



MAKING A LEAP IN TECHNOLOGY

ANNUAL REPORT 2020



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CORPORATE PROFILE

Top Global Limited ("Top Global" or the "Group") has been transferred to SGX-ST Mainboard since 2012.

The Group currently focuses on the following businesses.

I. REAL ESTATE DEVELOPMENT

We offer avant-garde projects and integrated support services in the region. The Group also owns a controlling stake in an Indonesian company - PT Suryamas Dutamakmur Tbk ("Suryamas"), listed on IDX Bursa Efek Indonesia since 1995. Suryamas is in real estate development of residential and commercial properties cum township.

Together with Suryamas, the Group has completed numerous projects. These projects include The Quinn and The Maisons (R Maison and E Maison) in Singapore; Rancamaya Golf Estate, Harvest City and Royal Tajur in Indonesia.

Top Global's growth strategy is to explore joint ventures and collaborations with other real estate players in the region to expand its project and market presence.

II. PROPERTY INVESTMENT & LEASING

Going beyond its Real Estate Development business, Top Global has experience in managing a wide span of properties across the region, including but not limited to hotels, service apartments, co-living spaces, hostels,

recreational facilities. The Group takes great interest and passion in injecting life into properties, believing that each property deserves its own identity and creative disposition. Furthermore, through our know-how and the use of a digital ecosystem, we help property owners optimise the true potential of their assets.

III. SMART SOLUTIONS

Top Global Smart Solutions business focuses on the hospitality industry. Our modular suite of technology solutions comes in services and applications that are seamlessly integrated, easy to implement, taking care of both front and back end operations. These solutions are targeted to help the under-served fragmented segment within the hospitality market to increase efficiency and productivity.

IV. RECREATION & RESORT

Suryamas operates an international award winning Golf course in Bogor, Jakarta. It was designed by Ted Robinson in 1993. We also run a 4-star hotel and resort there. The Group sets to bring together contemporary luxury and serenity in a stunning setting that serves a mark of distinction from other resorts. It is still one of the country's most prestigious golf and country club today.

Top Global will continue to expand our footprints in Real Estate development and Smart Solutions, aiming to become one of the leaders in these segments.



CHAIRMAN'S STATEMENT



DR LAM LEE G

Independent Non-Executive Chairman

DEAR VALUED SHAREHOLDERS,

The year of 2020 was an unprecedented challenge for the world and the Company. The global economy was faced with strong headwinds arising from the negative impact of the COVID-19 pandemic. Over the course of the year, it became increasingly clear that the current situation would continue to persist for some time to come. The World Tourism Organisation has already predicted that international tourism numbers could plunge by 80% for the whole of 2020 and the most severe impact on South East Asia ("SEA"), home to some of the most tourism-reliant countries in the world.

Despite their best efforts to keep infections under control, the unpredictability of infections and the fear of large-scale infections have largely discouraged authorities in SEA from opening up the borders of their countries more quickly, unlike other regions in Europe.

The Company has been similarly impacted as its core businesses of Real Estate Development and Hospitality and Leisure have seen a decrease in revenues as a result of lockdowns and other safety measures of varying degree in Singapore, Indonesia and other parts of the world.

REAL ESTATE BUSINESS

In Singapore, commercial strata units continued to be in demand in 2020. The number of transactions in freehold strata office remained largely the same as compared to 2019. In terms of location, strata offices located in the Central Business District (CBD) remained desirable and made up a significant percentage of sales amid the

pandemic. For the full year 2020, strata office unit prices were generally stable with a slight price increase of 2.2% compared to full year 2019. Rental rates are expected to remain under pressure as companies adapt to a post-COVID norm and right-size their office space in line with the new work practices. There was a steeper decline in rental rates for retail space as retail businesses were badly impacted by the pandemic. Overall, we still receive healthy interest for our available commercial space and occupancy for the Group's investment property has increased over the past year as we continue to find the right tenants to take up the remaining space.

Nevertheless, the pandemic has once again demonstrated strong resilience of the Singapore economy and efficiency of our Government in coming up with fast and good solutions and providing a relative stable and safe operating environment in the midst of many uncertainties. This would definitely benefit our commercial properties and increase their appeal to foreign investors looking to move into Singapore as their regional headquarters. Aided by potential lower costs of borrowing and higher liquidity in the market, opportunities may arise for the group to cash out on its investment properties.

In Indonesia, sales has slowed down for the development properties in the three projects of the Group: Rancamaya Estate, Royal Tajur and Harvest City. Indonesia had to implement its own measures in response to the outbreak of COVID-19 and this impacted the sales and marketing activities. However, based on Bank Indonesia's Indonesia Residential Property Price Index, residential pricing has increasing steadily in 2020 and the government under President Joko Widodo remains focused to carry on with their infrastructural developments to improve connectivity to the satellite areas such as Bogor, Bekasi and others around Jakarta. In the mid to long-term, these works will benefit our developments and overall, we expect the long-term outlook on the Indonesian residential property market to be positive.

HOSPITALITY AND LEISURE BUSINESS

Our hospitality business was heavily impacted by the COVID-19 pandemic. In Singapore, we had ceased operations for our 5footway.inn hostel chain. In Indonesia, the operations for the R Hotel Rancamaya Golf & Resort were affected during the lockdown period but there are encouraging signs that occupancy has started to improve since then. Despite the challenges, R Hotel Rancamaya Golf & Resort maintained its standing as one of the top Golf Course and Golf Hotels in Indonesia.

SMART SOLUTIONS BUSINESS

Technology is the key driver of many business processes and our smart solutions business is aimed at helping to improve the efficiency and productivity of companies, especially hotels and the challenges they have to deal

with because of the pandemic. With the tourism business downturn, accelerating digital transformation has become a key priority for hoteliers in many SEA countries. Our solutions can be easily adopted to address their needs. We now have a customer base covering Indonesia and Malaysia. We are planning to further expand our marketing efforts into other SEA markets such as Thailand, Vietnam and the Philippines. The geographical diversity will serve to balance the impact brought about by the unpredictable situation of COVID-19 infections in the region.

Through the continual improvement and strengthening of our capabilities, we are able to offer our customers products that make use of Artificial Intelligence ("AI") technology to their benefit while keeping the prices affordable. Outside of the hospitality market segment, our in-house developed, 2-factor authentication reader for server racks, is being used in data centres in Singapore.

Over the past few years, China has seen rapid development in the field of AI and is emerging as a global leader in AI research and development. It also has a vibrant large market that is receptive to these new AI-based products and Chinese consumers are fast in adopting such products and services. The Chinese government has also backed AI development with policies that promote and facilitate the research and development of AI. The Group is actively seeking partners for opportunities to venture into China to market our AI services and products.

POSITIONED FOR RECOVERY

Going forwards, the Group's underlying fundamentals remain solid with a diversified portfolio and a strong balance sheet to weather the near-term headwinds as well as support our ambitions to ride the wave of recovery to come.

For the Group's smart solutions business, we will build on our foundation in 2020 and further increase our marketing efforts and promote greater brand awareness in beyond our primary markets of Singapore and Indonesia and into other parts of SEA.

For the Group's real estate business, our primary focus would be to continue with our developments at Rancamaya Estate, Royal Tajur and Harvest City in Indonesia as well as to look for opportunities to replenish our existing land bank. We will monitor the macroeconomic factors and seize upon the right opportunities as they arise.

CLOSING REMARKS

Our progress would not have been possible without the trust and support of all our stakeholders. 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 our shareholders, financiers, business partners, customers, and associates for their strong support and commitment to Top Global Limited.



FINANCIAL HIGHLIGHTS

REVENUE

FY2020	40,683,000
FY2019	58,393,000
FY2018	79,812,000

NETS ASSETS

FY2020	369,609,000
FY2019	395,428,000
FY2018	381,733,000

GROSS PROFIT

FY2020	18,566,000
FY2019	30,172,000
FY2018	33,546,000

NETS ASSETS VALUE PER SHARE (CENTS)

FY2020	73.4
FY2019	81.4
FY2018	79.2

REVENUE - BREAKDOWN

SALE OF DEVELOPMENT PROPERTIES
(FY2020)

25,425,000

HOSPITALITY MANAGEMENT
(FY2020)

11,561,000

PROPERTY MANAGEMENT
(FY2020)

2,347,000

FINANCIAL REVIEW

TURNOVER

The Group's revenue decreased by S\$17.7 million to S\$40.7 million in financial year ended 31 December 2020 ("FY2020"). The drop in revenue as compared to the prior year was largely attributable to the decrease in sales of development properties from its Indonesia subsidiary, PT Suryamas Dutamakmur ("Suryamas"), amounting to S\$16.4 million due to lockdown imposed in Jakarta since April 2020 which resulted in lower hand over of units for FY2020 in the Rancamaya Estate, Royal Tajur and Harvest City projects. In addition, our hospitality revenue declined by S\$3.3 million mainly due to the disruption in the tourism industry as a result of travel restriction implemented worldwide arising from the COVID-19 pandemic and lease expiry of two hostel in Singapore during the year.

The decline in revenue was partially offset by the increase in the property management business amounting to S\$1.1 million due to recognition of full year of revenue in FY2020 from investment properties acquired in Q3 FY2019 and increase in service income by S\$0.9 million from our original design manufacturing business.

