bears an interest rate of 10.5% (31 December 2017: 10.5%; 1 January 2017: 11%) per annum.

The bank loan (VIII) is repayable in one lump sum on 14 September 2018. The loan has thereafter been extended until 14 March 2019.

The bank loan (VIII) is secured by land area of 5.46 hectares located at "Rancamaya" project.

**Bank loan (IX)**

The bank loan (IX) bears an interest rate of 9.75% (31 December 2017: 11.5%) per annum.

The bank loan (IX) is repayable in one lump sum on 2 April 2018. The loan has thereafter been extended until 2 July 2019.

The bank loan (IX) is secured by the title of the land and buildings of the hotel covering approximately 5.01 (31 December 2017: 5.01) hectares.

**Bank loan (X)**

The bank loan (X) bears an interest rate of 9.75% (31 December 2017: 10.5%) per annum.

The bank loan (X) is repayable in one lump sum on 18 August 2020. The management had decided to bring forward the repayment of the bank loan (X) and it was fully repaid on 22 January 2019.

**17 Borrowings (Continued)**

(a) Security granted (Continued)

**Bank loan (X) (Continued)**

The bank loan (X) is secured with 7.7 (2017: 11.8) hectares of land and existing buildings and buildings to be constructed at the related land of subsidiary corporations, DLS and DRP.

**Bank loan (XI)**

The bank loan (XI) bears an interest rate of 10.5% (31 December 2017: 10.5%) per annum.

The bank loan (XI) is repayable by installment within three years by 14 September 2021.

The bank loan (XI) is secured by land area of 5.46 (31 December 2017: 5.46) hectares located at "Rancamaya" project.

**Bank loan (XII)**

The bank loan (XII) bears an interest rate of 9.75% per annum.

The bank loan (XII) is repayable on 18 August 2020. The management had decided to bring forward the repayment of the bank loan (XII) and it was fully repaid on 22 January 2019.

The bank loan (XII) is secured with 7.7 hectares of land and existing buildings and buildings to be constructed at the related land of subsidiary corporations, DLS and DRP.

(b) Fair value of non-current borrowings

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Finance lease liabilities | 150 | 76 | 12 | 5 | 9 | 12 |
| Bank borrowings | 13,518 | 5,098 | 58,220 | – | – | – |

The fair values above are determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the reporting date which the directors expect to be available to the Group are as follows:

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | % | % | % | % | % | % |
| Finance lease liabilities | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 |
| Bank borrowings | 10-13 | 10.2-13 | 2.5-13 | – | – | – |

The fair values are within Level 2 of the fair value hierarchy.

**17 Borrowings (Continued)**

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities for the financial years ended 31 December 2018 and 2017

| | | | Non-cash movement | | | |
|---|---|---|---|---|---|---|
| | 1 January 2018 | Cash flows | New finance leases | Disposal of subsidiary corporations (Note 36(c)) | Changes in foreign exchange | 31 December 2018 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Bank borrowings | 19,194 | 562 | – | (8) | (775) | 18,973 |
| Finance lease liabilities | 134 | (69) | 219 | – | (25) | 259 |

| | | | Non-cash movement | | |
|---|---|---|---|---|---|
| | 1 January 2017 | Cash flows | New finance leases | Changes in foreign exchange | 31 December 2017 |
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| Bank borrowings | 75,415 | (54,865) | – | (1,356) | 19,194 |
| Finance lease liabilities | 82 | (94) | 146 | – | 134 |

**18 Finance lease liabilities**

The Group leases motor vehicles and plant and equipment from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Minimum lease payments due: | | | | | | |
| - Not later than one year | 125 | 71 | 85 | 4 | 4 | 4 |
| - Between one and five years | 163 | 85 | 14 | 6 | 11 | 14 |
| | 288 | 156 | 99 | 10 | 15 | 18 |
| Less: Future finance charges | (29) | (22) | (17) | (1) | (2) | (2) |
| Present value of finance lease liabilities | 259 | 134 | 82 | 9 | 13 | 16 |

**18 Finance lease liabilities (Continued)**

The present values of finance lease liabilities are analysed as follows:

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Not later than one year (Note 17) | 109 | 58 | 70 | 4 | 4 | 4 |
| Later than one year (Note 17) | | | | | | |
| - Between one and five years | 150 | 76 | 12 | 5 | 9 | 12 |
| Present value of finance lease liabilities | 259 | 134 | 82 | 9 | 13 | 16 |

Security granted

Finance lease liabilities of the Group are effectively secured over the leased motor vehicles and plant and equipment (Note 13), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

**19 Provisions**

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Current** | | | | | | |
| Warranty (Note (a)) | 56 | 235 | 393 | 11 | 169 | 327 |
| Reinstatement cost (Note (b)) | – | 70 | 707 | – | – | – |
| | 56 | 305 | 1,100 | 11 | 169 | 327 |
| **Non-current** | | | | | | |
| Reinstatement cost (Note (b)) | 211 | 316 | 30 | – | 30 | 30 |
| Provision for hotel equipment and supplies (Note (c)) | 603 | 588 | 518 | – | – | – |
| | 814 | 904 | 548 | – | 30 | 30 |
| **Total** | **870** | **1,209** | **1,648** | **11** | **199** | **357** |

**19 Provisions (Continued)**

(a) Warranty

The Group and the Company grants up to 14 years of warranty on its waterproofing and construction business and undertakes to repair or replace items that fail to perform satisfactorily. A provision is recognised at the reporting date for expected warranty claims based on approximately (i) 5% of the contract sum; and (ii) physical verification by surveyor of the defect liabilities.

Movement in provision for warranty is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Beginning of financial year | 235 | 393 | 169 | 327 |
| Reversal* | (179) | (158) | (158) | (158) |
| End of financial year | 56 | 235 | 11 | 169 |

* Reversal of the provision is included in "Cost of sales" of the consolidated statement of comprehensive income (Note 24).

(b) Reinstatement cost

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased office properties and land. The estimate is based on management's judgement and experiences.

Movement in provision for reinstatement cost is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Beginning of financial year | 386 | 787 | 30 | 30 |
| Provision utilised | (87) | (23) | (30) | – |
| Reversal (Note 27) | (88) | (684) | – | – |
| Acquisition of a subsidiary corporation (Note 36(a)(iii)) | – | 356 | – | – |
| End of financial year | 211 | 386 | – | 30 |
| **Less: Current portion** | – | (70) | – | – |
| **Non-current portion** | 211 | 316 | – | 30 |

(c) Provision for hotel equipment and supplies

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Beginning of financial year | 588 | 518 |
| Provision made (Note 24) | 15 | 70 |
| End of financial year | 603 | 588 |

## 20 Post-employment benefits

| | Group | | |
|---|---|---|---|
| | 31.12.2018 | 31.12.2017 | 01.01.2017 |
| | $'000 | $'000 | $'000 |
| Obligation recognised in the statement of financial position for: | | | |
| Post-employment benefits | 4,525 | 4,129 | 3,602 |
| Expenses charged to profit or loss: | | | |
| Post-employment benefits (Note 25) | 630 | 633 | 565 |
| Remeasurement recognised in Other Comprehensive Income for: | | | |
| Post-employment benefits | (50) | 231 | (48) |
| The amount recognised in the statement of financial position is determined as follows: | | | |
| Present value of unfunded obligations/liability recognised in the statement of financial position | 4,525 | 4,129 | 3,602 |

The movement in the post-employment benefits obligation is as follows:

| | Group | |
|---|---|---|
| **Present value of obligation** | **2018** | **2017** |
| | **$'000** | **$'000** |
| Beginning of financial year | 4,129 | 3,602 |
| Currency translation differences | (184) | (328) |
| Benefits paid during the financial year | – | (9) |
| Current service cost | 327 | 337 |
| Interest expense | 303 | 296 |
| | 630 | 633 |
| Remeasurements: | | |
| - Actuarial (loss)/gain | (50) | 231 |
| End of financial year | 4,525 | 4,129 |

**20 Post-employment benefits (Continued)**

The principal actuarial assumptions used were as follows:

| | Group | | |
|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| Discount rate | 8.27% | 7.5% | 8.5% |
| Salary growth rate | 5% | 5% | 5% |
| Mortality rate* | TMI 2011 | TMI 2011 | TMI 2011 |
| Disability rate | 5% | 5% | 5% |

*Based on Indonesian Mortality Table

If the discount rate used has been higher or lower by 1% from management's estimates, the carrying amount of pension obligations will be an estimated of $192,000 (31 December 2017: $186,000; 1 January 2017: $157,000) lower or $205,000 (31 December 2017: $209,000; 1 January 2017: $176,000) higher.

The above sensitivity analysis is based on a change in discount rate assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the reporting date) has been applied as when calculating the post-employment benefits liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis are consistent with the previous reporting period.

**21 Share capital and treasury shares**

| | Number of ordinary shares | | Amount | |
|---|---|---|---|---|
| | **Issued shares capital** | **Treasury shares** | **Shares capital** | **Treasury shares** |
| | **'000** | **'000** | **$'000** | **$'000** |
| **Group and Company** | | | | |
| **2018** | | | | |
| Beginning and end of financial year | 321,895 | (514) | 265,667 | (101) |
| **2017** | | | | |
| Beginning of financial year | 321,895 | (464) | 265,667 | (91) |
| Treasury shares purchased | – | (50) | – | (10) |
| End of financial year | 321,895 | (514) | 265,667 | (101) |

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

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

(a) Treasury Shares

The Company acquired 50,000 shares in the Company in the open market during the financial year ended 31 December 2017. The total amount paid to acquire the shares was $10,000 and this was presented as a component within shareholders' equity.

**21 Share capital and treasury shares (Continued)**

(b) Share Options

**Top Global Share Option Scheme 2011 (the "ESOS 2011")**

The ESOS 2011 was approved by the shareholders of the Company at an Extraordinary General Meeting held on 28 March 2011 to replace the Top Global Share Option Scheme 2001 which expired on 7 June 2011 and remains in force at the discretion of the Share Scheme Committee, subject to a maximum period of ten (10) years.

Under the rules of the ESOS 2011, all directors and employees of the Company are eligible to participate in the ESOS 2011. Controlling shareholders or their associates are also eligible to participate in the ESOS 2011 subject to the approval of independent shareholders in the form of separate resolutions for each participant. Further, independent shareholders' approval is also required in the form of separate resolutions for each grant of options and the terms thereof, to each participant who is a controlling shareholder or their associate.

The Share Scheme Committee is charged with the administration of the ESOS 2011 in accordance with the rules of the ESOS 2011. The Share Scheme Committee administering the ESOS 2011 comprises the directors, Mr Yeo Chin Tuan Daniel (Chairman), Dr Lam Lee G and Ms Mimi Yuliana Maeloa.

None of the directors in the committee participated in any deliberation or decision in respect of options granted to himself.

The number of options to be offered to a participant shall be determined at the discretion of the Share Scheme Committee provided that:

(a) the total number of shares which may be offered to any participant during the entire operation of the ESOS 2011 (including adjustments under the rules) shall not exceed 15% of the shares in respect of which the Company may grant options;

(b) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates during the entire operation of the ESOS 2011 (including adjustments under the rules) shall not exceed 25% of the shares in respect of which the Company may grant options; and

(c) the number of shares which may be offered to each participant who is a controlling shareholder or his associate during the entire operation of the ESOS 2011 shall not exceed 10% of the shares in respect of which the Company may grant options.

The exercise price for each share in respect of which an option is exercisable shall be determined by the Share Scheme Committee at its absolute discretion and fixed by the Share Scheme Committee at:

(i) a price (the "Market Price") equal to the average of the last dealt prices for a share on the SGX-ST for the period of five (5) consecutive market days immediately prior to the relevant offer date and rounded up to the nearest whole cent in the event of fractional prices; and

(ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price.

Options granted to a participant not holding a salaried office or employment in the Group shall be exercised before the fifth (5th) anniversary of the relevant offer date, failing which all the unexercised options shall immediately lapse and become null and void.

**21 Share capital and treasury shares (Continued)**

(b) Share Options (Continued)

**Top Global Share Option Scheme 2011 (the "ESOS 2011") (Continued)**

| Type of share options | Date of grant | Number of options to subscribe for ordinary shares of the Company: Beginning of financial year | End of financial year | Exercise price per share | Exercise period |
|---|---|---|---|---|---|
| **2018** | | | | | |
| Executive - Directors and employees | 5 April 2011 | 3,365,400[1] | 3,365,400[1] | $1.20[1] | 5.4.2013 to 4.4.2021 |
| | 20 April 2011 | 800,000[1] | 800,000[1] | $1.20[1] | 20.4.2013 to 19.4.2021 |
| | | 4,165,400[1] | 4,165,400[1] | | |
| **2017** | | | | | |
| Executive - Directors and employees | 5 April 2011 | 3,365,400[1] | 3,365,400[1] | $1.20[1] | 5.4.2013 to 4.4.2021 |
| | 20 April 2011 | 800,000[1] | 800,000[1] | $1.20[1] | 20.4.2013 to 19.4.2021 |
| | | 4,165,400[1] | 4,165,400[1] | | |

[1] Number of share options and exercise price have been adjusted pursuant to the share consolidation exercise.

The estimated fair values of the share options granted on 5 April 2011 and 20 April 2011 were $0.0059 and $0.0026 respectively.

These fair values for share options granted on 5 April 2011 and 20 April 2011 were calculated using the Black-Scholes pricing model. The significant inputs into the model were as follows:

| **Grant date** | **5 April 2011** | **20 April 2011** |
|---|---|---|
| Weighted average share price | $0.015 | $0.010 |
| Weighted average exercise price | $0.012 | $0.012 |
| Expected volatility | 56.82% | 56.98% |
| Expected life | 2 | 2 |
| Risk free rate | 0.47% | 0.47% |
| Expected dividend yield | Nil | Nil |

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group and the Company have fully recognised total employee share option expense prior to the financial year ended 2014 (Note 22(b)(i)).

**21 Share capital and treasury shares (Continued)**

(c) Performance Share Plan

**Top Global Performance Share Plan (the "PSP")**

The PSP was approved by the shareholders of the Company at an Extraordinary General Meeting held on 8 December 2009 and remains in force at the discretion of the Performance Share Plan Committee ("PSP Committee"), subject to a maximum period of ten (10) years. The PSP shall complement the ESOS 2011 and serve as an additional and flexible incentive tool.

Under the rules of the PSP, all directors and employees of the Group as well as the controlling shareholders are eligible to participate in the PSP.

The total number of shares over which shares to be issued under the PSP, together with the number of shares issued under the ESOS 2011 shall not exceed 15% of the issued share capital of the Company at any time.

The PSP Committee is charged with the administration of the PSP in accordance with the rules of the PSP. The PSP Committee administering the PSP comprises the directors, Mr Yeo Chin Tuan Daniel (Chairman), Dr Lam Lee G and Ms Mimi Yuliana Maeloa.

None of the directors in the PSP Committee participated in any deliberation or decision in respect of shares granted to himself.

The number of shares to be offered to a participant shall be determined at the discretion of the PSP Committee provided that:

(i) the aggregate number of shares available under the PSP shall not exceed 15% of the total number of issued shares excluding treasury shares from time to time;

(ii) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates shall not exceed 20% of the new shares available under the PSP;

(iii) the number of shares which may be offered to each participant who is a controlling shareholder or their associates shall not exceed 10% of the new shares available under the PSP; and

(iv) the aggregate number of shares available for directors and employees of the Group shall not exceed 20% of the new shares available under the PSP.

No shares had been granted to any participant since the commencement of the PSP.

**22 Other reserves**

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| (a) Composition: | | | | | | |
| Share option reserve | 4,914 | 4,914 | 4,914 | 4,914 | 4,914 | 4,914 |
| Tax amnesty reserve | 60 | 63 | 63 | – | – | – |
| General reserve | (51) | (51) | (51) | – | – | – |
| Translation reserve | (19,236) | (11,267) | 5,051 | – | – | – |
| Fair value reserve | 3,139 | 2,900 | – | – | – | – |
| | (11,174) | (3,441) | 9,977 | 4,914 | 4,914 | 4,914 |

**22 Other reserves (Continued)**

| | Group | | Company | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| | $'000 | $'000 | $'000 | $'000 |
| (b) Movements: | | | | |
| (i) Share option reserve | | | | |
| Beginning and end of financial year | 4,914 | 4,914 | 4,914 | 4,914 |
| (ii) Tax amnesty reserve | | | | |
| Beginning of financial year | 63 | 63 | – | – |
| Disposal of subsidiary corporations (Note 36(c)) | (3) | – | – | – |
| End of financial year | 60 | 63 | – | – |
| (iii) General reserve | | | | |
| Beginning and end of financial year | (51) | (51) | – | – |
| (iv) Currency translation reserve | | | | |
| Beginning of financial year | (11,267) | 5,051 | – | – |
| Net currency translation differences of financial statements of foreign subsidiary corporations | (10,975) | (22,511) | – | – |
| (Less)/add: Non-controlling interests | 2,736 | 6,193 | – | – |
| Disposal of subsidiary corporations (Note 36(c)) | 270 | – | – | – |
| End of financial year | (19,236) | (11,267) | – | – |
| (v) Fair value reserve | | | | |
| Balance as at beginning of financial year (as previously reported) | 10,760 | 5,571 | – | – |
| Cumulative effects of adopting SFRS(I)* | (7,860) | (5,571) | – | – |
| Balance as at beginning of financial year – SFRS(I) | 2,900 | – | – | – |
| Fair value gain on financial assets, at FVOCI (Note 6) | 239 | 2,900 | – | – |
| End of financial year | 3,139 | 2,900 | – | – |

* Refer to Note 39 to the financial statements for details of adjustments as at 1 January 2018 and 1 January 2017 on adoption of SFRS(I) 9.

The share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The tax amnesty reserve represents the Additional Paid-In Capital ("APIC") which is the difference between assets and liabilities of tax amnesty. From the period between 14 to 30 September 2016 (the "period"), certain Indonesia subsidiary corporations of the Group have participated in the Tax Amnesty Program in accordance with Law No.11 Year 2016 ("Tax Amnesty Law"). Subsequently within the period, the said subsidiary corporations had obtained the Tax Amnesty Acknowledgement Letter ("SKPP*") which was approved by the local tax authorities in total tax amnesty assets amounting to approximate $286,000.

**22 Other reserves (Continued)**

The Group's share of the tax amnesty assets amounted to $60,000 (2017: $63,000) which is recorded in equity as APIC in accordance with the Indonesia Tax Amnesty Law.

The general reserve represents the effect of the changes in the Group's ownership interest in a subsidiary corporation that do not result in loss of control over the subsidiary corporation.

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

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

Other reserves are non-distributable.

* SKPP: Surat Keterangan Pengampunan Pajak (i.e. Tax Amnesty Acknowledgement Letter)

**23 Revenue**

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Revenue from contract revenue with customers: | | |
| - Revenue from development properties | 61,779 | 119,204 |
| - Hospitality management | 17,087 | 15,221 |
| - Rendering of services | 61 | 485 |
| | 78,927 | 134,910 |
| Rental income on operating lease | 885 | 1,171 |
| | 79,812 | 136,081 |

(a) Disaggregation of revenue from contracts with customers

| | Group | | |
|---|---|---|---|
| | **At a point in time** | **Over time** | **Total** |
| **2018** | **$'000** | **$'000** | **$'000** |
| Revenue from development properties | | | |
| - Singapore | 22,041 | – | 22,041 |
| - Indonesia | 38,410 | 1,328 | 39,738 |
| Hospitality management | | | |
| - Singapore | 4,570 | – | 4,570 |
| - Indonesia | 12,517 | – | 12,517 |
| Rendering of services | | | |
| - Indonesia | 61 | – | 61 |
| | 77,599 | 1,328 | 78,927 |

**23 Revenue (Continued)**

(a) Disaggregation of revenue from contracts with customers (Continued)

| | Group | | |
|---|---|---|---|
| **2017** | **At a point in time $'000** | **Over time $'000** | **Total $'000** |
| Revenue from development properties | | | |
| - Singapore | 84,231 | – | 84,231 |
| - Indonesia | 34,973 | – | 34,973 |
| Hospitality management | | | |
| - Singapore | 2,170 | – | 2,170 |
| - Indonesia | 13,051 | – | 13,051 |
| Rendering of services | | | |
| - Indonesia | 485 | – | 485 |
| | 134,910 | – | 134,910 |

(b) The following table provides information about contract assets and contract liabilities for contracts with customers.

| | Group | | |
|---|---|---|---|
| | **31.12.2018 $'000** | **31.12.2017 $'000** | **01.01.2017 $'000** |
| Contract liabilities (Note 16) | 25,264 | 29,605 | 21,889 |

Contract liabilities relate primarily to:
- advance consideration received from future purchase of development property and land; and
- progress billings if any, issued in excess of the Group's rights to the consideration.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under contract with the customers. The significant changes in the contract liabilities during the financial year are as follows:

| | Group | |
|---|---|---|
| | **2018 $'000** | **2017 $'000** |
| Revenue recognised that was included in contract liabilities at the beginning of the financial year | 21,378 | 14,177 |

## 24 Expenses by nature

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Amortisation of intangible assets (Note 15(b)) | 68 | – |
| Commission | 1,373 | 3,502 |
| Cost of sales of development properties | 31,966 | 86,431 |
| Write-down of development properties (Note 8) | – | 688 |
| Depreciation of property, plant and equipment (Note 13) | 4,518 | 4,112 |
| Depreciation of investment properties (Note 12) | 983 | 679 |
| Direct cost of hospitality management | 12,644 | 12,096 |
| Directors' fees paid to: | | |
| - Directors of the Company | 240 | 240 |
| - Directors of the subsidiary corporations | – | 1 |
| Employee compensation (Note 25) | 18,522 | 17,885 |
| Auditors' remuneration | | |
| Fees on audit services paid/payable to: | | |
| - Auditor of the Company | 195 | 114 |
| - Other auditors | 76 | 145 |
| Fees on non-audit services paid/payable to: | | |
| - Other auditors | 17 | 17 |
| Legal and professional fees | 932 | 693 |
| Marketing | 3,936 | 4,226 |
| Provision for hotel equipment and supplies (Note 19(c)) | 15 | 70 |
| Rental expense on operating leases | 687 | 1,297 |
| Reversal of provision for warranty (Note 19(a)) | (179) | (158) |
| Travelling | 742 | 673 |
| Repair and maintenance | 468 | 476 |
| Consultancy fees | 127 | 188 |
| Management fees | 140 | 424 |
| Other expenses | 1,562 | 197 |
| Total cost of sales, distribution and marketing and administrative expenses | 79,032 | 133,996 |

## 25 Employee compensation

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Salaries, bonuses and short-term benefits | 17,439 | 16,935 |
| Employer's contribution to defined contribution plans including Central Provident Fund | 453 | 317 |
| Post-employment benefits (Note 20) | 630 | 633 |
| | 18,522 | 17,885 |

## 26 Other income

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Interest income | | |
| - Bank deposits | 842 | 698 |
| - Loan to an associated company | 248 | 248 |
| - Late payment interest penalty from customers | 183 | 279 |
| | 1,273 | 1,225 |
| Forfeited deposits from customers | – | 421 |
| Others | 885 | 982 |
| Total | 2,158 | 2,628 |

## 27 Other gains/(losses)

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Net fair value gain on financial assets, at FVPL (Note 5) | 6,939 | 2,357 |
| Currency exchange loss – net | (210) | (499) |
| Compensation from customers on cancelled sales | 254 | 188 |
| Loss on disposal of property, plant and equipment | (54) | (2) |
| Loss on remeasurement of previous interest in an associated company (Notes 9 and 36(a)(iii)) | – | (1,441) |
| Loss on disposal of subsidiary corporations (Note 36(c)) | (1,438) | – |
| Reversal of reinstatement cost (Note 19(b)) | 88 | 684 |
| Impairment of goodwill (Note 15(a)) | (584) | – |
| Gain on bargain purchase (Note 36(a)(iii)) | 26 | – |
| Bad debt written-off – non-trade | (54) | – |
| Impairment loss on trade and other receivables (Note 33(b)) | (98) | (15) |
| Others | (238) | 584 |
| Total | 4,631 | 1,856 |

## 28 Finance expenses

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Interest expense | | |
| - Bank borrowings | 2,132 | 3,204 |
| - Finance lease liabilities | 17 | 16 |
| Finance expenses recognised in profit or loss | 2,149 | 3,220 |

## 29 Income taxes

| | Group | |
|---|---|---|
| | 2018 | 2017 |
| | $'000 | $'000 |
| Tax expense/(credit) attributable to profit/(loss) is made up of: | | |
| - Profit for the financial year: | | |
| Current income tax | | |
| - Singapore tax | 1,439 | 401 |
| - Indonesia tax | | |
| - Final tax | 1,118 | 1,321 |
| - Non-final tax | 106 | 205 |
| | 2,663 | 1,927 |
| Deferred income tax | | |
| - Singapore tax | (12) | 2,882 |
| - Indonesia tax | (466) | (698) |
| | (478) | 2,184 |
| - Under provision in prior financial years: | | |
| Current income tax - Singapore | 1,428 | 603 |
| Deferred income tax - Singapore | – | 106 |
| | 1,428 | 709 |
| Total tax expense | 3,613 | 4,820 |

## 29 Income taxes (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follow:

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Profit before income tax | 5,401 | 3,244 |
| Share of loss of an associated company, net of tax | – | 86 |
| Share of loss of joint ventures, net of tax | 19 | 19 |
| Profit before income tax and share of loss of an associated company and joint ventures | 5,420 | 3,349 |
| | | |
| Tax calculated at tax rate of 17% (2017: 17%) | 921 | 570 |
| Effects of: | | |
| - Different tax rates in other countries | 736 | 952 |
| - Expenses not deductible for tax purposes | 2,550 | 2,232 |
| - Income not subject to tax | (2,149) | (1,356) |
| - Deferred tax assets not recognised | 73 | 1,718 |
| - Under provision in prior financial years | 1,428 | 709 |
| - Tax incentives and rebates | (36) | (64) |
| - Other | 90 | 59 |
| Tax charge | 3,613 | 4,820 |

## 30 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| Net loss attributable to equity holders of the Company ($'000) | (3,359) | (1,883) |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | 321,381 | 321,384 |
| Basic loss per share (cents per share) | (1.05) | (0.59) |

**30 Loss per share (Continued)**

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has the following dilutive potential ordinary shares: share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised.

The number of shares that could have been issued upon the exercise of all dilutive share options less the number of share that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

| | 2018 | 2017 |
|---|---|---|
| Net loss attributable to equity holders of the Company and used to determine diluted earnings per share ($'000) | (3,359) | (1,883) |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | 321,381 | 321,384 |
| Adjustments for ('000) | | |
| - Share options | 4,165 | 4,165 |
| | 325,546 | 325,549 |
| Diluted loss per share (cents per share) | (1.05)* | (0.59)* |

* As loss was recorded, the dilutive potential shares from share options are anti-dilutive and no changes is made to the diluted loss per share.