GROSS PROFIT

The Group's gross profit declined by S\$11.6 million from FY2019. This was mainly attributed to lower gross profit from Indonesia's property development segment in FY2020 by S\$11.3 million due to slower progressive sales from the Rancamaya estate, Royal Tajur and Harvest City projects. In addition, gross profit from the hospitality segment also worsened by S\$1.0 million in FY2020 largely due to lower occupancies as a result of Covid-19 pandemic and closure of two hostel in Singapore due to lease expiry. However, the decline in gross profit was partially offset by the improvement in gross profit from our property management segment by S\$0.5 million due to the additional investment properties in FY2019 and increase in gross profit from original design manufacturing business of S\$0.2 million.

OTHER GAINS/(LOSSES)

Other gains/(losses) decreased by S\$17.7 million in FY2020 and this was mainly due to lower impairment losses on trade and other receivables of S\$0.2 million, the absence of gain on bargain purchase of S\$7.7 million recognised on the acquisition of the six subsidiary corporations and reversal of long outstanding payables amounting to S\$1.1 million in FY2019. The decline was also largely due to S\$3.0 million lesser fair value gain recognised from financial assets, at fair value through profit or loss ("FVPL") as compared to the fair

value gains in FY2019 and the impairment loss on investment properties, right-of-use assets and trademark amounting S\$6.6 million during FY2020.

The decrease in other gains/(losses) was partially offset by the absence of loss on disposal of investment properties amounting to S\$0.5 million in FY2019.

EXPENSES

Distribution and marketing expenses decreased by S\$1.3 million in FY2020 mainly due to the lower marketing expenses incurred and in line with the decrease in sale of development properties.

Administrative expenses dropped by S\$4.0 million mainly due to decrease in employee compensation of S\$5.3 million, travelling expenses of S\$0.2 million and other administrative expenses of S\$0.6 million as the Group held back on discretionary expenditures and took more cost cutting measures in response to the impact brought about by COVID-19 pandemic. In addition, the rental expenses reduced by S\$0.3 million due to rental rebates received from the landlord of the office. The decline was partially mitigated by higher depreciation expenses from investment properties by S\$2.3 million due to recognition of full year of depreciation in FY2020 as compared to 4 months' depreciation after their acquisition in Q3 FY2019.

Finance costs increased by S\$0.8 million in FY2020 primarily due to higher interest expenses of S\$1.2 million incurred on a full year of bank interest in FY2020 for the investment properties acquired in Q3 FY2019. The increase was partially offset with lower finance costs of S\$0.4 million incurred by its Indonesian subsidiary, Suryamas, due to repayment of bank loan during FY2020.

FINANCIAL POSITION

As at 31 December 2020, the Group had a healthy financial position with total assets amounting to S\$564.4 million. The decline of S\$28.7 million from FY2019 was attributable to a decrease in investment properties of S\$11.1 million brought about by depreciation expense of S\$4.9 million in FY2020 and impairment loss of S\$6.2 million on retail property units owned by the Group. In addition, the decrease in carrying amount of property, plant and equipment by S\$4.9 million was largely due to depreciation net of addition and disposal during the year. There was also a decrease in development properties (current and non-current) amounting to S\$4.6 million mainly due to the weakening of IDR against SGD. Furthermore, the

financial assets, at fair value through other comprehensive income ("FVOCI") decreased by S\$4.4 million from FY2019 mainly due to fair value loss recognised in FY2020. The decrease was partially mitigated by increase in financial assets, at FVPL due to fair value gain of S\$0.5 million recognised on the investment and increase in trade and other receivables arising from dividend receivable declared by financial assets, at FVOCI amounting to S\$0.3 million.

The Group's total liabilities as at 31 December 2020 stood at S\$194.8 million, which was S\$2.9 million lower as compared to 31 December 2019. The decrease was mainly attributed to a reduction in bank borrowings of S\$6.2 million due to repayment of bank loans, decrease in current income tax liabilities of S\$0.3 million due to tax over-provision in prior year, decrease in deferred tax liabilities by S\$0.3 million and provision for other liabilities of S\$0.1 million. The decrease was partially offset by increase in trade and other payables (current and non-current) of S\$4.0 million arising mainly from advances received from sales of Amadeus and Salvador Cluster by Rancamaya Estate projects.

Total shareholders' equity for the Group stood at S\$236.0 million as at 31 December 2020 as compared to S\$261.7 million as at 31 December 2019.

CASH FLOW

In FY2020, the Group had net cash generated from operating activities of S\$4.0 million primarily from the advances received of development projects in Indonesia.

Net cash generated from investing activities of S\$1.6 million in FY2020 was mainly from the dividend received of S\$2.5 million from investment in financial assets, at FVOCI. The cash generated was partially used for enhancement of intangible assets of the research and development of smart solutions products amounting to S\$0.4 million, purchase of property, plant and equipment amounting to S\$0.4 million and addition of investment properties of S\$0.1 million.

Net cash used in financing activities of S\$7.3 million for FY2020 was mainly due to repayment of borrowings, interest and lease liabilities, offset by new loan draw down.

As a result of the aforesaid, cash and cash equivalents decreased to S\$9.6 million as of 31 December 2020 from S\$11.1 million as at 31 December 2019.

OPERATIONS REVIEW

REAL ESTATE DEVELOPMENT



RANCAMAYA ESTATE

Land Area	: 778 Ha
Housing	: Mid - Range, Luxury Cluster Housing
% of Land Developed to date	: 49%
Location	: Rancamaya, Bogor

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 is a multi-award winning estate since its inception and continues to be one of the most desired residential estates in Bogor.

The current development highlight of Rancamaya Estate is the Kingsville District. It covers a land area of 28 hectares and consists of an integrated Kingsville Commercial Area and King's club house. Amadeus cluster is a residential cluster within the Kingsville District and there has been 2 phases marketed for sale since 2018. Phase 1 is almost fully sold but sales for Phase 2 has been slower than hoped for as a result of the COVID-19 pandemic. Consequently, marketing for Amadeus Phase 3 will be put on hold pending the market conditions.



ROYAL TAJUR

Land Area	: 81.7 Ha*
Housing	: Medium to high-end landed housing and low-rise apartments
% of Land Developed to date	: 13% (Phase 2)
Location	: Tajur, Bogor

* Royal Tajur Phase I covering land area of 7.2 Hectares have been fully developed.

Royal Tajur is a leading residential housing project situated in the Central Business District of Tajur in the City of Bogor. The housing project is designed by an experienced master planner and the development is known to for its seamless integration with the natural beauty of its surroundings. The development is well connected to Jakarta via the Jagorawi toll road and offers great convenience with amenities and medical facilities nearby.

Sales for residential units within the Royal Tajur Estate has seen mixed results. Following good response for Bradfield Cluster Phase 3, the cluster has been increased to 52 units from its original plan of 43 units. As at December 2020, the Group has obtained 83% sales of the units launched. Royal Heights Tower A, a low-rise apartment within the estate is 93% sold. However, owing to COVID-19 pandemic, marketing sales for Royal Heights Tower B was opened via a soft launch in 2020 and there has been muted interest in these units.

OPERATIONS REVIEW

REAL ESTATE DEVELOPMENT



HARVEST CITY

Land Area	:	1,350 Ha
Housing	:	Low cost and mid-range landed housing
% of Land Developed to date	:	16%
Location	:	Cibubur, Cileungsi

Harvest City is a township project located in the Cibubur-Cileungsi area, approximately 15 kilometres east of Jakarta. Harvest City has been envisioned as "A City of Prosperity" that will harmonise infrastructure advancements, public and social facilities, and residential and commercial developments.

Harvest City's most recent residential cluster under development is the Sweet Hortensia Cluster. Sweet Hortensia Cluster sits on 5.1 hectares of land and has more than 300 units being carefully designed to provide modern interior concepts with a tad of greenery space within the units. It is currently in Phase 1 of its development with a total of 128 units launched for sale. As at 31 December 2020, the Group has obtained 63% sales of the units launched.

LEISURE

RANCAMAYA GOLF & COUNTRY CLUB



Rancamaya Golf and Country Club ("RGCC") is set within the Rancamaya Estate and its golf course is designed by the renowned golf course architect – Ted Robinson – with a spectacular volcano view of the extinct Mount Salak. RGCC has a uniquely Thai designed clubhouse with open air locker rooms, pro shop, and local Indonesian restaurant.

RGCC has maintained its appeal to golfers and whilst the numbers of golf events have decreased due to COVID-19 pandemic, there is still a healthy amount of golf rounds played at RGCC by members and their visitors.

R HOTEL RANCAMAYA



R Hotel Rancamaya is a 4-star contemporary luxury hotel situated within the premium site of Rancamaya Golf Estate. The hotel features 140 rooms, suites and villas along with 12 meeting rooms, thematic parks which can be used for garden parties, as well as a Deer garden which spans over an area of 2 hectares.

Since its inception in late 2014, R Hotel Rancamaya has received numerous regional and international accolades as well as establishing itself as the market leader in leisure travel and MICE events within Bogor.

Due to COVID-19 pandemic, occupancy for the hotel dropped drastically for the 1st half of 2020. However, with the gradual easing of measures, there has been some encouraging recovery in occupancy rates as guests returned to the hotel as their destination of choice.

OPERATIONS REVIEW

SMART SOLUTIONS

Top Global provides a suite of Smart Solutions for the hospitality industry under the Ultron Techniques brand. The comprehensive range of solutions encompasses front and back-end processes, from self-service check-in kiosks compatible with smart access systems, to dynamic pricing services and housekeeping. These solutions are easy to adopt and have proven to be timely in light of the pandemic. Through the smart solutions, users can reduce their reliance on manpower through automation and also promote good practices of regular temperature screening, safe distancing and less physical interaction.