**31 Contingencies**

The Company has issued a corporate guarantee amounting to $Nil (2017: $9,795,000) to banks for borrowings of certain subsidiary corporations. The bank borrowings of these subsidiary corporations had been fully repaid as at 31 December 2017.

The Company has given letters of financial support to certain subsidiary corporations in the Group with net liability positions at the reporting date.

The Company has evaluated the fair values of the corporate guarantees and obligations arising from the financial support and is of the view that both the consequential liabilities derived from its guarantees to the banks and financial support provided with regard to certain subsidiary corporations and the fair value of the corporate guarantee are minimal. The subsidiary corporations for which the corporate guarantees were provided are in favourable equity positions, with no default in the payment of borrowings and credit facilities.

## 32 Commitments

(a) Operating lease commitments – where the Group is a lessee

The Group leases land, premises and office equipment from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, are as follows:

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Not later than one year | 879 | 187 |
| Between one and five years | 1,053 | – |
| | 1,932 | 187 |

(b) Operating lease commitments – where the Group is a lessor

The Group sublets its leasehold land and premises and investment properties to non-related parties under non-cancellable operating leases. The lessees are required to pay absolute fixed annual increase to the lease payments during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Not later than one year | 616 | 770 |
| Between one and five years | 129 | 325 |
| | 745 | 1,095 |

## 33 Financial risk management

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board of Directors then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification, measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

**33 Financial risk management (Continued)**

(a) Market risk

(i) *Currency risk*

The Group operates in Asia with dominant operations in Singapore and Indonesia.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD") and Indonesia Rupiah ("IDR"). The Group's risk management policy is to match the sales and purchases with the same currency as much as practicable.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Indonesia are managed primarily through borrowings denominated in the relevant foreign currency.

The Group's and the Company's foreign currency exposure based on the information provided to key management is as follows:

| | SGD | USD | IDR | Total |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **Group** | | | | |
| **As at 31 December 2018** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | 34,899 | 62 | 7,586 | 42,547 |
| Trade and other receivables | 6,329 | – | 2,167 | 8,496 |
| Financial assets, at FVPL | – | 22,471 | 22 | 22,493 |
| Financial assets, at FVOCI | 3,219 | – | – | 3,219 |
| Receivables from subsidiary corporations | 100,738 | – | – | 100,738 |
| | 145,185 | 22,533 | 9,775 | 177,493 |
| **Financial liabilities** | | | | |
| Trade and other payables | 7,772 | – | 5,284 | 13,056 |
| Borrowings | 9 | – | 19,223 | 19,232 |
| Payables to subsidiary corporations | 100,738 | – | – | 100,738 |
| | 108,519 | – | 24,507 | 133,026 |
| **Net financial assets/(liabilities)** | 36,666 | 22,533 | (14,732) | 44,467 |
| Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies | (36,666) | – | 14,732 | (21,934) |
| **Currency exposure of financial assets net of those denominated in the respective entities' functional currencies** | **–** | **22,533** | **–** | **22,533** |

**33 Financial risk management (Continued)**

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

| | SGD | USD | IDR | Total |
|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **Group** | | | | |
| **As at 31 December 2017** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | 32,681 | 61 | 7,344 | 40,086 |
| Trade and other receivables | 16,350 | – | 2,683 | 19,033 |
| Financial assets, at FVPL | – | 14,208 | 22 | 14,230 |
| Financial assets, at FVOCI | 2,980 | – | – | 2,980 |
| Receivables from subsidiary corporations | 123,274 | – | – | 123,274 |
| | 175,285 | 14,269 | 10,049 | 199,603 |
| **Financial liabilities** | | | | |
| Trade and other payables | 13,578 | – | 5,567 | 19,145 |
| Borrowings | 13 | – | 19,315 | 19,328 |
| Payables to subsidiary corporations | 123,274 | – | – | 123,274 |
| | 136,865 | – | 24,882 | 161,747 |
| **Net financial assets/(liabilities)** | 38,420 | 14,269 | (14,833) | 37,856 |
| Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies | (38,420) | – | 14,833 | (23,587) |
| **Currency exposure of financial assets net of those denominated in the respective entities' functional currencies** | **–** | **14,269** | **–** | **14,269** |

**33 Financial risk management (Continued)**

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

| | SGD | USD | IDR | Total |
|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **Group** | | | | |
| **As at 1 January 2017** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | 39,153 | 1,284 | 7,966 | 48,403 |
| Trade and other receivables | 21,627 | – | 3,111 | 24,738 |
| Financial assets, at FVPL | – | 16,331 | 24 | 16,355 |
| Financial assets, at FVOCI | 80 | – | – | 80 |
| Receivables from subsidiary corporations | 141,519 | – | – | 141,519 |
| | 202,379 | 17,615 | 11,101 | 231,095 |
| **Financial liabilities** | | | | |
| Trade and other payables | 14,573 | – | 6,239 | 20,812 |
| Borrowings | 52,616 | – | 22,881 | 75,497 |
| Payables to subsidiary corporations | 141,519 | – | – | 141,519 |
| | 208,708 | – | 29,120 | 237,828 |
| **Net financial (liabilities)/assets** | (6,329) | 17,615 | (18,019) | (6,733) |
| Less: Net financial liabilities denominated in the respective entities' functional currencies | 6,329 | – | 17,878 | 24,207 |
| **Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies** | **–** | **17,615** | **(141)** | **17,474** |

**33 Financial risk management (Continued)**

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

| | SGD | USD | Total |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| **Company** | | | |
| **As at 31 December 2018** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 31,689 | 48 | 31,737 |
| Trade and other receivables | 92,715 | – | 92,715 |
| | 124,404 | 48 | 124,452 |
| **Financial liabilities** | | | |
| Trade and other payables | 9,370 | – | 9,370 |
| Borrowings | 9 | – | 9 |
| | 9,379 | – | 9,379 |
| **Net financial assets** | 133,783 | 48 | 133,831 |
| Less: Net financial assets denominated in the functional currency of the Company | (133, 783) | – | (133, 783) |
| **Currency exposure of financial assets net of those denominated in the Company's functional currency** | **–** | **48** | **48** |

| | SGD | USD | Total |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| **Company** | | | |
| **As at 31 December 2017** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 11,124 | 47 | 11,171 |
| Trade and other receivables | 117,081 | – | 117,081 |
| | 128,205 | 47 | 128,252 |
| **Financial liabilities** | | | |
| Trade and other payables | 7,067 | – | 7,067 |
| Borrowings | 13 | – | 13 |
| | 7,080 | – | 7,080 |
| **Net financial assets** | 121,125 | 47 | 121,172 |
| Less: Net financial assets denominated in the functional currency of the Company | (121,125) | – | (121,125) |
| **Currency exposure of financial assets net of those denominated in the Company's functional currency** | **–** | **47** | **47** |

**33 Financial risk management (Continued)**

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

| | SGD | USD | Total |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| **Company** | | | |
| **As at 1 January 2017** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 3,129 | 2 | 3,131 |
| Trade and other receivables | 132,523 | – | 132,523 |
| | 135,652 | 2 | 135,654 |
| **Financial liabilities** | | | |
| Trade and other payables | 9,714 | – | 9,714 |
| Borrowings | 16 | – | 16 |
| | 9,730 | – | 9,730 |
| **Net financial assets** | 125,922 | 2 | 125,924 |
| Less: Net financial assets denominated in the functional currency of the Company | (125,922) | – | (125,922) |
| **Currency exposure of financial assets net of those denominated in the Company's functional currency** | **–** | **2** | **2** |

*Sensitivity analysis*

A 5% (31 December 2017: 5%; 1 January 2017: 5%) strengthening of Singapore Dollar against the following currencies at the reporting date would decrease/(increase) the (loss)/profit before income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| USD | (1,127) | (713) | (881) | (2) | (2) | – |
| IDR | – | – | 7 | – | – | – |

A 5% (31 December 2017: 5%; 1 January 2017: 5%) weakening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables are being held constant.

*(ii) Price risk*

The Group is exposed to equity securities price risk arising from the quoted investments held by the Group which are classified on the consolidated statement of financial position either as financial assets at FVOCI or FVPL. The equities securities are listed in Singapore and Indonesia. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

**33 Financial risk management (Continued)**

(a) Market risk (Continued)

*(ii) Price risk* (Continued)

The unquoted investments held by the Group which are classified on the consolidated statement of financial position either as financial assets at FVOCI or FVPL are not quoted on any active market, management is at the opinion that these investments are not exposed to equity price risk.

*Sensitivity analysis*

If prices for quoted equity securities change by 5% (31 December 2017: 5%; 1 January 2017: 5%) with all other variables being held constant, the effects on profit after tax and other comprehensive income will be increased/decreased by approximately $245,000 (31 December 2017: $266,000; 1 January 2017: $315,000).

*(iii) Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from interest-earning financial assets and interest-bearing financial liabilities. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months from the reporting date.

The Group obtains additional financing through bank borrowings and finance lease arrangements. The Group's policy is to obtain the most favourable interest rates available without increasing its exposure.

The following table sets out the carrying amounts, by maturity or repricing, whichever is earlier, of the financial instruments of the Group that are exposed to interest rate risk:

| | **Group** | | | **Company** | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Financial assets** | | | | | | |
| *Fixed rate* | | | | | | |
| Short-term bank deposits | 35,260 | 31,081 | 8,761 | 30,434 | 10,397 | 2,612 |
| Trade and other receivables | 5,763 | 5,515 | 6,087 | – | – | – |
| **Financial liabilities** | | | | | | |
| *Fixed rate* | | | | | | |
| Bank borrowings | 19,232 | 17,887 | 21,290 | – | – | 16 |
| *Floating rate* | | | | | | |
| Bank borrowings | – | 1,441 | 54,207 | – | – | – |

**33 Financial risk management (Continued)**

(a) Market risk (Continued)

*(iii) Cash flow and fair value interest rate risks* (Continued)

*Sensitivity analysis*

*Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company are not exposed to changes in interest rates for fixed rate financial assets and financial liabilities.

*Cash flow sensitivity analysis for variable rate instruments*

For the variable rate financial liabilities, a change of 25 basis points (31 December 2017: 25 basis points; 1 January 2017: 25 basis points) in interest rate at the reporting date would increase/(decrease) (loss)/profit before income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

| | Profit or loss | |
|---|---|---|
| | **25 basis points increase** | **25 basis points decrease** |
| | **$'000** | **$'000** |
| **Group** | | |
| **31 December 2018** | | |
| Floating rate instruments | – | – |
| **31 December 2017** | | |
| Floating rate instruments | (4) | 4 |
| **1 January 2017** | | |
| Floating rate instruments | (136) | 136 |

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The major classes of financial assets of the Group and the Company are bank deposits and trade receivables. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collaterals where appropriate to mitigate credit risk; and
- High credit quality counterparties of at least 'A' rating by external credit rating companies.

The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

**33 Financial risk management (Continued)**

(b) Credit risk (Continued)

Revenue from hospitality management are required to be settled through online travel agent or using credit cards, mitigating credit risk. There are no significant concentrations of credit risk whether through exposure to individual customers, specific industry sectors and/or regions unless otherwise disclosed in the notes to the financial statements.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

| | Group | | |
|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** |
| Corporate guarantees provided to banks on certain subsidiary corporations' borrowings | – | – | 52,600 |

*Trade receivables*

The Group applies the SFRS(I) 9 simplified model of recognising lifetime expected credit for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers and/or counterparties.

In calculating the expected credit loss rates, the Group considers the historical loss rates for each category of customers and/or counterparties and adjusts to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the receivables. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payment within 90 days when they fall due and has shown indicators of financial difficulty, and writes off the financial asset when the Group has exhausted all means to retrieve the sum from the customers and/or counterparties. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2018 and 2017 and 1 January 2017 are as follows:

| | Trade receivables days past due | | | | | |
|---|---|---|---|---|---|---|
| **Group** | **Current** | **1-30 days** | **31-60 days** | **61-90 days** | **More than 90 days** | **Total** |
| **31 December 2018** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Trade receivables | 1,304 | 141 | 153 | 22 | 2,711 | 4,331 |
| Loss allowance | – | – | – | 10 | 2,709 | 2,719 |

**33 Financial risk management (Continued)**

(b) Credit risk (Continued)

*Trade receivables* (Continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2018 and 2017 and 1 January 2017 are as follows: (Continued)

| | | Trade receivables days past due | | | | |
|---|---|---|---|---|---|---|
| **Group** | **Current** | **1-30 days** | **31-60 days** | **61-90 days** | **More than 90 days** | **Total** |
| **31 December 2017** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Trade receivables | 10,755 | 403 | 132 | 79 | 3,009 | 14,378 |
| Loss allowance | – | – | – | – | 2,670 | 2,670 |
| **1 January 2017** | | | | | | |
| Trade receivables | 16,532 | 525 | 209 | 114 | 2,978 | 20,358 |
| Loss allowance | – | – | – | – | 2,655 | 2,655 |

| | | Trade receivables days past due | | | | |
|---|---|---|---|---|---|---|
| **Company** | **Current** | **1-30 days** | **31-60 days** | **61-90 days** | **More than 90 days** | **Total** |
| **31 December 2018** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Trade receivables | 59 | – | – | – | 2,045 | 2,104 |
| Loss allowance | – | – | – | – | (2,045) | (2,045) |
| **31 December 2017** | | | | | | |
| Trade receivables | – | – | – | – | 2,045 | 2,045 |
| Loss allowance | – | – | – | – | (2,045) | (2,045) |
| **1 January 2017** | | | | | | |
| Trade receivables | 3 | – | – | – | 2,045 | 2,048 |
| Loss allowance | – | – | – | – | (2,045) | (2,045) |

**33 Financial risk management (Continued)**

(b) Credit risk (Continued)

*Trade receivables* (Continued)

The movement in credit loss allowance are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Balance at 1 January under SFRS | 2,670 | 2,655 | 2,045 | 2,045 |
| Adoption of SFRS(I) 9 | – | – | – | – |
| Balance at 1 January under SFRS(I) 9 | 2,670 | 2,655 | 2,045 | 2,045 |
| Currency translation differences | (49) | – | – | – |
| Loss allowance recognised in profit or loss during the year on: | | | | |
| - assets acquired | 98 | 99 | – | – |
| Receivables write off as uncollectible | – | (84) | – | – |
| Balance as at 31 December | 2,719 | 2,670 | 2,045 | 2,045 |

* Refer to Note 39 to the financial statements for details of adjustments as at 1 January 2017 on adoption of SFRS(I) 9.