EVENTS IN THE REGION

As the South East Asian region adapts to the new-normal in tourism brought about by the pandemic, we have maximised our marketing efforts through the use of online platforms and conducted webinars, enabling us to reach out to an even bigger and geographically diversified target group. This has increased our ability to share knowledge and solutions to address the complex challenges of the hospitality landscape regionally. The Group has also established a holistic customer care through managed customer journeys, pro-active response and support via the provision of online support system and supplemented by face-to-face support through client advisors. Regular online training sessions are also conducted for customers and staff to refresh knowledge and nurture customer communities.

OPERATIONS REVIEW

INNOVATIONS R&D

Technological advancements have been changing the landscape that we live and operate in. Through the COVID-19 pandemic, we have seen an even greater push towards accelerating digital technology. The Group, through its subsidiary I Innovations Pte Ltd ("I IPL"), is focused on innovations and solutions for our customers through the use of technology. We have continually built on our technical expertise in the field of Artificial Intelligence ("AI"), Internet-of-Things ("IOT") and Embedded Systems. Through the accumulation of talents in these fields and continued support from our customers, we have been able to achieve a successful year with the following key highlights:

DEVELOPMENT AND PRODUCTIZATION OF DATA CENTRE RACK SECURE ACCESS SYSTEM

I IPL has developed a 2-factor authentication Reader device to be used with a digital lock for the data center racks. This device works with our very own developed backend system for the control and monitoring of the rack doors and all activities related to this door. Our system is an open platform that allows 3rd party systems and software integration. The system is able to support more than a thousand readers. It is now deployed in the secured data center site for the government ministries.

CONTRACT AWARD AND DEVELOPMENT OF MILITARY IOT WIRELESS GATEWAY DEVICES

Since late 2019, I IPL has been progressively awarded contracts to develop gateway devices which cover all kinds of wireless IOT platforms such as Bluetooth, Zigbee, 4G network, 433Mhz ISM transceiver, to interface with many different types of wireless Soldier training equipment. These devices will enable the future soldiers to be trained with their equipment under robust monitoring and control of the central command centre.

AI DEVELOPMENT ON EDGE COMPUTING DEVICES IN THE AREA OF COMPUTER VISION

During the year, I IPL ventured into the development of AI edge computing in the area of computer vision. I IPL has developed a patent-pending application for our Smart Solutions business. The product, iQC, serves to use AI computer vision to maintain quality control over different scenes defined by the user by identifying things where they are not supposed to be. The application also has the ability to identify and count objects where they can be used to assist physical stock counts. Such information may be processed for billing or other data analytics. I IPL has also gone into the AI Facial recognition software and has developed an in-house Facial Recognition algorithm and implemented in our very own door access reader with facial recognition capability.



BOARD OF DIRECTORS



DR LAM LEE G, BBS

*Independent
Non-Executive Chairman*

Dr Lam was appointed an Independent Non-Executive Director on 26 April 2010 and was re-designated as Non-Executive Independent Chairman on 2 December 2019. Currently he is Chairman of Hong Kong Cyberport and Non-Executive Chairman - Greater China and ASEAN Region of Macquarie Infrastructure and Real Assets. 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, then part of CP Group). Dr. Lam is a Solicitor of the High Court of Hong Kong and holds a BSc in sciences and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LLM in law from the University of Wolverhampton in the UK, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, and an MPA and a PhD from the University of Hong Kong.



**MDM OEI SIU HOA
@ SUKMAWATI WIDJAJA**

Executive Director

Mdm Sukmawati Widjaja was appointed Executive Chairman of Top Global Limited on 12 March 2010 and was re-designated as Executive Director on 2 December 2019. Through her illustrious career over the decades, Mdm Sukmawati co-founded the family-controlled Sinar Mas Group with her late father, Mr Eka Tjipta Widjaja and during her term as the Vice-Chairman, she was instrumental in advancement of the group's lead as one of Indonesia's top conglomerates, with interests ranging from palm oil and paper, to food and property development. 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 the prominent business leaders in many industries 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.

BOARD OF DIRECTORS



MR HANO MAELOA

*Chief Executive Officer
& Executive Director*



**MS JENNIFER CHANG
SHYRE GWO**

*Chief Operating Officer
& Executive Director*



**MR YEO CHIN TUAN
DANIEL**

*Independent
Non-Executive Director*



**MS MIMI YULIANA
MAELOA**

Non-Executive Director

Mr Maeloa has been an Executive Director of Top Global Limited since 27 July 2007 and was designated 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 accumulated a strong network of business connections throughout the Asia-Pacific region. 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. He has also chalked up vast experience in the shipping industry previously having served as the Chairman of Bintan Golden Shipping and Pancon Marine & Shipping Services. In the food industry, he earned his spurs at the likes of Wendy Foods in Hong Kong, where he was Managing Director. He graduated with a BSc in business administration from the University of Southern California.

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 three decades of experience in operational accounting and various corporate functions across the Asia-Pacific region. Prior to joining Top Global, Ms Chang was the Chief Executive Officer of Auric Pacific's food division. 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.

Mr Yeo was appointed as the 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. He has more than two decades of experience in the financial industry. He served as the Vice President of Refco Singapore 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 has also served as an Executive Director at UOB International Treasury, establishing business linkages with international brokerages. He was the CEO of MFGlobal since 2004 till he retired in 2008. Currently, he is the Chairman of R3D Global Limited, a company listed on the Australian Stock Exchange.

Ms Maeloa was appointed as the Non-Executive Director on 26 April 2010. Ms Maeloa has served in various positions at her family's businesses and currently works at the family office. 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 GOH BINGZHENG

Group Finance Director

Mr Goh Bingzheng joined Top Global Limited in September 2015 as Financial Controller overseeing the Group's finance function and was appointed the Finance Director in 2018. 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 with a Bachelor of Accountancy (Honours) from Nanyang Technological University and is a member of Institute of Singapore Chartered Accountants since 2011.

MR DAVID KHO

*Chief Technology Officer
R&D and Special Projects*

Mr David Kho joined Top Global Limited in July 2019 as Chief Technology Officer overseeing the Group's research and development ("R&D") function for Smart Solutions. He has close to three decades of experience in the electronics industry and specialises in providing full electronics system and product design, and development and production Solutions. Prior to joining Top Global Limited, he has accumulated a wealth of track records in extensive custom product (embedded) design, development and production experience in the field of wireless embedded telematics, Internet of Things devices and gadgets that addresses needs and provides solutions for the industrial, military and commercial markets.

He graduated with a Bachelor of Science in Electrical and Electronics Engineering from Florida Institute of Technology and also has a Masters in Computer and Digital Communication from Nanyang Technological University.

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, Administration and Sales & Marketing matters. For the past two decades, Ms Ling has accumulated vast working experiences in various industry sectors, which includes, management of human resources, overseeing marketing of development properties and property management services.

She graduated with a Bachelor of Science in Management (Honours) from University of London.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020 ("FY2020"), with specific reference to the principles and guidelines of the Code of Corporate Governance 2018 ("2018 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 2018 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 2018 Code and Guide.

The 2018 Code

The 2018 Code is divided into five main sections, namely:

- (A) Board Matters
- (B) Remuneration Matters
- (C) Accountability and Audit
- (D) Shareholders' Rights and Engagement
- (E) Managing Stakeholders Relationships

(A) Board Matters

The Board of Directors in office at the date of this report comprises:

Dr Lam Lee G (Independent Non-Executive Chairman)
Madam Oei Siu Hoa @ Sukmawati Widjaja (Executive Director)
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 (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.

The Board's Conduct of Affairs

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

The Board's Roles and Director's Duties

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.

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

- Supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction;
- Formulating and approving financial objectives of the Group and monitoring its performance such as reviewing and approving of financial results announcements and financial statements;
- Overseeing the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions;
- Assuming responsibility for corporate governance and compliance with the Companies Act (Chapter 50) of Singapore and the rules and regulations of the relevant regulatory bodies;
- Evaluating performance of the Management;
- Reviewing and approving the remuneration framework for the Directors and key executives;
- Providing entrepreneurial leadership, setting strategic objectives and ensuring the necessary human and financial resources are well in place to meet the Group's objectives;
- Establishing a prudent framework and effective controls so that risks can be assessed and managed, which include the safeguarding of shareholders' interests and the Group's assets; and
- Setting the Group's values and standards, including ethical standards, and ensuring that obligations to the shareholders are understood and met.

Conflict of interest

The Company has in place practices to address potential conflicts of interest. All Directors are required to notify the Company promptly of all conflicts of interest as soon as it is practicable after the relevant facts have been come to his/her knowledge as well as when required and refresh the required declaration annually. Directors are required to recuse themselves from all deliberations/voting in relation to the matters which he/she has a conflict of interest in, unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company. Nonetheless, he/she is abstain from voting in relation to the conflict-related matters.

Directors' Training and Orientation

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. All newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will attend the training at the Singapore Institute of Directors or any other relevant courses. There were no new directors appointed to the Board in FY2020.

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 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.

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Briefings, updates and trainings for the Directors in FY2020 include:

- the external auditor, Nexia TS Public Accounting Corporation, provided briefings to the Board on changes or amendments to accounting standards during meetings;
- the Directors are regularly briefed by the Executive Director, CEO and Chief Operating Officer ("COO") on the business activities of the Group; and
- the Company Secretary briefed the Board on the regulatory updates such as changes to Corporate Governance Code and SGX-ST Listing Rules.

Matters Requiring Board Approval

- corporate policies, strategies and objectives of the Company;
- annual budgets;
- 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.