Cash and cash equivalents, trade receivables relating to revenue from hospitality management, loan to associates, loan to investee, other receivables and financial assets, at FVPL are subject to immaterial credit loss.

*Non-trade amount due from subsidiary corporations*

The Company applies the SFRS(I) 9 general model for measuring expected credit losses for its non-trade receivables from its subsidiary corporations.

The Company has non-trade receivables from its subsidiary corporations of $93,387,000 (31 December 2017: $117,754,000, 1 January 2017: $133,193,000) for the purpose of satisfying their short term funding requirements. The Company has made loss allowances amounting to $732,000 prior to the date of adoption of SFRS(I) 9 which uses the incurred loss model when the amount has no indication of recovery. Subsequent to the date of adoption of SFRS(I) 9, the Company uses the lifetime expected credit losses approach. There are no changes to the assumptions used when assessing the lifetime expected credit losses during the financial year.

The Company uses the 12-month expected credit losses approach to assess for impairment for the remaining outstanding amount. The assessment reflects a low credit risk exposure and there is no indication that the outstanding amount is not recoverable.

*Cash and cash equivalent*

The Group's and the Company's short term deposit are placed either as fixed rate investments or daily short-term deposits and upon which management endeavours to obtain the best rate available in market. The Group considers Cash and cash equivalent as low credit risk as it is held with bank and financial institution counterparties, which have high credit-rating assigned by the international credit-rating agency.

**33 Financial risk management (Continued)**

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due. The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or rising damage to the Group's and the Company's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuation in cash flows. The Group also ensures the availability of funding through committed bank facilities and lines.

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

Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

| | Less than 1 year | Between 2 to 5 years | Over 5 years |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| **Group** | | | |
| **At 31 December 2018** | | | |
| Trade and other payables | 12,366 | 753 | – |
| Borrowings | 4,946 | 18,274 | – |
| | 17,312 | 19,027 | – |
| **At 31 December 2017** | | | |
| Trade and other payables | 18,495 | 650 | – |
| Borrowings | 14,052 | 7,623 | – |
| | 32,547 | 8,273 | – |
| **At 1 January 2017** | | | |
| Trade and other payables | 20,175 | 637 | – |
| Borrowings | 17,203 | 62,654 | – |
| | 37,378 | 63,291 | – |

**33 Financial risk management (Continued)**

(c) Liquidity risk (Continued)

| | Less than 1 year | Between 2 to 5 years | Over 5 years |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| **Group** | | | |
| **At 31 December 2018** | | | |
| Trade and other payables | 9,370 | – | – |
| Borrowings | 4 | 6 | – |
| | 9,374 | 6 | – |
| **At 31 December 2017** | | | |
| Trade and other payables | 7,067 | – | – |
| Borrowings | 4 | 11 | – |
| | 7,071 | 11 | – |
| **At 1 January 2017** | | | |
| Trade and other payables | 9,714 | – | – |
| Borrowings | 4 | 14 | – |
| Financial guarantee liabilities | – | 52,600 | – |
| | 9,718 | 52,614 | – |

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

In compliance with the criterion for license as a real estate developer in Singapore, certain Singapore subsidiary corporations with principal activities as real estate had started with a capital of $1 million.

Management monitors capital based on a gearing ratio. The Group's and the Company's strategies, which were unchanged, are to maintain gearing ratios of less than 40%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables plus borrowings less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

**33 Financial risk management (Continued)**

(d) Capital risk (Continued)

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Net debt | 17,607 | 31,828 | 80,515 | (22,358) | (4,091) | 6,599 |
| Total equity | 381,733 | 393,516 | 415,107 | 256,352 | 264,639 | 268,728 |
| Total capital | 399,340 | 425,344 | 495,622 | 256,352[1] | 264,639[1] | 275,327 |
| Gearing ratio* | 4% | 7% | 16% | N.M | N.M | 2% |

[1] As the Company does not have any net debt, total capital is equal to total equity.

* Net debt in a negative position indicates that cash and cash equivalents are greater than the total of trade and other payables plus borrowings. Hence, it is not meaningful ("N.M") to compute the gearing ratio.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2018 and 2017 and 1 January 2017.

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets and liabilities measured at fair value at each reporting date:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **31 December 2018** | | | | |
| Financial assets, at FVPL | 4,891 | 17,602 | – | 22,493 |
| Financial assets, at FVOCI | – | 3,219 | – | 3,219 |
| **31 December 2017** | | | | |
| Financial assets, at FVPL | 5,319 | 8,911 | – | 14,230 |
| Financial assets, at FVOCI | – | 2,980 | – | 2,980 |
| **1 January 2017** | | | | |
| Financial assets, at FVPL | 6,304 | 10,051 | – | 16,355 |
| Financial assets, at FVOCI | – | 80 | – | 80 |

## 33 Financial risk management (Continued)

(e) Fair value measurements (Continued)

There were no transfers between Levels 1, 2 and 3 of fair value measurement hierarchy during the financial years ended 31 December 2018 and 2017 and as at 1 January 2017.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise debt investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The carrying amount less impairment allowance of trade and other receivables and trade and other payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosures purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of current borrowings approximates their fair values.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Notes 5 and 6 to the financial statements, except for the following:

| | **Group** | | | **Company** | | |
|---|---|---|---|---|---|---|
| | **31.12.2018** | **31.12.2017** | **01.01.2017** | **31.12.2018** | **31.12.2017** | **01.01.2017** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Financial assets, at amortised cost | 51,043 | 59,119 | 73,141 | 124,452 | 128,252 | 135,654 |
| Financial liabilities, at amortised cost | 32,288 | 38,473 | 93,609 | 9,379 | 7,080 | 9,730 |

## 34 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and other related parties at terms agreed between the parties:

(a) Purchases of services

| | **Group** | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| **Related parties** | | |
| Services received | 467 | 371 |

**34 Related party transactions (Continued)**

(a) Purchases of services (Continued)

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel, directors and their close family members.

Outstanding balances as at 31 December 2018 and 2017 and 1 January 2017, arising from services rendered/received are unsecured and payable within 12 months from the reporting date and are disclosed in Notes 7 and 16 to the financial statements respectively.

(b) Key management personnel compensation

The remuneration of directors and other members of key management during the financial year are as follows:

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Salaries, bonuses and short-term benefits | 8,036 | 7,838 |
| Directors' fees | | |
| - Directors of the Company | 240 | 240 |
| - Directors of subsidiary corporations | – | 1 |
| Employer's contribution to defined contribution plans including Central Provident Fund | 100 | 107 |
| | 8,376 | 8,186 |
| Comprised amounts paid to: | | |
| Directors of the Company | 5,072 | 5,042 |
| Directors of subsidiary corporations | 2,683 | 2,496 |
| Other key management personnel | 621 | 648 |
| | 8,376 | 8,186 |

**35 Segment information**

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ("CEO") that are used to make strategic decisions, allocate resources, and assess performance.

The CEO considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in two primary geographic areas namely, Singapore and Indonesia. From a business segment perspective, management separately considers the business activities in these geographic areas. All of the business segments are engaged in property development, facility management and investment activities. In addition, the Indonesia geographic area also derives revenue from hospitality and investment activities.

The Group has 4 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the CEO reviews the internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

**35 Segment information (Continued)**

| | | |
|---|---|---|
| Property development | : | Development of residential properties |
| Hospitality management | : | Golf and country club and hotel operations |
| Facility management | : | Property and facility management |
| Investment and others | : | Other investment activities |

The bases of measurement of the reportable segments are in accordance with the Group's accounting policies.

There are no sales between operating segments. The revenue from external parties reported to the CEO is measured in a manner consistent with that in the statement of comprehensive income.

The segment information provided to the CEO for the reportable segments are as follows:

| | Property development | Hospitality management | Facility management | Investment and others | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **FY2018** | | | | | |
| **Revenue** | | | | | |
| Sales to external parties | 61,779 | 17,087 | 884 | 62 | 79,812 |
| **Gross profit/(loss)** | 28,522 | 4,443 | 640 | (59) | 33,546 |
| Other income | 1,575 | 472 | 101 | 10 | 2,158 |
| Other (losses)/gains | (1,554) | (670) | (99) | 6,954 | 4,631 |
| Depreciation of property, plant and equipment | (497) | (1,354) | (32) | (778) | (2,661) |
| Depreciation of investment properties | (180) | – | (803) | – | (983) |
| Impairment of goodwill | – | (584) | – | – | (584) |
| Bargain purchase | – | 26 | – | – | 26 |
| Share profit of joint ventures | – | (19) | – | – | (19) |
| Rental expense on operating leases | (247) | (267) | (90) | – | (604) |
| Commission expense | (1,349) | – | (24) | – | (1,373) |
| Marketing expense | (3,584) | (352) | – | – | (3,936) |
| Finance expense | (1,779) | (370) | – | – | (2,149) |
| Unallocated costs | | | | | (22,651) |
| Profit before income tax | | | | | 5,401 |
| Income tax expense | | | | | (3,613) |
| **Net profit** | | | | | 1,788 |
| **Segment assets** | 320,999 | 63,876 | 396 | 70,293 | 455,564 |
| Additions to: | | | | | |
| - Property, plant and equipment | 840 | 1,253 | 157 | 652 | 2,902 |
| - Investment properties | – | – | 13,407 | – | 13,407 |
| **Segment liabilities** | 62,969 | 8,359 | 382 | 2,121 | 73,831 |

**35 Segment information (Continued)**

| | Property development $'000 | Hospitality management $'000 | Facility management $'000 | Investment and others $'000 | Total $'000 |
|---|---|---|---|---|---|
| **FY2017** | | | | | |
| **Revenue** | | | | | |
| Sales to external parties | 119,204 | 15,221 | 1,171 | 485 | 136,081 |
| **Gross profit** | 32,243 | 3,321 | 403 | 460 | 36,427 |
| Other income | 1,330 | 336 | 949 | 13 | 2,628 |
| Other gains/(losses) | 162 | (673) | 1,665 | 702 | 1,856 |
| Depreciation of property, plant and equipment | (568) | (1,726) | (15) | (208) | (2,517) |
| Depreciation of investment properties | (70) | – | (609) | – | (679) |
| Rental expense on operating leases | (392) | (228) | (174) | (37) | (831) |
| Share profit of an associated company | – | (86) | – | – | (86) |
| Share profit of joint ventures | – | (19) | – | – | (19) |
| Commission expense | (3,441) | (48) | (13) | – | (3,502) |
| Marketing expense | (3,968) | (255) | – | (3) | (4,226) |
| Finance expense | (2,727) | (493) | – | – | (3,220) |
| Unallocated costs | | | | | (22,587) |
| Profit before income tax | | | | | 3,244 |
| Income tax expense | | | | | (4,820) |
| **Net loss** | | | | | (1,576) |
| **Segment assets** | 365,038 | 61,607 | 327 | 50,940 | 477,912 |
| Additions to: | | | | | |
| - Investment in joint ventures | – | 63 | – | – | 63 |
| - Property, plant and equipment | 422 | 2,697 | – | 22,696 | 25,815 |
| - Investment properties | 4,460 | – | – | – | 4,460 |
| - Intangible assets | – | 822 | – | – | 822 |
| **Segment liabilities** | 74,112 | 10,154 | 25 | 105 | 84,396 |

**35 Segment information (Continued)**

(a) Reconciliation

Segment profit

Segment profit are reconciled to profit before income tax as follows:

The amounts provided to the CEO with respect to profit/(loss) before income tax are measured in a manner consistent with that in the consolidated statement of comprehensive income. These profit or loss is allocated based on the operations of the segment. All profit are allocated to the reportable segments other than directors' fees, employee compensation, auditors' remuneration, legal and professional fees, travelling expenses and others as these are separately analysed and driven by the finance department, which manages the financial position of the Group.