Delegation to Board Committees

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 composition of the Board Committees are as follows:

	AC	NC	RC
Chairman	Mr Yeo Chin Tuan Daniel	Dr Lam Lee G	Mr Yeo Chin Tuan Daniel
Member	Dr Lam Lee G	Mr Yeo Chin Tuan Daniel	Dr Lam Lee G
Member	Ms Mimi Yuliana Maeloa	Ms Mimi Yuliana Maeloa	Ms Mimi Yuliana Maeloa

Attendance of Board and Board Committees

The Board meets on a half-yearly basis and as warranted by particular circumstances. Two (2) Board meetings were held in FY2020, of all were the regular half-yearly 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").

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The attendance of the Directors at Board and Board Committees meetings, as well as the frequency of such meetings held in FY2020 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
Dr Lam Lee G	2	2	2	2	1	1	2	2
Madam Oei Siu Hoa @ Sukmawati Widjaja	2	–	–	–	–	–	–	–
Mr Hano Maeloa	2	2	–	–	–	–	–	–
Ms Jennifer Chang Shyre Gwo	2	2	–	–	–	–	–	–
Mr Yeo Chin Tuan Daniel	2	2	2	2	1	1	2	2
Ms Mimi Yuliana Maeloa	2	2	2	2	1	1	2	2

Access to Information

All the Directors have independent access to the Company's Management. Any information needed to enable the Directors to make sound decisions have been duly provided by the Management. In addition, the Board receives quarterly/half-yearly updates to the financial results and projections at each Board meeting to enable them to understand and oversee the Group's operational and financial performance. Board papers prepared for each meeting were usually circulated at least four days before each meeting to provide the Directors sufficient time to review and consider the matters to be discussed.

Independent Professional Advice/ Company Secretary/ External Advisors

The Directors have separate and independent access to the Management and Company Secretary at all times.

Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice at the Company's expense where required. The appointments of such independent professional advisors are subject to approval of the Board.

The appointment and removal of the company secretary are subject to the approval of the Board.

Board Composition and Guidance

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

The Board currently comprises six members – one Independent Non-Executive Chairman, one Independent Non-Executive Director, three Executive Directors and one Non-Executive Director.

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

Every year, the NC conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, met with the requirement of the Group. The NC has reviewed and is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively.

The Company has deviated from provision 2.3 of the 2018 Code as Non-Executive Directors make up half instead of the majority of the Board. However, the Company has adopted practices that are consistent with intent of the Principle.

When the Board performs its key duty to set objectives and goals for Management, monitor the results, and assess and remunerate Management on its performance, no director shall be involved in deciding his own remuneration. The Board has always discussed important issues robustly and have always been able to reach a consensus on the votes without having to rely on any majority votes to decide nor having an individual or small group of individuals dominate the Board's decision-making process. This would mean Non-Executive Directors would be the majority in these matters, thereby keeping with the intent of the Provision 2.2 of the 2018 code.

With the Chairman being an Independent Director and having half of the Board comprising of non-executive Directors, the Board is capable of exercising objective judgement in managing the Company's affairs.

In addition, Dr Lam Lee G who is the Independent Non-Executive Chairman of the Company has allowed himself to be made available to shareholders if they have concerns relating to matters that contact through the CEO or COO has failed to resolve or where such contact is inappropriate, as well as at the Company's general meetings.

Both Dr Lam Lee G and Mr Yeo Chin Tuan Daniel were appointed as independent directors of the Company since 26 April 2010, have served the Board beyond nine years. Taking into account the views of the Nominating Committee ("NC"), the Board concurs with the NC that the length of service of a Director should not determine the effectiveness of independence of an Independent Director. In assessing the independence of a Director, the NC and the Board consider it more appropriate to exercise independence of judgment in their deliberation in the interest of the Company. The Board has undertaken a rigorous review of their independence which includes critical examination of any conflicts of interest, as well as other factors such as their review and scrutiny of matters and proposals put before the Board. The Board is of the view that both Dr Lam Lee G and Mr Yeo Chin Tuan Daniel have over the years developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. After taking into account all the previously mentioned factors, the Board (with both Dr Lam Lee G and Mr Yeo Chin Tuan Daniel on abstention) concurred that both Dr Lam Lee G and Mr Yeo Chin Tuan Daniel are independent.

Rule 210(5)(d) of the Listing Manual of the SGX-ST, requires a director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an independent director to seek approval in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officer. Accordingly, both Dr Lam Lee G and Mr Yeo Chin Tuan Daniel will be required to adhere to the above two tier voting mechanism should they wish to seek for re-election.

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Board Diversity

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.

Independence Assessment of Directors

The independence of each Independent Non-Executive Director is reviewed annually by the NC. The NC applies the 2018 Code and the Listing Manual's definition of "Independent" in their review of Directors' independence including the existence of relationships or circumstances stated therein. The NC has reviewed and confirmed that the two Independent Non-Executive Directors are independent in accordance with the 2018 Code and the Listing Manual.

Independent Directors Servicing beyond Nine Years

As at the end of FY2020, Dr Lam Lee G and Mr Yeo Chin Tuan Daniel have served on the Board beyond nine years from the date of their first appointment. The Board has subjected their independence to a rigorous review by all the other fellow Directors, and agreed that Dr Lam Lee G and Mr Yeo Chin Tuan Daniel had participated, deliberated and always expressed their views independently and objectively, before deciding if they should continue to be considered independent directors. The NC further noted that there were no relationships or circumstances which affected or likely to affect their independence or the discharge of their responsibilities as independent director.

The Board has affirmed their independence status and resolved that Dr Lam Lee G and Mr Yeo Chin Tuan Daniel continue to be considered independent Directors, notwithstanding they have served beyond nine years from the date of their first appointment. The Independent Non-Executive Directors have also confirmed their independence in accordance with the 2018 Code and Listing Manual.

The changes in SGX Listing Rules, which will come into effect from 1 January 2022, require the re-appointment of independent Directors who have served the Board beyond nine years from the date of their first appointment to be subjected to a two-tier shareholders voting and independent Directors to make up a majority of the Board where the Chairman is not independent.

In view of the above changes, the NC has proposed to apply the transitional provision and both Dr Lam Lee G and Mr Yeo Chin Tuan Daniel shall be subjected to a two-tier shareholders vote in the coming Annual General Meeting.

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Meeting in the Absence of the Management

As and when required, the Independent Non-Executive Chairman, Independent Non-Executive Director 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 Chairman, Independent Non-Executive Director and Non-Executive Director had met once without the presence of Management and Executive Directors in FY2020. The chairman of such meetings provide feedback to the Board and/or Chairman as appropriate.

Chairman and Chief Executive Officer

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

Chairman and Chief Executive Officer

On 2 December 2019, following a review of the board composition by the NC, Dr Lam Lee G was re-designated as Independent Non-Executive Chairman while Mr Hano Maeloa continues to retain the role of CEO. The Independent Non-Executive Chairman and CEO are not related. There is a clear division of responsibilities between the Independent Non-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 Independent Non-Executive Chairman is responsible for the workings of the Board, ensuring the integrity and effectiveness of its governance process. The Independent Non-Executive Chairman ensures that Board meetings are held as and when necessary and set the meeting agenda in consultation with the CEO, COO and Executive Director. The Independent Non-Executive Chairman, with the assistance of the CEO, the COO and Company Secretary, ensures Board members are provided with adequate and timely information. The Independent Non-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.

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 changes in the Board Composition on 2 December 2019, Dr Lam Lee G who has been re-designated as Independent Non-Executive Chairman, will assume the role of Lead Independent Non-Executive Director of the Company pursuant to the recommendation in Guideline 3.3 of the 2018 Code. The Board is of the view that there the Independent Non-Executive Chairman should by virtue of being independent be clear from any conflict of interest in most cases. Where a situation arises that the Independent Non-Executive Chairman be conflicted, the other Independent Non-Executive Director shall assume the role of Lead 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 the CEO, COO and Executive Director had failed to resolve or for which such contact is inappropriate, as well as at the Company's general meetings.

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Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of 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 NC is regulated by its terms of reference and its key functions include:

- recommending to the Board on all Board and Board Committees 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;
- reviewing and making recommendations to the Board on the training and professional development programmes for the Board; and
- recommending to the Board the review of Board's succession plans for Directors, in particular, the Chairman, and for the CEO and key management personnel

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 FY2020.

The NC has reviewed that Dr Lam Lee G and Mr Yeo Chin Tuan, Daniel, with multiple board representations and other principal commitments, has been able to dedicate sufficient time and attention to the affairs of the Company such that he was able to discharge his duties as Director and subsequently, Chairman of the Company in FY2020.