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| Segment profit for reportable segments | 28,052 | 25,831 |
| Other segment profit or loss | | |
| Unallocated: | | |
| Directors' fees | (240) | (241) |
| Employee compensation | (18,522) | (17,885) |
| Auditors' remuneration | (288) | (259) |
| Legal and professional fees | (932) | (693) |
| Travelling expenses | (742) | (673) |
| Repair and maintenance | (468) | (476) |
| Consultancy fees | (127) | (188) |
| Management fees | (140) | (418) |
| Utilities | (348) | (335) |
| Office expense | (177) | (179) |
| Insurance | (121) | (141) |
| Provision for hotel equipment and supplies | (15) | (70) |
| Other | (531) | (1,029) |
| Profit before income tax | 5,401 | 3,244 |

**35 Segment information (Continued)**

(b) Geographical information

The Group's four business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally property development, investment in real estate related businesses, property and facility management and investment holding; and

- Indonesia – the operations in this area are principally the property development, facility management and hospitality management.

| | Group | |
|---|---|---|
| | **2018** | **2017** |
| | **$'000** | **$'000** |
| **Sales** | | |
| Singapore | 27,495 | 87,572 |
| Indonesia | 52,317 | 48,509 |
| | 79,812 | 136,081 |
| **Non-current assets** | | |
| Singapore | 90,588 | 87,801 |
| Indonesia | 200,620 | 210,494 |
| | 291,208 | 298,295 |

There is no single external customer that contributed to 10% or more of the revenue for the financial years ended 31 December 2018 and 2017.

**36 Business combination**

(a) Acquisition of subsidiary corporations

**2018**
On 15 August 2018, the Group through its wholly-owned subsidiary corporation, 5Footway Holdings Pte. Ltd. has acquired an additional 51% of the issued shares of PC9 Pte. Ltd. As a result, PC9 Pte. Ltd., which was previously a joint venture of the Group, became a wholly-owned subsidiary corporation of the Group from the acquisition date (Note 10).

**2017**
On 31 August 2017 ("date of acquisition"), the Group through its wholly-owned subsidiary corporation, Top Global Hospitality Pte. Ltd., acquired an additional 16.25% equity interest in its associated company, 5Footway Group. The acquisition resulted in the Group obtaining control with 51.25% shareholding interests in 5Footway Group, which was consolidated with effect from the date of the additional acquisition. Subsequent to the acquisition, the Group acquired an additional 32.5% equity interest in 5Footway Group. As a result, the Group holds 83.75% shareholding interests in 5Footway Group.

The Group has elected to measure the non-controlling interests at the non-controlling interest's proportionate share of 5Footway Group's net identifiable assets.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

**36 Business combination (Continued)**

(a) Acquisition of subsidiary corporations (Continued)

(i) Purchase consideration

| | 2018 $'000 | 2017 $'000 |
|---|---|---|
| Fair value of previously held interest (Note 10) (2017: Note 9) | 25 | 454 |
| Cash paid | * | 350 |
| Consideration transferred for the business | 25 | 804 |

(ii) Effect on cash flows of the Group

| | 2018 $'000 | 2017 $'000 |
|---|---|---|
| Cash paid (as above) | * | 350 |
| Less: Cash and cash equivalents in subsidiary corporation acquired | (17) | (284) |
| Cash (inflow)/outflow on acquisition | (17) | 66 |

(iii) Identifiable assets acquired and liabilities assumed

| | 2018 $'000 | 2017 $'000 |
|---|---|---|
| Cash and cash equivalents | 17 | 284 |
| Property, plant and equipment (Note 13) | – | 1,610 |
| Trademark (included in intangible assets) (Note 15(b)) | – | 238 |
| Investments in joint ventures (Note 10) | – | 63 |
| Trade and other receivables | 174 | 1,179 |
| Total assets | 191 | 3,374 |
| Trade and other payables | (140) | (2,065) |
| Provisions (Note 19(b)) | – | (356) |
| Deferred tax liabilities (Note 14) | – | (40) |
| Total liabilities | (140) | (2,461) |
| Total identifiable net assets | 51 | 913 |
| Less: Non-controlling interest measured at the non-controlling interest's proportionate share of net identifiable assets | – | (693) |
| Add: Goodwill (Note 15(a) and Note 36(v) below) | – | 584 |
| Less: Bargain purchase (Note 27) | (26) | – |
| Consideration transferred for the business | 25 | 804 |

In prior financial year, the remeasurement to fair value of the Group's existing 35% interest in 5Footway Group resulted in a loss of $1,441,000. This amount has been recognised in "Other gains/(losses)" in the profit or loss (Notes 9 and 27 respectively).

* Less than $1,000

**36 Business combination (Continued)**

(a) Acquisition of subsidiary corporations (Continued)

(iv) Acquisition-related costs

There was no acquisition-related cost incurred in the business combination for the financial year ended 31 December 2018.

For the financial year ended 31 December 2017, acquisition-related costs of $2,000 are included in "Administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(v) Goodwill

For the financial year ended 31 December 2017, goodwill of $584,000 arising from the acquisition is attributable to the synergies expected to arise from the economies of scale in managing the hospitality operations of the Group with those of 5Footway Group.

(vi) Revenue and profit contribution

For the financial year 31 December 2018, the acquisition of PC9 Pte. Ltd. did not have any material impact on the Group's profit or loss for the period from 16 August 2018 to 31 December 2018. There would not be any material impact on the Group's consolidated revenue and loss for the financial year ended 31 December 2018 had the acquired business been consolidated from 1 January 2018.

For the financial year 31 December 2017, the acquired business contributed revenue of $2,216,000 and net loss of $577,000 to the Group from the period from 1 September 2017 to 31 December 2017. Had 5Footway Group been consolidated from 1 January 2017, consolidated revenue and loss for the financial year ended 31 December 2017 would have been $7,146,000 and $816,000 respectively.

(b) Acquisition of additional interest in subsidiary corporations

**2018**
On 15 August 2018 and 27 December 2018, the Company acquired additional 16.25% of the issued shares of 5Footway Group and 5% of the issued shares of Global Star Development Pte. Ltd. for a purchased consideration of $1 and $50,000 respectively. The Group as of 31 December 2018 holds 100% of equity share capital of 5Footway Group and Global Star Development Pte. Ltd..

The following summarises the effect of the changes in the Group's ownership interest in PT Suyamas Dutamakmur Tbk and its subsidiary corporations ("SMDM Group") and 5Footway Group on the equity attributable to owners of the Company:

| | 2018 | | |
|---|---|---|---|
| | **5Footway Group** | **Global Star Development Pte. Ltd. (Note 11)** | **Total** |
| | **$'000** | **$'000** | **$'000** |
| Consideration paid for acquisition on non-controlling interest | * | 50 | 50 |
| Carrying amount of non-controlling interest acquired | (491) | (57) | (548) |
| Decrease in equity attributable to equity holders of the Company | (491) | (7) | (498) |

**36 Business combination (Continued)**

(b) Acquisition of additional interest in subsidiary corporations (Continued)

**2017**

On 16 May 2016 and 12 December 2017, the Company acquired additional 1.44% of the issued shares of PT Suyamas Dutamakmur Tbk and its subsidiary corporations ("SMDM Group") and 32.5% of the issued shares of 5Footway Group for a purchase consideration of $500,000 and $800,000 respectively. The Group as of 31 December 2017 holds 72.96% and 83.75% of the equity share capital of SMDM Group and 5Footway Group respectively.

The following summarises the effect of the changes in the Group's ownership interest in SMDM Group and 5Footway Group on the equity attributable to owners of the Company:

| | 2017 | | |
|---|---|---|---|
| | **SMDM Group (Note 11)** | **5Footway Group** | **Total** |
| | **$'000** | **$'000** | **$'000** |
| Consideration paid for acquisition on non-controlling interest | 500 | 800 | 1,300 |
| Carrying amount of non-controlling interest acquired | (2,751) | (138) | (2,889) |
| Decrease in equity attributable to equity holders of the Company | (2,251) | 662 | (1,589) |

* Less than $1,000

(c) Disposal of interest in subsidiary corporations

During the financial year ended 31 December 2018, the Group disposed of its entire equity interests in the following subsidiary corporations:

| Name of subsidiary corporations disposed | Equity interest disposed of | Consideration | Month of disposal |
|---|---|---|---|
| | % | $'000 | |
| PT Golden Intergrity Sejati | 51.07 | 132 | June 2018 |
| PT Golden Edukasi Abadi | 51.68 | 85 | June 2018 |
| PT Wisma Surya Abadi | 36.48 | 1,890 | September 2018 |
| | | 2,107 | |

**36 Business combination (Continued)**

(c) Disposal of interest in subsidiary corporations (Continued)

The carrying amounts of assets and liabilities of subsidiary corporations disposed of and the effect thereof as at date of disposal were as follows:

| | 2018 |
|---|---|
| | S$'000 |
| Cash and cash equivalents | 112 |
| Trade and other receivables | 876 |
| Development properties | 6,422 |
| Property, plant and equipment (Note 13) | 88 |
| | 7,498 |
| Trade and other payables | 27 |
| Borrowings (Note 17(c)) | 8 |
| Deferred tax liabilities (Note 14) | 193 |
| | 228 |
| Net carrying amounts of assets disposed | 7,270 |
| Less: Tax amnesty reserve (Note 22 (b)(ii)) | (3) |
| Less: Non-controlling interests | (3,452) |
| Net assets disposed of | 3,815 |
| Cash inflows arising from disposal: | |
| Net assets disposed of (as above) | 3,815 |
| Less: Foreign currency translation reserve realised upon disposal of subsidiary corporations (Note 22(b)(iv)) | (270) |
| Loss on disposal (Note 27) | (1,438) |
| Cash proceed on disposal | 2,107 |
| Less: Cash and cash equivalents in subsidiary corporations disposed of | (112) |
| Net cash inflow on disposal | 1,995 |

**37 Event occurring after the reporting date**

Subsequent to the financial year ended 31 December 2018, the Group disposed of its equity investments in Bossier Casino Venture which has been classified as financial assets, at FVPL with a carrying amount of $17,602,000 for a cash consideration of $17,602,000 to a non-related party.

The above events are not expected to have material effect to the Group for the financial year ending 31 December 2019.

**38 New or revised accounting standards and interpretations**

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2019 and which the Group has not early adopted:

- SFRS(I) 16 *Leases* (effective for annual periods beginning on or after 1 January 2019)

**38 New or revised accounting standards and interpretations (Continued)**

SFRS(I) 16 will result in almost all leases being recognised on the statements of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

At commencement date of a lease, a lessee will recognised a liability to make lease payments (i.e. lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as a adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

i. Its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or

ii. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Group plans to elect the following practical expedients:

- Not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that we previously identified as leases
- To apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease terms ends within 12 months as of 1 January 2019
- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subjected to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

On adoption of SFRS(I) 16, the Group does not expect any significant adjustments to the Group's financial statements.

**39 Adoption of SFRS(I)**

(a) Optional exemption applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has adopted SFRS(I) on 1 January 2018 and has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(i) Deemed cost

The Group has elected to regard the fair values of its investment properties as their deemed cost at the date of transition to SFRS(I) 1 on 1 January 2017.

(ii) Practical expedients on adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 January 2018 and have used the practical expedients provided under SFRS(I) 15 for completed contracts.

For completed contracts, the Group has not restated contracts that:
- begin and end within the same annual reporting period; or
- are completed contracts at the beginning of the earliest period presented.

**39 Adoption of SFRS(I) (Continued)**

(b) Reconciliation of the Group's Statement of Financial Position reported in accordance with SFRS to SFRS(I)

| As at 1 January 2017 | Note | Reported under SFRS | Effects of applying SFRS(I) 9 | Reported under SFRS(I) |
|---|---|---|---|---|
| | | $'000 | $'000 | $'000 |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | | 48,403 | – | 48,403 |
| Available-for-sale financial assets | B1 | 24 | (24) | – |
| Financial assets, at FVPL | B1 | – | 24 | 24 |
| Trade and other receivables | | 21,062 | – | 21,062 |
| Inventories | | 314 | – | 314 |
| Development properties | | 220,506 | – | 220,506 |
| | | 290,309 | – | 290,309 |
| **Non-current assets** | | | | |
| Available-for-sale financial assets | B1 | 16,411 | (16,411) | – |
| Financial assets, at FVPL | B1 | – | 16,331 | 16,331 |
| Financial assets, at FVOCI | B1 | – | 80 | 80 |
| Trade and other receivables | | 6,087 | – | 6,087 |
| Development properties | | 190,473 | – | 190,473 |
| Investment in an associated company | | 1,981 | – | 1,981 |
| Investment in joint ventures | | * | – | * |
| Investment properties | A1 | 10,377 | – | 10,377 |
| Property, plant and equipment | | 39,181 | – | 39,181 |
| Deferred income tax assets | | 4,298 | – | 4,298 |
| | | 268,808 | – | 268,808 |
| **Total assets** | | 559,117 | – | 559,117 |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | | 52,052 | – | 52,052 |
| Current income tax liabilities | | 3,094 | – | 3,094 |
| Borrowings | | 17,203 | – | 17,203 |
| Provisions | | 1,100 | – | 1,100 |
| | | 73,449 | – | 73,449 |

**39 Adoption of SFRS(I) (Continued)**

(b) Reconciliation of the Group's Statement of Financial Position reported in accordance with SFRS to SFRS(I) (Continued)

| As at 1 January 2017 | Note | Reported under SFRS | Effects of applying SFRS(I) 9 | Reported under SFRS(I) |
|---|---|---|---|---|
| | | $'000 | $'000 | $'000 |
| **Non-current liabilities** | | | | |
| Trade and other payables | | 1,369 | – | 1,369 |
| Borrowings | | 58,294 | – | 58,294 |
| Deferred income tax liabilities | | 6,748 | – | 6,748 |
| Post-employment benefits | | 3,602 | – | 3,602 |
| Provisions | | 548 | – | 548 |
| | | 70,561 | – | 70,561 |
| **Total liabilities** | | 144,010 | – | 144,010 |
| **NET ASSETS** | | 415,107 | – | 415,107 |
| **EQUITY** | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | |
| Share capital | | 265,667 | – | 265,667 |
| Treasury shares | | (91) | – | (91) |
| Other reserves | B1 | 15,548 | (5,571) | 9,977 |
| Accumulated losses | B1 | (2,067) | 5,571 | 3,504 |
| | | 279,057 | – | 279,057 |
| **Non-controlling interests** | | 136,050 | – | 136,050 |
| **Total equity** | | 415,107 | – | 415,107 |