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Selecting, Appointment and Re-appointment of Directors

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
Mdm Oei Siu Hoa @ Sukmawati Widjaja	Executive	12 March 2010
Mr Hano Maeloa	Chief Executive Officer and Executive Director	27 July 2007

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	N.A.	China Medical (International) Group Limited
Ms Jennifer Chang Shyre Gwo	8 November 2010	26 June 2020	N.A.	China Medical (International) Group Limited
Mr Yeo Chin Tuan, Daniel	26 April 2010	30 April 2019	R3D Global Limited	China Medical (International) Group Limited

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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)
Dr Lam Lee G	26 April 2010	26 June 2020	<p>Alset International Limited (fka: Singapore eDevelopment Limited)</p> <p>Asia-Pacific Strategic Investments Limited (fka: China Real Estate Grp Limited)</p> <p>Aurum Pacific (China) Group Limited</p> <p>AustChina Holdings Limited (fka: Coalbank Limited)</p> <p>Beverly JCG Limited (fka: JCG Investment Holdings Ltd and China Medical (International) Group Limited)</p> <p>China LNG Group Limited</p> <p>CSI Properties Limited</p> <p>Elife Holdings Limited (fka: Sino Resources Group Limited)</p> <p>Greenland Hong Kong Holdings Limited</p> <p>Haitong Securities Company Limited</p> <p>Hang Pin Living Technology Company Limited (fka: Hua Long Jin Kong Company Limited)</p> <p>Huarong Investment Stock Corporation Limited</p> <p>Jade Road Investments Ltd (fka: Adamas Finance Asia Limited)</p> <p>Kidsland International Holdings Limited</p>	<p>China Shandong Hi-Speed Financial Group Limited</p> <p>Glorious Sun Enterprises Limited</p> <p>Hsin Chong Group Holdings Limited</p> <p>Heng Fai Enterprises Limited</p> <p>Hsin Chong Group Holdings Limited</p> <p>Imagi International Holdings Limited</p> <p>Mingyuan Medicare Development Company Limited</p> <p>Roma Group Limited</p> <p>Rowsley Limited</p> <p>Ruifeng Petroleum Chemical Holdings Limited</p> <p>UDL Holdings Limited</p> <p>Vietnam Equity Holding</p> <p>Xi'an Haitiantian Holdings Company Limited</p>

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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)
			Mei Ah Entertainment Group Limited Mingfa Group (International) Company Limited National Arts Entertainment and Culture Group Ltd. Sunwah International Limited Sunwah Kingsway Capital Holdings Limited Thomson Medical Group Limited Tianda Pharmaceuticals Limited TMC Life Sciences Berhad Vongroup Limited	
Ms Mimi Yuliana Maeloa	26 April 2010	30 April 2019	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 FY2020.

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Succession Planning for Directors, in particular, the Chairman, the CEO and Key Management Personnel

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

Board Performance

Principle 5: 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 2018 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 2018 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
<ol style="list-style-type: none">1. Size and composition2. Access to information3. Board processes4. Strategic planning5. Board accountability6. Risk management7. Succession planning	<ol style="list-style-type: none">1. Commitment of time2. Knowledge and abilities3. Teamwork4. Independence (if applicable)5. Overall effectiveness6. 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 FY2020.

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(B) Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 6: There should be a formal and transparent procedure for developing policies on director and executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

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

Disclosure on Remuneration

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

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

- 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, key management personnel of the Group and any relative of a director and/or substantial shareholder who is employed in a managerial position by the Company;
- 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;
- oversee the administration of the employees' share option scheme and performance share plan; and
- review of termination clauses in the contracts of service for the executive directors and key management personnel (in the case of termination) to ensure termination clauses are fair and reasonable.

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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 FY2020. 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 FY2020.

In reviewing and recommending the remuneration of Independent Non-Executive Chairman, Independent Non-Executive Director 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 Chairman, Independent Non-Executive Director and Non-Executive Director are not over compensated to the extent that their independence may be compromised.

During FY2020, the RC did not require the services of an external remuneration consultant. Nevertheless, the RC has explicit authority to investigate any matter within its terms of reference and to seek external advice should such need arise, at the Company's expense.

Level and Mix of Remuneration

The Company adopted the objectives as recommended by the 2018 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 RC has reviewed and is satisfied that the performance conditions were met for FY2020.

The Independent Non-Executive Chairman and Independent Non-Executive Director have not entered into service agreements with the Company.

CORPORATE GOVERNANCE REPORT

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Directors' Remuneration

Name of Director	Salary %	Bonus %	Fees %	Fringe Benefits %	Allowances %	Total %
S\$2,250,000 to S\$2,500,000						
Madam Oei Siu Hoa @ Sukmawati Widjaja	46	50	2	2	–	100
S\$1,750,000 to S\$2,000,000						
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						
Dr Lam Lee G	–	–	100	–	–	100
Mr Yeo Chin Tuan Daniel	–	–	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 3 Key Management Personnel (who are not Directors or the CEO)

Name of Employee	Salary %	Bonus %	Fees %	Fringe Benefits %	Allowances %	Total %
Below S\$250,000						
Mr Goh Bingzheng	68	21	–	3	8	100
Mr David Kho Oon Chian	91	–	–	–	9	100
Ms Ling Ngik Kee, Rose	65	25	–	–	10	100

As at end of FY2020, there were 3 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 3 key management personnel in FY2020.

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 deviated from Provision 8.1 of the 2018 Code and decided not to fully disclose the remuneration paid to each Director and the aggregate remuneration paid to the top 3 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. In addition, such disclosure of specific remuneration information may encourage inappropriate peer comparisons and discontent, and may, in certain cases, give rise to recruitment and talent retention issues.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

In view of the abovementioned reasons, the Company believes that the interests of shareholders will not be prejudiced as a result of such deviation for the 2018 Code.

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 FY2020.

Mr Hano Maeloa is the son of Madam Oei Siu Hoa @ Sukmawati Widjaja.

Except for the above, none of the employees of the Company are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholders of the Company and whose remuneration exceeded S\$100,000 for FY2020.

Share Option Scheme Committee

The Company has a share option scheme 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 Share Option Scheme Committee is 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.

(C) Accountability and Audit

Risk Management and Internal Controls

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

Audit Committee

Principle 10: 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 half yearly 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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, assurance from the CEO and COO, 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 FY2020.

The Board also notes that all internal control systems and risk managements 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 considers Mr Yeo Chin Tuan Daniel, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Dr Lam Lee G and Ms Mimi Yuliana Maeloa of the AC has relevant experience in corporate finance.

None of the AC members are a former partner or director of the Company's existing auditing firm or audit corporation within the last two years and none of the AC members hold any financial interest in the external audit firm.

Further details on the key information and profile of the AC members, including academic and professional qualifications, are presented under the 'Director's Profiles' sections of this annual report.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The members of the AC collectively have strong accounting and related financial management expertise and experiences and are appropriately qualified to discharge their responsibilities.

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, key audit matters, 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.

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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 FY2020.

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\$279,228. The non-audit services rendered by external auditors in FY2020 were S\$3,000. 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.

CORPORATE GOVERNANCE REPORT

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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 Tungal 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 function is independent, effective and adequately resourced.

(D) Shareholder Rights and Engagement

Shareholder Rights and Conduct of General Meetings

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

Engagement with Shareholders

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

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.

CORPORATE GOVERNANCE REPORT

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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 in 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.

Resolutions requiring shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons, and implication of why resolutions are bundled will be set out in the circulars sent out.

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. Half yearly 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.

The Company has a team of investor relations ("IR") personnel who focus on facilitating the communications with all stakeholders on a regular basis, to attend to their queries or concerns and to keep the investors public apprised of the Group's corporate developments and financial performance.

To enable shareholders to contact the Company easily, the contact details of the IR team are set out on the Company's website at www.topglobal.com.sg. The IR personnel have procedures in place for following up and responding to stakeholders queries.

Shareholder Meetings

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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 on the Company's corporate website as soon as practicable.

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 be made available to shareholders upon their request.

Due to the COVID-19 situation, the AGM in 2020 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders could not attend the meeting in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on the Company's corporate website and on SGXNET. In view of the continuing COVID-19 situation, the Company is likely to conduct the forthcoming annual general meeting in similar manner.

General Meetings in FY2020

The attendance of Directors at general meetings is as follows:

	Dr Lam Lee G	Madam Sukmawati @ Oei Siu Hoa	Mr Hano Maeloa	Ms Jennifer Chang Shyre Gwo	Mr Yeo Chin Tuan Daniel	Ms Mimi Yuliana Maeloa
Annual General Meeting - 26 June 2020	1	1	1	1	1	1

The external auditors are also present to assist the directors in addressing queries from the shareholders on the conduct of audit and the preparation and content of the auditors' report.

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 FY2020 as the Directors had deemed it more appropriate to retain the cash in the Group to expand the Group's business.

(E) Managing Stakeholders Relationships

Engagement with Stakeholders

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

The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve product and service quality, as well as to ensure sustainable business growth.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The stakeholders have been identified as those who are impacted by the Group's businesses and those who are able to impact the Group's businesses. The stakeholders groups which have been identified through an assessment of their significance to the Group's businesses are, namely, customers, suppliers, employees, investors, regulators and community.

The Group has in place a process to assess the environmental, social and governance issues which are important to these stakeholders. The details of the identification of stakeholders and material issues, as well as, the key areas of focus in relation to managing stakeholders relationships are detailed in the Sustainability Report.

The Company will publish Sustainability Report 2020 by 31 May 2021.

All material information on the performance and development of the Group is disclosed in a timely, accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the quarterly, half-yearly and full year financial results are available on the Company's website – www.topglobal.com.sg.

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 FY2020, 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 FY2020.

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 one month before the announcement of the Company and Group's half or financial year results, as the case may be, 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 2020.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020 and the statement of financial position of the Company as at 31 December 2020.

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 48 to 163 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 2020 and the financial performance of the Group, changes in equity and cash flows of the Group and the changes in the equity of the Company 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:

Dr Lam Lee G
Madam Oei Siu Hoa @ Sukmawati Widjaja
Mr Hano Maeloa
Ms Jennifer Chang Shyre Gwo
Mr Yeo Chin Tuan Daniel
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 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 01.01.2020	At 31.12.2020	At 01.01.2020	At 31.12.2020
Company				
(No. of ordinary shares)				
Madam Oei Siu Hoa @ Sukmawati Widjaja	–	248,159,810	248,759,810	600,000
Mr Hano Maeloa	600,000	600,000	–	–
Ms Jennifer Chang Shyre Gwo	78,000	78,000	–	–

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Directors' interests in shares or debentures (Continued)

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 under "Share options" in this statement.