* Less than $1,000

**39 Adoption of SFRS(I) (Continued)**

(b) Reconciliation of the Group's Statement of Financial Position reported in accordance with SFRS to SFRS(I) (Continued)

| As at 31 December 2017 | Note | Reported under SFRS | Effects of applying SFRS(I) 1 | Effects of applying SFRS(I) 9 | Reported under SFRS(I) |
|---|---|---|---|---|---|
| | | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | | 40,086 | – | – | 40,086 |
| Available-for-sale financial assets | B1 | 22 | – | (22) | – |
| Financial assets, at FVPL | B1 | – | – | 22 | 22 |
| Trade and other receivables | | 15,517 | – | – | 15,517 |
| Inventories | | 272 | – | – | 272 |
| Development properties | | 123,720 | – | – | 123,720 |
| | | 179,617 | – | – | 179,617 |
| **Non-current assets** | | | | | |
| Available-for-sale financial assets | B1 | 17,188 | – | (17,188) | – |
| Financial assets, at FVPL | B1 | – | – | 14,208 | 14,208 |
| Financial assets, at FVOCI | B1 | – | – | 2,980 | 2,980 |
| Trade and other receivables | | 5,515 | – | – | 5,515 |
| Development properties | | 173,406 | – | – | 173,406 |
| Investment in joint ventures | | 44 | – | – | 44 |
| Investments in subsidiary corporations | | – | – | – | – |
| Investment properties | A1 | 42,545 | (2,275) | – | 40,270 |
| Property, plant and equipment | | 59,628 | – | – | 59,628 |
| Deferred income tax assets | | 1,422 | – | – | 1,422 |
| Intangible assets | | 822 | – | – | 822 |
| | | 300,570 | (2,275) | – | 298,295 |
| **Total assets** | | 480,187 | (2,275) | – | 477,912 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | | 51,290 | – | – | 51,290 |
| Current income tax liabilities | | 891 | – | – | 891 |
| Borrowings | | 14,052 | – | – | 14,052 |
| Provisions | | 305 | – | – | 305 |
| | | 66,538 | – | – | 66,538 |

**39 Adoption of SFRS(I) (Continued)**

(b) Reconciliation of the Group's Statement of Financial Position reported in accordance with SFRS to SFRS(I) (Continued)

| As at 31 December 2017 | Note | Reported under SFRS | Effects of applying SFRS(I) 1 | Effects of applying SFRS(I) 9 | Reported under SFRS(I) |
|---|---|---|---|---|---|
| | | $'000 | $'000 | $'000 | $'000 |
| **Non-current liabilities** | | | | | |
| Trade and other payables | | 1,296 | – | – | 1,296 |
| Borrowings | | 5,276 | – | – | 5,276 |
| Deferred income tax liabilities | | 6,253 | – | – | 6,253 |
| Post-employment benefits | | 4,129 | – | – | 4,129 |
| Provisions | | 904 | – | – | 904 |
| | | 17,858 | – | – | 17,858 |
| **Total liabilities** | | 84,396 | – | – | 84,396 |
| **NET ASSETS** | | 395,791 | (2,275) | – | 393,516 |
| **EQUITY** | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | | 265,667 | – | – | 265,667 |
| Treasury shares | | (101) | – | – | (101) |
| Other reserves | B1 | 4,419 | – | (7,860) | (3,441) |
| Accumulated losses | A1, B1 | (2,540) | (2,275) | 7,860 | 3,045 |
| | | 267,445 | (2,275) | – | 265,170 |
| **Non-controlling interests** | | 128,346 | – | – | 128,346 |
| **Total equity** | | 395,791 | (2,275) | – | 393,516 |

**39 Adoption of SFRS(I) (Continued)**

(c) Reconciliation of the Group's total comprehensive income reported in accordance with SFRS and SFRS(I)

| For the financial year ended 31 December 2017 | Note | Reported under SFRS | Effects of applying SFRS(I) 1 | Effects of applying SFRS(I) 9 | Reported under SFRS(I) |
|---|---|---|---|---|---|
| | | $'000 | $'000 | $'000 | $'000 |
| Revenue | | 136,081 | – | – | 136,081 |
| Cost of sales | | (99,654) | – | – | (99,654) |
| Gross profit | | 36,427 | – | – | 36,427 |
| Other income | | | | | |
| - Interest | | 1,225 | – | – | 1,225 |
| - Others | | 1,403 | – | – | 1,403 |
| Other gains/(losses) | | | | | |
| - Impairment loss on trade receivables | | (15) | – | – | (15) |
| - Others | A1, B1 | 1,163 | (1,596) | 2,289 | 1,856 |
| Expenses | | | | | |
| - Distribution and marketing | | (7,858) | – | – | (7,858) |
| - Administrative | | (25,790) | (679) | – | (26,469) |
| - Finance | | (3,220) | – | – | (3,220) |
| Share of loss of an associated company | | (86) | – | – | (86) |
| Share of loss of joint ventures | | (19) | – | – | (19) |
| Profit/(loss) before income tax | | 3,230 | (2,275) | 2,289 | 3,244 |
| Income tax expense | | (4,820) | – | – | (4,820) |
| **Net (loss)/profit** | | (1,590) | (2,275) | 2,289 | (1,576) |

**39 Adoption of SFRS(I) (Continued)**

(c) Reconciliation of the Group's total comprehensive income reported in accordance with SFRS and SFRS(I) (Continued)

| For the financial year ended 31 December 2017 | Note | Reported under SFRS $'000 | Effects of applying SFRS(I) 1 $'000 | Effects of applying SFRS(I) 9 $'000 | Reported under SFRS(I) $'000 |
|---|---|---|---|---|---|
| **Other comprehensive (loss)/income:** | | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | | |
| Currency translation differences arising from consolidation - Losses | | (22,511) | – | – | (22,511) |
| Fair value gain on financial assets, at FVOCI | | | | | |
| - Fair value gains | B1 | 5,678 | – | (2,778) | 2,900 |
| - Reclassification | B1 | (489) | – | 489 | – |
| | | (17,322) | – | (2,289) | (19,611) |
| *Items that will not be reclassified subsequently to profit or loss:* | | | | | |
| Remeasurement of post-employment benefits | | (231) | – | – | (231) |
| **Other comprehensive loss, net of tax** | | **(17,553)** | **–** | **(2,289)** | **(19,842)** |
| **Total comprehensive loss** | | **(19,143)** | **–** | **–** | **(21,418)** |
| **(Loss)/profit attributable to:** | | | | | |
| Equity holders of the Company | | (1,897) | (2,275) | 2,289 | (1,883) |
| Non-controlling interests | | 307 | – | – | 307 |
| | | (1,590) | (2,275) | 2,289 | (1,576) |
| **Total comprehensive (loss)/income attributable to:** | | | | | |
| Equity holders of the Company | | (13,191) | (2,275) | – | (15,466) |
| Non-controlling interests | | (5,952) | – | – | (5,952) |
| | | (19,143) | (2,275) | – | (21,418) |

**39 Adoption of SFRS(I) (Continued)**

(d) There were no material adjustments to the Group's statement of cash flows arising from the transition from SFRS to SFRS(I).

**Explanatory notes to reconciliations**

The effects of transition to SFRS(I) mainly arises from the optional exemptions provided for under SRFS(I) 1 and the adoption of SFRS (I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*.

A Optional exemptions applied

As disclosed in Note 39(a), the Group has applied certain exemptions in preparing this first set of financial statements in accordance with SFRS(I). The exemptions that resulted in adjustments to the previously issued SFRS financial statements are as follows:

A1 Fair value as deemed cost exemption for investment properties

As disclosed in Note 39(a), the Group has elected to regard the fair value of investment properties as their deemed cost at the date of transition to SFRS(I) on 1 January 2017. The aggregate fair value of these investment properties amounted to $10,377,000, which was the carrying amount of the investment properties before the date of transition and therefore, no adjustment required at the date of transition on 1 January 2017.

The fair values of the Group's properties have been derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is the selling price per square metre.

As a result, on 31 December 2017, the carrying amount of investment properties decreased by $2,275,000. The depreciation expense increased by $679,000 with a corresponding decrease in other gains - net fair value gain recognised on the investment properties decrease of $1,596,000 for the financial year ended 31 December 2017. Correspondingly, carrying amount of investment properties decreased by $2,275,000. Accumulated losses as at 31 December 2017 increased by $2,275,000 as at 31 December 2017.

B Adoption of SFRS(I) 9 *Financial Instruments*

The Group adopted SFRS(I) 9, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group does not apply optional exemption in SFRS(I) 1 and therefore, has comparative information as at 1 January 2017 which is the Group's date of transition to SFRS (I). The comparative information was prepared in accordance with the disclosure requirement under SFRS(I) 7 *Financial Instruments: Disclosures*.

B1 Classification and measurement

Classification of the financial assets depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2017, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2017. Material reclassification resulting from management's assessment are disclosed below:

## 39 Adoption of SFRS(I) (Continued)

**Explanatory notes to reconciliations (Continued)**

B1 Classification and measurement (Continued)

**Financial Assets**

| | Available-for-sale ("AFS") | Fair value through profit or loss ("FVPL") | Fair value through other comprehensive income ("FVOCI") | Fair value reserve | (Accumulated losses)/ retained profits |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Balance as at 1 January 2017 - before adoption of SFRS(I) 9** | 16,435 | – | – | 5,571 | (2,067) |
| Reclassify investments from AFS to FVPL | (16,355) | 16,355 | – | (5,571) | 5,571 |
| Reclassify investments from AFS to FVOCI | (80) | – | 80 | – | – |
| **Balance as at 1 January 2017 - after adoption of SFRS(I) 9** | – | 16,355 | 80 | – | 3,504 |

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. Debt instruments that were measured at amortised costs previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

For equity securities, the Group elects to measure one of its available-for-sale unquoted equity securities at fair value through other comprehensive income ("FVOCI") amounting to $80,000 and the remaining equity securities at fair value through profit or loss ("FVPL") amounting to $16,355,000 as at 1 January 2017. As a result of the change in measurement of the Group's equity securities previously measured at FVOCI to FVPL, fair value reserve of $5,571,000 was transferred to retained earnings as at 1 January 2017.

In addition, the change in the classification has resulted in an increase in fair value gains recognised in "Other gains" amounting to $2,289,000 in the profit or loss and a decrease in fair value gains recognised in other comprehensive income amounting to $2,289,000 for the financial year ended 31 December 2017.

B2 Impairment of financial assets

SFRS(I) 9 replace the "incurred loss" model in SFRS with an "expected credit loss" ("ECL") model. The Group requires to apply ECL model to its financial assets measured at amortised of FVOCI and financial guarantees.

The adoption of ECL model under SFRS(I) 9 does not have significant impact to the Group financial statements at 1 January 2017 and 31 December 2017. The accounting policies are disclosed in Note 2.11.

**39 Adoption of SFRS(I) (Continued)**

**Explanatory notes to reconciliations (Continued)**

C Adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

The Group adopted SFRS(I) 15, which is effective for annual periods beginning on or after 1 January 2018.

The Group applied SFRS(I) 15 retrospectively and has elected to apply the exemption SFRS(I) 1 to apply the practical expedients in accordance with the transition provision in SFRS(I) 15:

For completed contracts, the Group has not restated contracts that begin and end within the same financial year or are completed contracts at 1 January 2017. There is no significant impact arising from, the adoption of SFRS(I) 15.

C1 Sales of development properties

Timing of revenue recognition

The Group is in the business of construction and developing residential and commercial properties. The Group previously recognised revenue from sales of development properties under construction using the percentage of completion method for contracts where the legal terms were much that the constriction represented the continuous transfer of work in progress the purchaser, otherwise, the completed contract method was used. Under SFRS(I) 15, for residential and commercial developments, performance obligations for the sales of development properties are satisfied over time where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date.

For certain sale of development properties where revenue was recognised upon completion previously, its performance does not create an asset with alternative use to the Group and it has an enforceable right to payment for performance completed to date. Management has assessed and determined the revenue recognised over time SFRS(I) 15 is negligible and does not have significant impact to the Group's retained earnings as at 1 January 2017 and Group's financial statements for the financial year ended 31 December 2017 respectively. As a result, no adjustments were previously made for this in the Group's financial statements. The accounting policies are disclosed in Note 2.2 to the financial statements.

C2 Presentation of contracts liabilities

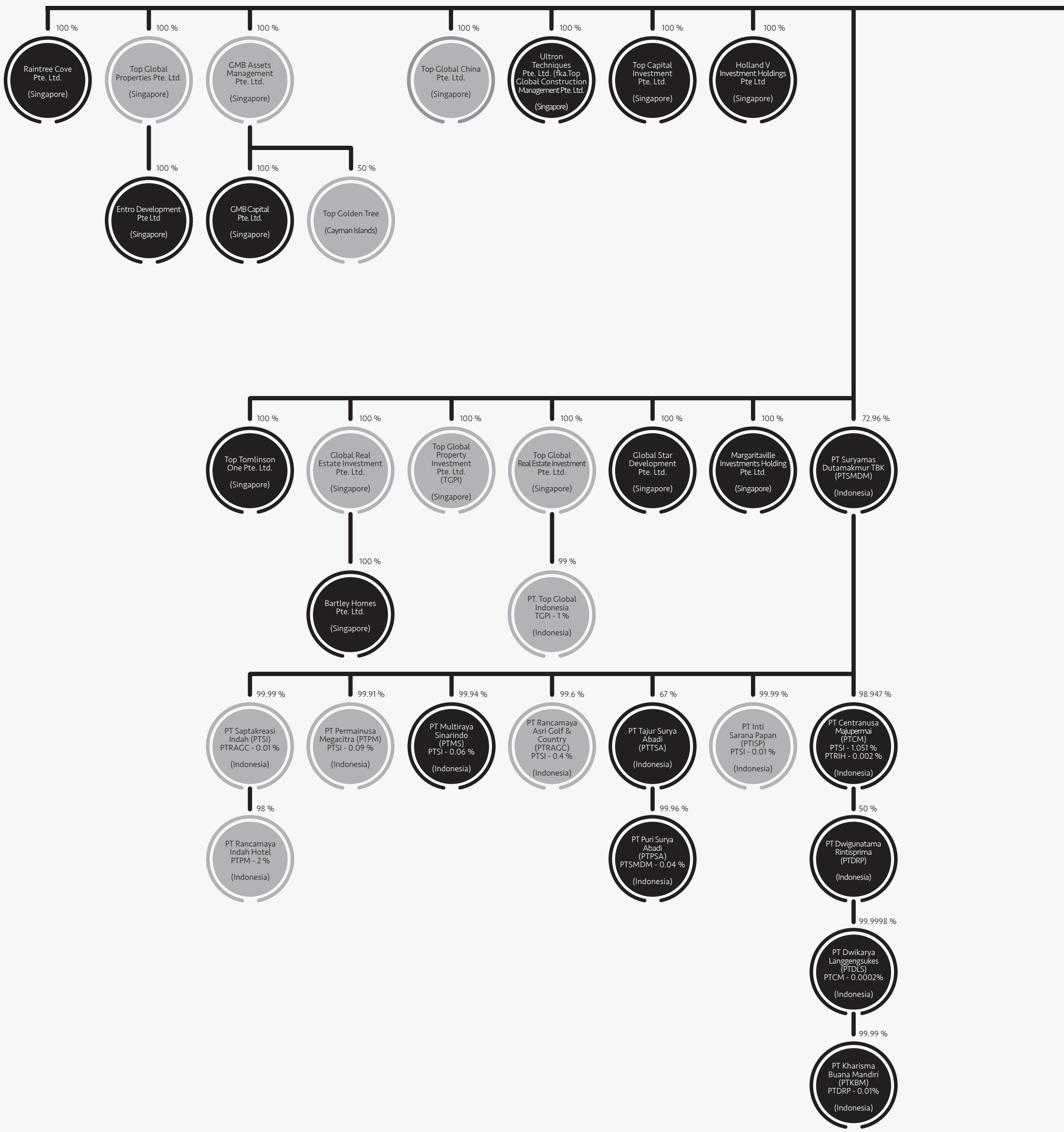
The Group has also changed the presentation of certain amounts in the statement of financial position as at 1 January 2017 and 31 December 2017 on adopting SFRS(I) 15.

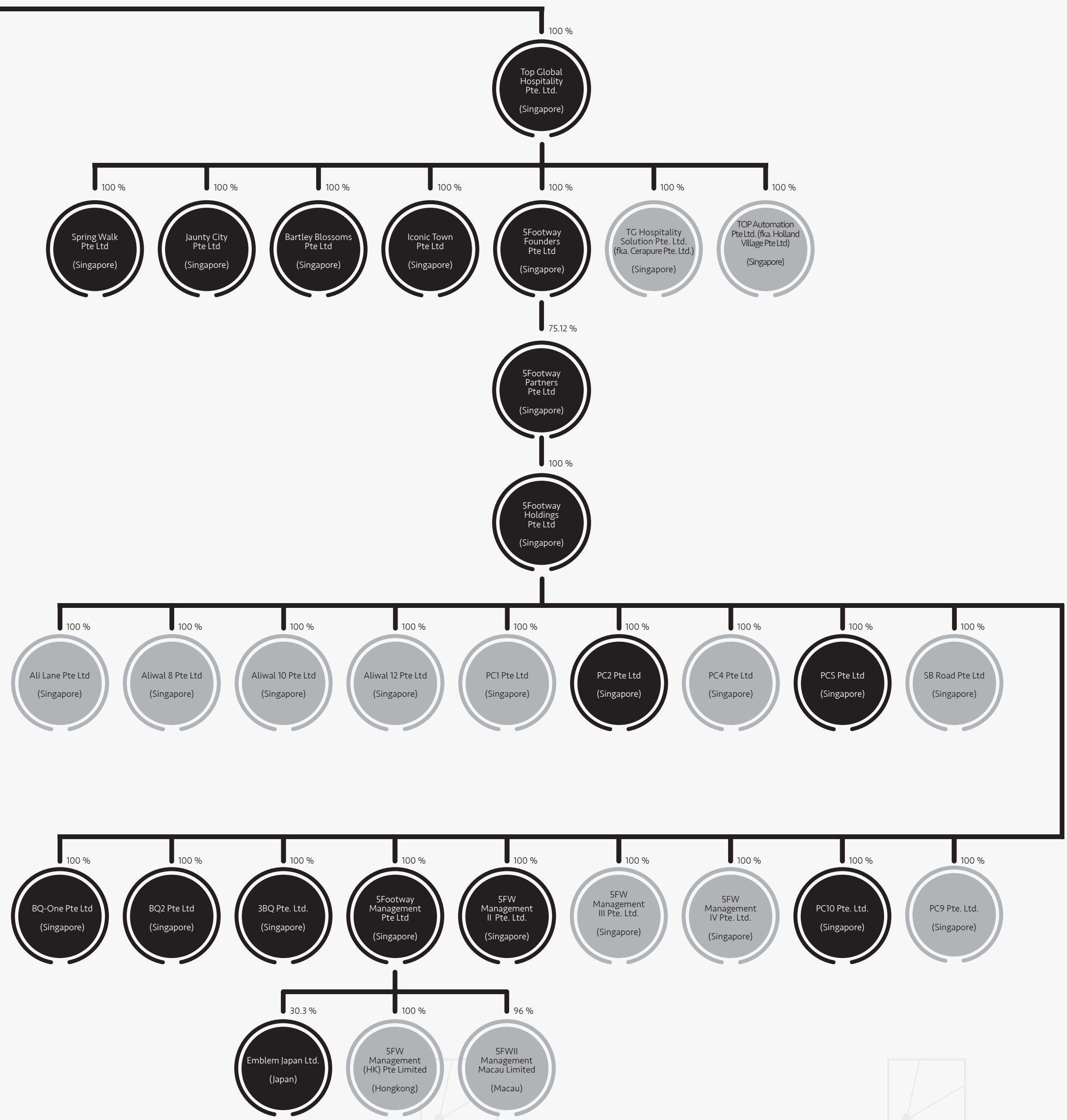
Contract liabilities in relation to the construction and development of properties were previously presented as "Advances received" of $21,899,000 and $29,605,000 within "Trade and other payables" under SFRS as at 1 January 2017 and 31 December 2017 respectively.

**40 Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Top Global Limited on 1 April 2019.

# Group Structure




100 %
Top Global Hospitality Pte. Ltd. (Singapore)
100 %
Spring Walk Pte Ltd (Singapore)
100 %
Jaunty City Pte Ltd (Singapore)
100 %
Bartley Blossoms Pte Ltd (Singapore)
100 %
Iconic Town Pte Ltd (Singapore)
100 %
5Footway Founders Pte Ltd (Singapore)
100 %
TG Hospitality Solution Pte. Ltd. (fka. Cerapure Pte. Ltd.) (Singapore)
100 %
TOP Automation Pte Ltd. (fka. Holland Village Pte Ltd) (Singapore)
75.12 %
5Footway Partners Pte Ltd (Singapore)
100 %
5Footway Holdings Pte Ltd (Singapore)
100 %
Ali Lane Pte Ltd (Singapore)
100 %
Aliwal 8 Pte Ltd (Singapore)
100 %
Aliwal 10 Pte Ltd (Singapore)
100 %
Aliwal 12 Pte Ltd (Singapore)
100 %
PC1 Pte Ltd (Singapore)
100 %
PC2 Pte Ltd (Singapore)
100 %
PC4 Pte Ltd (Singapore)
100 %
PCS Pte Ltd (Singapore)
100 %
SB Road Pte Ltd (Singapore)
100 %
BQ-One Pte Ltd (Singapore)
100 %
BQ2 Pte Ltd (Singapore)
100 %
3BQ Pte. Ltd. (Singapore)
100 %
5Footway Management Pte Ltd (Singapore)
100 %
5FW Management II Pte. Ltd. (Singapore)
100 %
5FW Management III Pte. Ltd. (Singapore)
100 %
5FW Management IV Pte. Ltd. (Singapore)
100 %
PC10 Pte. Ltd. (Singapore)
100 %
PC9 Pte. Ltd. (Singapore)
30.3 %
Emblem Japan Ltd. (Japan)
100 %
5FW Management (HK) Pte Limited (Hongkong)
96 %
5FWII Management Macau Limited (Macau)

# Statistics of Shareholdings

AS AT 20 MARCH 2019

| | | |
|---|---|---|
| Class of shares | : | Ordinary |
| Voting rights (excluding treasury shares and subsidiary holding) | : | 1 vote per share |
| Number of Issued and fully paid-up shares excluding treasury shares and subsidiary holdings | : | 321,381,099 |
| Number/Percentage of treasury shares | : | 514,200 (0.16%) |
| Number/Percentage of subsidiary holdings | : | 0 (N/A) |

**Distribution of Shareholders by size of Shareholdings as at 20 March 2019**

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 - 99 | 169 | 5.12 | 5,312 | 0.00 |
| 100 - 1,000 | 1,071 | 32.42 | 640,293 | 0.20 |
| 1,001 - 10,000 | 1,548 | 46.87 | 6,830,016 | 2.12 |
| 10,001 - 1,000,000 | 509 | 15.41 | 29,232,282 | 9.10 |
| 1,000,001 and above | 6 | 0.18 | 284,673,196 | 88.58 |
| TOTAL | 3,303 | 100.00 | 321,381,099 | 100.00 |

* Shareholdings exclusive of 514,200 treasury shares

**Substantial Shareholders**

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| | | | | |
| Oei Siu Hoa @ Sukmawati Widjaja | – | – | 248,759,810[(1)] | 77.40 |
| United Glow Trust reg. | 248,159,810 | 77.22 | – | – |

**Note:**

[(1)] Madam Oei Siu Hoa @ Sukmawati Widjaja has a deemed interest in in 600,000 ordinary shares of Top Global Limited held by her son, Mr Hano Maeloa and a deemed interest in 248,159,810 ordinary shares of Top Global Limited held by United Glow Trust reg.

**Shareholding Held in Hands of Public**

Based on information available to the Company as at 20 March 2019, 22.57% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

TWENTY LARGEST SHAREHOLDERS AS AT 20 MARCH 2019

| No | Shareholder's Name | No. of Shares | % |
|---|---|---|---|
| 1 | CITIBANK NOMINEES SINGAPORE PTE LTD | 278,905,953 | 86.78 |
| 2 | ALI SANTOSO OR TJENDRA KASIH SANTOSO | 1,271,640 | 0.40 |
| 3 | POON TEO KIM | 1,191,400 | 0.37 |
| 4 | DBS NOMINEES PTE LTD | 1,112,695 | 0.35 |
| 5 | LIM CHER KHIANG | 1,112,338 | 0.35 |
| 6 | UOB KAY HIAN PTE LTD | 1,079,170 | 0.34 |
| 7 | PANG CHEOW JOW | 775,100 | 0.24 |
| 8 | MAYBANK KIM ENG SECURITIES PTE. LTD. | 733,215 | 0.23 |
| 9 | HONG LEONG FINANCE NOMINEES PTE LTD | 723,000 | 0.22 |
| 10 | CHEW GECK LIAN | 716,300 | 0.22 |
| 11 | RAFFLES NOMINEES (PTE) LIMITED | 675,271 | 0.21 |
| 12 | JANET CHAN KIM LIAN | 640,000 | 0.20 |
| 13 | LOW WOO SWEE @ LOH SWEE TECK | 632,070 | 0.20 |
| 14 | HANO MAELOA | 600,000 | 0.19 |
| 15 | CHEONG SWEE KHENG | 562,480 | 0.18 |
| 16 | DBSN SERVICES PTE LTD | 554,365 | 0.17 |
| 17 | OCBC NOMINEES SINGAPORE PTE LTD | 532,413 | 0.17 |
| 18 | OCBC SECURITIES PRIVATE LTD | 511,902 | 0.16 |
| 19 | PHILLIP SECURITIES PTE LTD | 497,498 | 0.15 |
| 20 | UNITED OVERSEAS BANK NOMINEES PTE LTD | 491,253 | 0.15 |
| | **Total** | **293,318,063** | **91.28** |

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at York Hotel, 21 Mount Elizabeth Singapore 228516 on Tuesday, 30 April 2019 at 10.00 a.m. to transact the following businesses:

**AS ORDINARY BUSINESS**

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2018 and the Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Article 106 of the Company's Articles of Association:

   (i) Ms Mimi Yuliana Maeloa **(Resolution 2)**
   (ii) Mr Yeo Chin Tuan Daniel **(Resolution 3)**

   Ms Mimi Yuliana Maeloa shall, upon re-election as Director of the Company, remain as the Non-Executive Director of the Company.
   (See Explanatory Note 1)