The directors' interests in the ordinary shares of the Company as at 21 January 2021 were the same as those as at 31 December 2020.

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 2020.

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Share options (Continued)

(b) Unissued shares under option (Continued)

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

- (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.

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 2020 are as follows:

Type of share Option	Date of grant	Number of options to subscribe for ordinary shares of the Company		Exercise price per share	Exercise period
		Balance as at 1.1.2020	Balance as at 31.12.2020		
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
		<u>4,165,400⁽¹⁾</u>	<u>4,165,400⁽¹⁾</u>		

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Share options (Continued)

(b) Unissued shares under option (Continued)

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

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

Name of director	Number of unissued ordinary shares of the Company under option			
	Aggregate granted since commencement of the ESOS 2011 to 31.12.2020	Aggregate cancellation of options since commencement of the ESOS 2011 to 31.12.2020	Effect of share consolidation	Aggregate outstanding as at 31.12.2020
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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Audit committee

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

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

All members of the Audit Committee were non-executive directors. Except for Ms Mimi Yuliana Maeloa, all members were independent.

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;
- (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 2020 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 re-appointment 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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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
Director

Hano Maeloa
Director

26 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOP GLOBAL LIMITED

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 2020, 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 48 to 163.

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") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and 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 current financial 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOP GLOBAL LIMITED

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the matter
<p>Revenue recognition (Refer to Note 2.2, Note 3, and Note 22 to the financial statements)</p> <p>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.</p> <p>The Group's revenue from the sales of development properties recognised at a point in time represented approximately 64% of the Group's total revenue.</p> <p>We focus on this area as revenue from the sales of development properties recognised at a point in time requires assessment of:</p> <p>(1) whether the Group has an enforceable right to payment for performance completed to date as this involves judgement in determining the enforceability of the right to payment under the contracts entered with customers; and</p> <p>(2) when the development property is delivered to the customer as the timing of the revenue recognition involves judgement on whether the Group has transferred the significant risk and rewards of ownerships in the development properties to the customers and whether the Group has substantial continuing involvement with the development properties.</p>	<p>We performed procedures to understand, evaluate and validate relevant key controls put in place by management over the revenue recognition on development properties.</p> <p>We reviewed the contractual terms of the contracts entered into with customers to determine management's judgement and assessment whether:</p> <ul style="list-style-type: none"> • performance obligations are satisfied either over time or at a point in time; • the Group has an enforceable right to payment under the legal environment of the jurisdiction; • the Group has transferred the significant risk and rewards of ownership of the development properties; and • the Group has substantial continuous involvement over the development properties. <p>We performed test of details to check that 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.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOP GLOBAL LIMITED

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the matter
<p>Valuation of development properties (Refer to Note 2.16, Note 3, and Note 8 to the financial statements)</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	<p>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.</p> <p>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.</p> <p>We performed sensitivity analysis on the key judgements relating to the future expected sales price and costs to complete.</p> <p>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.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOP GLOBAL LIMITED

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the matter
<p>Valuation of investment properties (Refer to Note 2.8, Note 3, and Note 11 to the financial statements)</p> <p>The Group owns a portfolio of investment properties comprising commercial building, commercial units and residential units which located in Singapore and Indonesia. As at 31 December 2020, the carrying amount of the Group's investment properties is \$213,829,000, which accounted for 38% of the Group's total assets.</p> <p>Management assessed that there is objective evidence or indication that certain investment properties of the Group may be impaired due to the potential adverse effect on market value as a result of the on-going COVID-19 situation and carried out an impairment exercise during the financial year. For the purposes of performing the impairment assessment, management engaged an independent property valuer to assist the Group in determining the recoverable amount of the investment properties. An impairment loss of \$6,232,000 was made to reduce the carrying amounts of certain investment properties to their estimated recoverable amount.</p> <p>We focus on this area as the valuation of investment properties involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied including the prevailing market conditions which affect the adopted value.</p>	<p>We reviewed management's assessment of impairment indication for investment properties by assessing the appropriateness of the assumption or justifications used and rationale applied by the management.</p> <p>We evaluated the competency, capabilities and objectivity of the independent valuer and discussed with the independent valuer and management to understand the valuation approach and methodologies adopted.</p> <p>Together with our internal valuation specialist, we have critically evaluated the appropriateness of the valuation methodologies and significant underlying assumptions and inputs used, taking into consideration the implications of COVID-19.</p> <p>We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOP GLOBAL LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOP GLOBAL LIMITED

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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 Chan Siew Ting.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
26 March 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		Group		Company	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	4	13,644	18,252	322	1,286
Financial assets, at fair value through profit or loss ("FVPL")	5	21	22	—	—
Trade and other receivables	7	4,951	4,640	129,758	131,694
Inventories		240	282	—	—
Development properties	8	103,598	104,452	—	—
		122,454	127,648	130,080	132,980
Non-current assets					
Financial assets, at FVPL	5	8,650	8,200	—	—
Financial assets, at fair value through other comprehensive income ("FVOCI")	6	80	4,487	—	—
Development properties	8	169,297	172,993	—	—
Investments in joint ventures	9	*	*	—	—
Investments in subsidiary corporations	10	—	—	139,127	139,152
Investment properties	11	213,829	224,975	—	—
Property, plant and equipment	12	48,181	53,057	22	197
Deferred income tax assets	14	520	474	—	—
Intangible assets	15	1,385	1,265	—	—
		441,942	465,451	139,149	139,349
Total assets		564,396	593,099	269,229	272,329
LIABILITIES					
Current liabilities					
Trade and other payables	16	38,208	34,165	8,814	9,868
Current income tax liabilities		622	954	—	—
Borrowings	17	5,661	14,885	4	171
Provisions	18	41	168	—	—
		44,532	50,172	8,818	10,039

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		Group		Company	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Trade and other payables	16	1,195	1,216	—	—
Borrowings	17	137,317	134,332	3	8
Deferred income tax liabilities	14	5,309	5,616	—	—
Post-employment benefits	19	5,752	5,660	—	—
Provisions	18	682	675	—	—
		150,255	147,499	3	8
Total liabilities		194,787	197,671	8,821	10,047
Net assets		369,609	395,428	260,408	262,282
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	265,667	265,667	265,667	265,667
Treasury shares	20	(101)	(101)	(101)	(101)
Other reserves	21	(13,414)	(4,516)	4,914	4,914
(Accumulated losses)/retained profits		(16,160)	612	(10,072)	(8,198)
		235,992	261,662	260,408	262,282
Non-controlling interests	10	133,617	133,766	—	—
Total equity		369,609	395,428	260,408	262,282

* 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 2020

	Note	2020 \$'000	2019 \$'000
Revenue	22	40,683	58,393
Cost of sales		(22,117)	(28,221)
Gross profit		18,566	30,172
Other income			
- Interest	25	492	1,171
- Others	25	5,826	890
Other gains/(losses)			
- Impairment loss on trade and other receivables	31(b)	(20)	(186)
- Others	26	(6,174)	11,710
Expenses			
- Distribution and marketing		(3,327)	(4,677)
- Administrative		(26,664)	(30,746)
- Finance	27	(4,647)	(3,762)
(Loss)/profit before income tax		(15,948)	4,572
Income tax (expense)/credit	28	(79)	779
Net (loss)/profit		(16,027)	5,351
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation			
- (Losses)/gains		(4,431)	5,390
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Financial assets, at fair value through other comprehensive income			
- Fair value (losses)/gains – equity investment	21(b)(v)	(4,407)	1,268
Remeasurement of post-employment benefits	19	584	(211)
Currency translation differences arising from consolidation			
- (Losses)/gains	21(b)(iv)	(1,483)	1,788
Other comprehensive (loss)/income, net of tax		(9,737)	8,235
Total comprehensive (loss)/income		(25,764)	13,586

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Net (loss)/profit attributable to:			
Equity holders of the Company		(17,190)	551
Non-controlling interests		1,163	4,800
		(16,027)	5,351
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(25,610)	7,059
Non-controlling interests		(154)	6,527
		(25,764)	13,586
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
Basic (loss)/earnings per share	29(a)	(5.35)	0.17
Diluted (loss)/earnings per share	29(b)	(5.35)	0.17

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Attributable to equity holders of the Company									
	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
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
2020										
Balance as at 1 January 2020	265,667	(101)	4,914	60	(51)	(13,846)	4,407	612	261,662	133,766
Total comprehensive loss for the financial year	-	-	-	-	-	(4,431)	(4,407)	(16,772)	(25,610)	(154)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	5
Cancellation of additional paid-in capital	-	-	-	(60)	-	-	-	-	(60)	-
Balance as at 31 December 2020	265,667	(101)	4,914	-	(51)	(18,277)	-	(16,160)	235,992	133,617
2019										
Balance as at 1 January 2019	265,667	(101)	4,914	60	(51)	(19,236)	3,139	184	254,576	127,121
Total comprehensive income for the financial year	-	-	-	-	-	5,390	1,268	401	7,059	6,527
Acquisition of non-controlling interests	-	-	-	-	-	-	-	27	27	(27)
Acquisition of subsidiary corporations	-	-	-	-	-	-	-	-	-	145
Balance as at 31 December 2019	265,667	(101)	4,914	60	(51)	(13,846)	4,407	612	261,662	133,766
										395,428

* Less than \$1,000

*** Retained profits of the Group were distributable except for the remeasurement of post-employment benefits of \$739,000 (2019: \$1,165,000).

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Share capital \$'000	Treasury shares \$'000	Share option reserve \$'000	Accumulated losses \$'000	Total \$'000
Company					
2020					
Balance as at 1 January 2020	265,667	(101)	4,914	(8,198)	262,282
Total comprehensive loss for the financial year	–	–	–	(1,874)	(1,874)
Balance as at 31 December 2020	265,667	(101)	4,914	(10,072)	260,408
2019					
Balance as at 1 January 2019	265,667	(101)	4,914	(14,139)	256,341
Total comprehensive income for the financial year	–	–	–	5,941	5,941
Balance as at 31 December 2019	265,667	(101)	4,914	(8,198)	262,282

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Net (loss)/profit		(16,027)	5,351
Adjustments for:			
Income tax expense/(credit)	28	79	(779)
- Depreciation of property, plant and equipment	23	4,297	4,665
- Depreciation of investment properties	23	4,907	2,593
- Amortisation of intangible assets	23	231	155
- Loss on disposal of property, plant and equipment	26	70	133
- Loss on disposal of investment property	26	–	463
- Gain from bargain purchase	26, 34(a)(iii)	–	(7,718)
- Impairment loss on trade and other receivables	31(b)	20	186
- Impairment loss on investment properties	26	6,232	–
- Impairment loss on property, plant and equipment	26	272	–
- Impairment loss on trademark	26	75	–
- Net fair value loss on financial assets, at FVPL	26	(449)	(3,419)
- Bad debts written-off	26	60	1
- Dividend income	25	(3,856)	–
- Interest income	25	(492)	(1,171)
- Finance expenses	27	4,647	3,762
- Unrealised currency translation losses		526	608
		592	4,829
Change in working capital, net of effects from acquisition of subsidiary corporations:			
- Trade and other receivables		797	5,718
- Development properties		(1,345)	(4,564)
- Inventories		36	17
- Trade and other payables		4,679	(6,916)
- Post-employment benefits		(368)	1,220
- Provisions		(105)	(45)
Cash generated from operations		4,286	259
- Interest received		492	1,171
- Income tax (paid)/refunded		(759)	10
Net cash provided by operating activities		4,019	1,440

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from investing activities			
Additions to property, plant and equipment		(412)	(725)
Additions to intangible assets	15(b)	(426)	(77)
Additions to investment properties	11	(109)	(783)
Proceeds from disposal of investment property		–	7,275
Proceeds from disposal of financial assets, at FVPL	5	–	17,690
Proceeds from disposal of property, plant and equipment		2	23
Acquisition of subsidiary corporations, net of cash acquired	34(a)(ii)	–	(172,590)
Dividend received		2,576	–
Net cash provided by/(used in) investing activities		1,631	(149,187)
Cash flows from financing activities			
Acquisition of non-controlling interests		–	*
Cancellation of additional paid-in capital	21(b)(ii)	(60)	–
Capital contribution from non-controlling interests		5	–
Proceeds from borrowings		9,461	135,482
Repayment of borrowings		(11,245)	(10,388)
Bank facilities fees paid		(20)	(220)
Repayment of lease liabilities		(803)	(837)
Increase in deposits pledged with financial institutions for loan facilities		–	(4,000)
Interest paid		(4,627)	(3,542)
Net cash (used in)/provided by financing activities		(7,289)	116,495
Net decrease in cash and cash equivalents		(1,639)	(31,252)
Cash and cash equivalents			
Beginning of financial year		11,077	42,547
Effects of currency translation on cash and cash equivalents		204	(218)
End of financial year	4	9,644	11,077

* Less than \$1,000

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 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 and joint ventures are disclosed in Note 10 and Note 9 to the financial statements respectively.

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)") under the historical cost convention, except as disclosed in the accounting policies below.

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.

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

Interpretations and amendments to published standards effective in 2020

On 1 January 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for:

Early adoption of amendment to SFRS(I) 16 Leases

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2020; and
- (c) there is no substantive change to other terms and conditions of the lease

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of \$260,000 (Note 25) was recognised as rental rebate in profit or loss during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 Group's significant risk and rewards of ownership in the asset has been transferred to the customer and 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 obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.2 Revenue recognition (Continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.2 Revenue recognition (Continued)

(d) *Revenue from rendering of services*

Rendering of services includes parking fee income and the provision of research and development services.

Parking fee income is recognised when the services are rendered.

Research and development services relates to the design and development of customised electronic prototypes, maintenance services for equipment and production of customised electronic equipment. At contract inception, the Group assesses whether revenue should be recognised over time or at a point in time by determining if (a) customer simultaneously receives and consumes benefits as the Group performs; or (b) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

(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) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.4 Group accounting (Continued)

(a) *Subsidiary corporations (Continued)*

(ii) *Acquisitions (Continued)*

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 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) *Joint ventures*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.4 Group accounting (Continued)

(c) Joint ventures (Continued)

(i) Acquisitions

Investments in 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 joint ventures represents the excess of the cost of acquisition of the joint ventures over the Group's share of the fair value of the identifiable net assets of the 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 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 joint ventures are recognised as a reduction at the carrying amount of the investments.

When the Group's share of losses in an joint venture equals to or exceeds its interest in the 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 joint venture. If the 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 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 joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of the joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposal

Investments in joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former 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 and joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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:

	<u>Useful lives</u>
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.5 Property, plant and equipment (Continued)

(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)".

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.

(c) *Computer software*

Computer software 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 3 years, which is their estimated useful life.

(d) *Acquired customer relationships*

Customer relationships 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 7 years, which is their estimated useful life.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.6 Intangible assets (Continued)

(e) *Development costs*

Development costs are capitalised costs which are directly attributable to activities preparing the asset for its intended use. In any other circumstances, development costs are recognised in profit or loss as incurred. Development costs are 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 3 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.8 Investment properties (Continued)

(b) Depreciation (Continued)

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

	<u>Useful lives</u>
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 and joint ventures

Investments in subsidiary corporations 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 Right-of-use assets Investments in subsidiary corporations and joint ventures*

Intangible assets, investment properties, property, plant and equipment, right-of-use assets and investments in subsidiary corporations 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.11 Financial assets (Continued)

(a) Classification and measurement (Continued)

At subsequent measurement (Continued)

(i) Debt instruments (Continued)

- 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)". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Interest income".
- 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)".

(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)", 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 31(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.11 Financial assets (Continued)

(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.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements 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 guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

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

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

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

- Right-of-use assets

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

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

Right-of-use assets are presented within "Investment properties" and "Property, plant and equipment".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.16 Leases (Continued)

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

- Lease liabilities

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

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.16 Leases (Continued)

(i) When the Group is the lessee: (Continued)

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(ii) When the Group is the lessor:

The Group has leased out investment properties under operating leases to non-related parties.

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are reclassified 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.

- Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "other income". The right-of-use asset relating to the head lease is not derecognised.

For contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

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.

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.19 Income taxes (Continued)

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 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.

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.

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction recognising losses. Based on Government Regulation No.71/2008 dated November 4, 2008, effective January 1, 2009, income from the sale or transfer of land and buildings for real estate developers are subject to final income tax. Current final income tax expense in accordance with revenue that subjected final income tax is recognised proportionally with the accounting income recognised during the year. The difference between final income tax paid and the final tax expense in the consolidated statement of comprehensive and other comprehensive income is recognised as prepaid tax or tax payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

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) Prototypes 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

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.

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 statements 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.21 Employee compensation (Continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

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.

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)".

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

2.22 Currency translation (Continued)

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2 Significant accounting policies (Continued)

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.

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.

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 31(b).

The carrying amount of trade receivables as at 31 December 2020 is \$1,272,000 (2019: \$2,541,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Critical accounting estimates, assumptions and judgements (Continued)

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

(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.

The carrying amount of the development properties stated at the lower of cost or net realisable value as at 31 December 2020 is \$272,895,000 (2019: \$277,445,000).

(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 2020 is \$48,181,000 (2019: \$53,057,000). The carrying amount of the Group's investment properties at 31 December 2020 is \$213,829,000 (2019: \$224,975,000). 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 \$425,000 (2019: \$467,000) and \$491,000 (2019: \$259,000) lower respectively.

The carrying amount of the Group's property, plant and equipment and investment properties are disclosed in Notes 12 and 11 to the financial statements respectively.

(d) *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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Critical accounting estimates, assumptions and judgements (Continued)

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

(d) *Deferred income tax assets (Continued)*

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 \$8,168,000 and \$Nil (2019: \$6,506,000 and \$755,000) respectively which can be carried forward as at 31 December 2020 (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.

(e) *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 entered into and whether the Group has transferred the significant risk and rewards of ownerships of the development properties to the customer and any continuing involvement with the development properties.

(f) *Valuation of investment properties*

The Group's investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. During the financial year ended 31 December 2020, the Group has engaged an independent external valuer to determine the recoverable amounts of certain investment properties. The valuation is determined using the properties' highest-and-best use approach which is generally the sales comparison approach (i.e. the basis of market value). In arriving at the valuation figure, the valuer has taken into consideration the prevailing market conditions and has made necessary adjustments for differences between the investment properties and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of the buildings, dates of transactions and other factors affecting their values. The most significant input into this valuation approach is selling prices. These estimates are based on local market conditions existing at the reporting date. Accordingly, an impairment loss of \$6,232,000 (2019: \$Nil) is recognised for the investment properties.