   Mr Yeo Chin Tuan Daniel will upon re-election as Director of the Company, remain as the Lead Independent Non-Executive Director of the Company.
   (See Explanatory Note 2)

3. To approve the Directors' fees of S$240,000 for the financial year ended 31 December 2018 (2017: S$240,000). **(Resolution 4)**

4. To re-appoint Nexia TS Public Accounting Corporation as independent auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

**AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. Authority to allot and issue

   That pursuant to Section 161 of the Companies Act, Cap. 50. and subject to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to allot and issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:–

   (i) the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (ii) below);

   (ii) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this resolution is passed after adjusting for:–

      (a) new shares arising from the conversion or exercise of any convertible securities;

      (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, 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 sub-division of shares; and

(iii) unless revoked or varied by the Company in general meeting, the authority conferred by this resolution shall 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.
(See Explanatory Note 3) **(Resolution 6)**

7. Authority to offer and grant options and to allot and issue shares in accordance with the Top Global Share Option Scheme 2011

That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Top Global Share Option Scheme 2011 (the "Scheme"), and, pursuant to section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme and the Top Global Performance Share Plan shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, as determined in accordance with the provisions of the Scheme.
(See Explanatory Note 4) **(Resolution 7)**

8. Authority to grant awards and to allot and issue shares under the Top Global Performance Share Plan

That authority be and is hereby given to the Directors of the Company to grant awards from time to time in accordance with the provisions of the Top Global Performance Share Plan (the "PSP"), and, pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares as may be required to be issued pursuant to the release of awards granted under the PSP, provided that the aggregate number of shares to be issued pursuant to the PSP and the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, as determined in accordance with the provisions of the PSP.
(See Explanatory Note 5) **(Resolution 8)**

9. The Proposed Renewal of the Share Purchase Mandate

That the Directors of the Company be and are hereby authorised to make purchases of issued and fully-paid ordinary shares in the capital of the Company ("Shares") from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the issued ordinary shares in the capital of the Company (ascertained as at date of the last annual general meeting of the Company or at the date of the Annual General Meeting, whichever is the higher, but excluding any Shares held as treasury shares) at the price of up to but not exceeding the Maximum Price, in accordance with the "Guidelines on Share Purchases" set out in Appendix A of the Explanatory Statement to Ordinary Resolution 9 and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

In this Ordinary Resolution 9, "Maximum Price", means the maximum price at which the Shares can be purchased pursuant to the Shares Purchase Mandate, which shall not exceed the sum constituting 5% above the average closing price of the Shares over the period of five (5) trading days in which transactions in the Shares on the SGX-ST were recorded, in the case of a market purchase, before the day on which such purchase is made, and, in the case of an off-market purchase on an equal access scheme, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs after the relevant five (5) day period.
(See Explanatory Note 6) **(Resolution 9)**

BY ORDER OF THE BOARD
LEE BEE FONG (MS)
Company Secretary
15 April 2019
Singapore

**Explanatory Notes:**

1. In relation to the ordinary resolution 2 proposed in item 2(i) above, Ms Mimi Yuliana Maeloa is the daughter of Mdm Oei Siu Hoa @ Sukmawati Widjaja, the Executive Chairman and controlling shareholder of the Company and sister of Mr Hano Maeloa, the Chief Executive Officer and Executive Director of the Company. Save as disclosed, Ms Mimi Yuliana Maeloa does not have any family relationships with the other Directors of the Company, the Group's Executive Officers or the Company's substantial shareholders. Detailed information on Ms Mimi Yuliana Maeloa is set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2018.

2. In relation to the ordinary resolution 3 proposed in item 2(ii) above, Mr Yeo Chin Tuan Daniel does not have any family relationships with the other Directors of the Company, the Group's Executive Officers or the Company's substantial shareholders. Detailed information on Mr Yeo Chin Tuan Daniel is set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2018.

3. The ordinary resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities, which the Directors of the Company may allot and issue under the ordinary resolution 6 shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing the ordinary resolution 6. For allotment and issue of shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting.

4. The ordinary resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company to offer and grant options under the Scheme and to allot and issue shares pursuant to the exercise of such options under the Scheme and the PSP not exceeding 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

5. The ordinary resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company to grant awards under the PSP and to allot and issue shares pursuant to the release of such awards under the PSP, provided always that the aggregate number of shares to be issued pursuant to the PSP and the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

6. The ordinary resolution 9 proposed in item 9 above, if passed, will be effective until the next Annual General Meeting of the Company, the Share Purchase Mandate for the Company to make purchases or acquisitions of its issue shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. Please refer to the Appendix A of the Explanatory Statement to Ordinary Resolution 9 on Proposed Renewal of Share Purchase Mandate dated 15 April 2019.

**Notes:**

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 302 Orchard Road #18-02 Tong Building Singapore 238862 not less than 48 hours before the time appointed for the Meeting.

5. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) 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 proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) 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.

# Disclosure of Information on Directors Seeking Re-election

Ms. Mimi Yuliana Maeloa and Mr. Yeo Chin Tuan Daniel are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 April 2019 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

| | **Ms. Mimi Yuliana Maeloa** | **Mr. Yeo Chin Tuan Daniel** |
|---|---|---|
| Date of Appointment | 26 April 2010 | 26 April 2010 |
| Date of last re-appointment | 28 April 2016 | 28 April 2016 |
| Age | 45 | 57 |
| Country of principal residence | Singapore | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Ms. Mimi Yuliana Maeloa for re-appointment as Non-Executive Director of the Company. The Board have reviewed and concluded that Ms. Mimi Yuliana Maeloa possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. | The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Yeo Chin Tuan Daniel for re-appointment as Lead Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr. Yeo Chin Tuan Daniel possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. Mr. Yeo Chin Tuan Daniel is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive | Non-Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Non-Executive Director and member of the Audit, Remuneration and Nominating Committees | Lead Independent Non-Executive Director, Chairman of Audit and Remuneration Committee and member of the Nominating Committee |
| Professional qualifications | Bachelor of Science from the University of Southern California<br><br>MBA from the Woodbury University, California | Series 3 - Derivatives<br><br>CMFAS license holder for Options & Futures |
| Working experience and occupation(s) during the past 10 years | 2010 to current – Non-Executive Director of Top Group Limited<br><br>2009 to 2015 – Golden Agri International Pte Ltd | 2010 to current – Lead Independent Non-Executive Director of Top Group Limited<br><br>2017 to current – Non Executive Chairman of R3D Global Limited |
| Shareholding interest in the listed issuer and its subsidiaries | No | No |

| | Ms. Mimi Yuliana Maeloa | Mr. Yeo Chin Tuan Daniel |
|---|---|---|
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | Yes<br><br>Ms Mimi Yuliana Maeloa is the daughter of Mdm Oei Siu Hoa @ Sukmawati Widjaja, the Executive Chairman and controlling shareholder of the Company and sister of Mr Hano Maeloa, the Chief Executive Officer and Executive Director of the Company | No |
| Conflict of Interest (including any competing business) | No | No |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |
| Other Principal Commitments* Including Directorships# | | |
| Past (for the last 5 years) | Other Principal Commitments (Other than Directorship)<br>- Golden Agri International Pte Ltd | 1. JDSA Capital Pte. Ltd.<br>2. JDSA Services Pte. Ltd.<br>3. China Medical (International) Group Limited |
| Present | 1. Top Global Limited<br>2. Sinar Mas Capital Investments Pte Ltd<br>3. Greensboro SG Pte Ltd | 1. Top Global Limited<br>2. Tritone AV Pte Ltd<br>3. R3D Global Limited |
| **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.** | | |
| a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No |

| | Ms. Mimi Yuliana Maeloa | Mr. Yeo Chin Tuan Daniel |
|---|---|---|
| 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, b) at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No |
| c) Whether there is any unsatisfied judgment against him? | No | No |
| d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No |
| 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 |

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

| | Ms. Mimi Yuliana Maeloa | Mr. Yeo Chin Tuan Daniel |
|---|---|---|
| j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–<br>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or<br>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<br>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<br>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<br>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No | No |
| k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No |

| | Ms. Mimi Yuliana Maeloa | Mr. Yeo Chin Tuan Daniel |
|---|---|---|
| **Disclosure applicable to the appointment of Director only** | | |
| Any prior experience as a director of a listed company?<br><br>If yes, please provide details of prior experience.<br><br>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.<br><br>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). | N.A. | N.A. |

*This page has been intentionally left bank.*

**TOP GLOBAL LIMITED**
**(Incorporated in the Republic of Singapore)**
**(Company Registration No. 198003719Z)**

## PROXY FORM
## ANNUAL GENERAL MEETING

IMPORTANT
1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

*I/We ..........................................................................................................................................

*NRIC/Passport No. .................................. of ...............................................................(Address) being *a member/members **TOP GLOBAL LIMITED** (the "Company"), hereby appoint

| Name | Address | NRIC/ Passport No. | Proportion of Shareholdings to be represented by proxy (%) |
|---|---|---|---|
| | | | |

* and/or (delete as appropriate)

| Name | Address | NRIC/ Passport No. | Proportion of Shareholdings to be represented by proxy (%) |
|---|---|---|---|
| | | | |

or failing *him/her/them, the Chairman of the meeting as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at York Hotel, 21 Mount Elizabeth Singapore 228516 on Tuesday, 30 April 2019 at 10.00 a.m., and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the *proxy /proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Annual General Meeting.

NOTE: Each resolution at the Annual General Meeting will be voted on by way of a poll.

☐ Please tick here if more than two (2) proxies will be appointed (Please refer to note 2). This is only applicable for intermediaries such as banks and capital markets service license holders which provide custodial services.

| No. | Resolutions relating to: | For | Against |
|---|---|---|---|
| 1. | Audited Financial Statements, Directors' Statement and Independent Auditor's Report for the financial year ended 31 December 2018 | | |
| 2. | Re-election of Ms Mimi Yuliana Maeloa as Director of the Company | | |
| 3. | Re-election of Mr Yeo Chin Tuan Daniel as Director of the Company | | |
| 4. | Directors' fees for the financial year ended 31 December 2018 | | |
| 5. | Re-appointment of Nexia TS Public Accounting Corporation as Auditors of the Company | | |
| 6. | Authority to allot and issue shares pursuant to Section 161 of the Singapore Companies Act (Cap. 50) | | |
| 7. | Authority to grant options and to allot and issue shares pursuant to the Top Global Share Option Scheme 2011 | | |
| 8. | Authority to grant awards and to allot and issue shares under the Top Global Performance Share Plan | | |
| 9. | Authority to renew the Share Purchase Mandate | | |

If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the relevant box. Alternatively, please indicate the number of votes as appropriate.

Dated this _____day of _____________ 2019

| Total No. of Shares | No. of Shares |
|---|---|
| In CDP Register | |
| In Register of Members | |

_______________________________
Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

* Delete accordingly

IMPORTANT: Please read notes overleaf

**Notes:**

1. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), 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 that 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, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 302 Orchard Road #18-02 Tong Building Singapore 238862 not less than 48 hours before the time appointed for holding the meeting.

5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

**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 dated 15 April 2019.

# Corporate Information

## BOARD OF DIRECTORS

**Mdm Oei Siu Hoa @ Sukmawati Widjaja**
*(Executive Chairman)*

**Mr Hano Maeloa**
*(Chief Executive Officer and Executive Director)*

**Ms Jennifer Chang Shyre Gwo**
*(Chief Operating Office and Executive Director)*

**Dr Lam Lee G**
*(Independent Non-Executive Director)*

**Mr Yeo Chin Tuan Daniel**
*(Lead Independent Non-Executive Director)*

**Ms Mimi Yuliana Maeloa**
*(Non-Executive Director)*

## AUDIT COMMITTEE

**Mr Yeo Chin Tuan Daniel**
*(Chairman)*
**Dr Lam Lee G**
**Ms Mimi Yuliana Maeloa**

## NOMINATING COMMITTEE

**Dr Lam Lee G**
*(Chairman)*
**Mr Yeo Chin Tuan Daniel**
**Ms Mimi Yuliana Maeloa**

## REMUNERATION COMMITTEE

**Mr Yeo Chin Tuan Daniel**
*(Chairman)*
**Dr Lam Lee G**
**Ms Mimi Yuliana Maeloa**

## COMPANY SECRETARY

Ms Lee Bee Fong

## INDEPENDENT AUDITOR

**Nexia TS Public Accounting Corporation**
100 Beach Road
Shaw Tower #30-00
Singapore 189702
*(Director-in-charge: Loh Hui Nee)*
Appointment commenced from
the audit of the financial statements for
the year ended 31 December 2014

## REGISTRAR & SHARE REGISTRATION OFFICE

**Tricor Barbinder Share Registration Services**
*(A division of Tricor Singapore Pte Ltd)*
80 Robinson Road
#02-00
Singapore 068898

## REGISTERED OFFICE

302 Orchard Road
#18-02 Tong Building
Singapore 238862

## WEBSITE

http://www.topglobal.com.sg

## PRINCIPAL BANKERS

**Overseas-Chinese Banking Corporation Limited**
63 Chulia Street
OCBC Centre East #06-00
Singapore 049514

**Bank of East Asia, Singapore Branch**
60 Robinson Road
BEA Building
Singapore 068892

## REGISTERED OFFICE

Counter name: TopGlobal
SGX code: BHO
Bloomberg code: TGL:SP

**TOP GLOBAL LIMITED**

302 Orchard Road
#18-02 Tong Building
Singapore 238862
Tel (65) 6746 4333 • Fax (65) 6746 4948
Registration No. 198003719Z

www.topglobal.com.sg