The independent valuation report has highlighted that with the heightened uncertainty of the COVID-19 outbreak, a higher degree of caution should be exercised when relying upon their valuation. The valuation is based on the information available as at the date of valuation and may differ significantly due to changes in assumptions and conditions arising from ongoing development of COVID-19 and other unforeseen events. This represents a significant estimation uncertainty in relation to the valuation of the investment properties.

Carrying amount of investment properties at reporting date is disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4 Cash and bank balances

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	8,650	13,116	322	1,286
Short-term bank deposits	4,994	5,136	–	–
	13,644	18,252	322	1,286
Less: restricted deposits ⁽¹⁾	(4,000)	(4,000)	–	–
Less: bank overdrafts (Note 17)	–	(3,175)	–	–
Cash and cash equivalents	9,644	11,077	322	1,286

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 earn interests at the respective short-term deposit rates.

(1) The restricted deposits were pledged with financial institution as security in relation to loan facilities granted (Note 17).

5 Financial assets, at FVPL

	Group	
	2020	2019
	\$'000	\$'000
Beginning of financial year	8,222	22,493
Net fair value gains recognised in profit or loss (Note 26)	449	3,419
Disposals	–	(17,690)
End of financial year	8,671	8,222
Less: Current portion	(21)	(22)
Non-current portion	8,650	8,200

Financial assets, at FVPL are analysed as follows:

Listed equity securities		
- United States	8,650	8,200
- Indonesia	21	22
	8,671	8,222

The instruments are mandatorily measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Financial assets, at FVOCI

	Group	
	2020	2019
	\$'000	\$'000
Beginning of financial year	4,487	3,219
Fair value (losses)/gains recognised in other comprehensive income (Note 21(b)(v))	(4,407)	1,268
End of financial year	80	4,487
Financial assets, at FVOCI are analysed as follows:		
Unlisted equity securities - Singapore	80	4,487

7 Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	1,518	2,801	-	-
Less: Loss allowance for trade receivables – non-related parties (Note 31(b))	(246)	(260)	-	-
Trade receivables – net	1,272	2,541	-	-
Other receivables				
- Subsidiary corporations	-	-	130,169	132,129
- Non-related parties	1,596	241	242	13
Less: Loss allowance for other receivables – subsidiary corporations (Note 31(b))	-	-	(753)	(550)
Other receivables – net	1,596	241	129,658	131,592
Deposits	497	377	2	2
Prepayments	245	255	98	100
Prepaid tax	975	857	-	-
Advance payments	366	369	-	-
Total trade and other receivables	4,951	4,640	129,758	131,694

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 Trade and other receivables (Continued)

The non-trade amounts due from subsidiary corporations 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.

8 Development properties

	Group	
	2020	2019
	\$'000	\$'000
Current		
<i>Properties under development, for which revenue is recognised over time</i>		
Aggregate cost incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	–	948
Less: Progress billings	–	(799)
	–	149
<i>Properties for which revenue is recognised at a point in time</i>		
Properties held for sale	79,665	83,007
Properties under development	23,933	21,296
	103,598	104,452
Non-current		
Land for development	169,297	172,993
	272,895	277,445

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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	
	2020	2019	2020 %	2019 %
Rancamaya Phase I	3.01	3.10	72.96	72.96
Rancamaya Phase II	20.82	21.26	72.96	72.96
Rancamaya Commercial Centre	7.34	7.34	72.96	72.96
Harvest City	3.79	4.74	36.48	36.48

(b) Properties under development

Project	Land area (hectares)		Group's effective interest	
	2020	2019	2020 %	2019 %
Rancamaya Phase III	6.85	6.31	72.96	72.96
Harvest City	14.95	16.52	36.48	36.48
Royal Tajur	1.96	2.79	48.88	48.88

(c) Land for development

Project	Land area ⁽¹⁾ (hectares)		Group's effective interest	
	2020	2019	2020 %	2019 %
Rancamaya Phase III	154.06	155.87	72.96	72.96
Harvest City ⁽²⁾	795.18	794.31	36.48	36.48
Royal Tajur	45.53	45.53	48.88	48.88

(1) Represents the land area which has been cleared and owned.

(2) The Group has obtained the rights to develop 568.02 hectares of land with term of 30 years, which is due between 2029 and 2031.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8 Development properties (Continued)

Development properties in Indonesia (Continued)

Land under development for Rancamaya project with total area of 5.9 (2019: 10.9) hectares are pledged as collateral for bank borrowings (Note 17).

Properties held for sale and land for development for Harvest City project with total area of 158.6 (2019: 152.0) hectares have been pledged as collateral for bank borrowings (Note 17).

Land for development for Royal Tajur project with total area of 2.3 (2019: 7.5) hectares have been pledged as collateral for bank borrowings (Note 17).

9 Investments in joint ventures

	Group	
	2020	2019
	\$'000	\$'000
Beginning and end of financial year	*	*

* Less than \$1,000

Set out below are the joint ventures of the Group as at 31 December 2020 and 2019. 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	
			2020	2019
			%	%
<u>Held by GMB Assets Management Pte. Ltd.</u>				
(a) Top Golden Tree	Dormant	Cayman Islands	50	50
<u>Held by 5Footway Management Pte. Ltd.</u>				
(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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Investments in joint ventures (Continued)

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.

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

10 Investments in subsidiary corporations

	Company	
	2020 \$'000	2019 \$'000
<i>Equity investments at cost</i>		
Beginning of financial year	144,506	144,506
Disposal	(25)	–
End of financial year	144,481	144,506
<i>Accumulated impairment losses</i>		
Beginning of financial year	5,354	3,354
Impairment losses	–	2,000
End of financial year	5,354	5,354
Carrying amount	139,127	139,152

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 investment 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2020 and 2019:

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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
<u>Held by the Company</u>								
(a) Raintree Cove Pte. Ltd.	Property and facility management	Singapore	–	100	100	100	–	–
(a) Top Global Properties Pte. Ltd.	Investment holding	Singapore	100	100	100	100	–	–
(a) GMB Assets Management Pte. Ltd.	Investment holding	Singapore	100	100	100	100	–	–
(d) Top Global China Pte. Ltd.	Dormant	Singapore	100	100	100	100	–	–
(a) Ultron Techniques Pte. Ltd.	Development of information technology software	Singapore	100	100	100	100	–	–
(a) Top Capital Investment Pte. Ltd.	Investment holding	Singapore	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	–	–
(a) TG Innovation Pte. Ltd.	Investment holding	Singapore	100	100	100	100	–	–
(a) Top Tomlinson One Pte. Ltd.	Dormant	Singapore	100	100	100	100	–	–
(a) Global Real Estate Investment Pte. Ltd.	Investment holding	Singapore	100	100	100	100	–	–
(d) Top Global Property Investment Pte. Ltd.	Investment holding	Singapore	100	100	100	100	–	–
(d) Top Global Real Estate Investment Pte. Ltd.	Investment holding	Singapore	100	100	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2020 and 2019: (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	
				2020	2019	2020	2019	2020	2019
				%	%	%	%	%	%
Held by the Company (Continued)									
(a)	Global Star Development Pte. Ltd.	Dormant	Singapore	100	95	100	95	-	-
(a)	Margaritaville Investments Holding Pte. Ltd.	Investment holding	Singapore	100	100	100	100	-	-
(c)	PT Suryamas Dutamakmur Tbk	Real estate and hospitality and facilities management	Indonesia	72.96	72.96	72.96	72.96	27.04	27.04
Held by Top Global Properties Pte. Ltd.									
(a)	Entro Development Pte. Ltd.	Property investment	Singapore	-	-	100	100	-	-
Held by GMB Assets Management Pte. Ltd.									
(a)	GMB Capital Pte. Ltd.	Investment holding	Singapore	-	-	100	100	-	-
Held by Ultron Techniques Pte. Ltd.									
(a)	I Industries Pte. Ltd.	Research and development and wholesale of equipment	Singapore	-	-	80	80	20	20
(a)	Raintree Cove Pte. Ltd.	Property and facility management	Singapore	-	100	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2020 and 2019: (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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
<u>Held by Top Global Hospitality Pte. Ltd.</u>								
(a) 5Footway Founders Pte. Ltd.	Investment holding	Singapore	-	-	100	100	-	-
(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	-	-
(a) I Industries Pte. Ltd.	Research and development and wholesale of equipment	Singapore	-	-	80	80	20	20
(a)(e) I Innovations Pte. Ltd.	Research and development and wholesale of equipment	Singapore	-	-	90	-	10	-
<u>Held by TG Innovation Pte. Ltd.</u>								
(a) I Industries Pte. Ltd.	Research and development and wholesale of equipment	Singapore	-	-	80	80	20	20
(a)(e) I Innovations Pte. Ltd.	Research and development and wholesale of equipment	Singapore	-	-	90	-	10	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2020 and 2019: (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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
<u>Held by Global Real Estate Investment Pte. Ltd.</u>								
(a) Bartley Homes Pte. Ltd.	Dormant	Singapore	-	-	100	100	-	-
(a) Top Automation Pte. Ltd.	Investment holding	Singapore	-	-	100	100	-	-
<u>Held by Top Global Real Estate Investment Pte. Ltd.</u>								
(b) PT. Top Global Indonesia	Dormant	Indonesia	-	-	100	100	-	-
<u>Held by Top Automation Pte. Ltd.</u>								
(a) 15 Scotts 01 Pte. Ltd.	Property investment	Singapore	-	-	100	100	-	-
(a) 15 Scotts 02 Pte. Ltd.	Property investment	Singapore	-	-	100	100	-	-
(a) 15 Scotts 3F Pte. Ltd.	Property investment	Singapore	-	-	100	100	-	-
(a) Alpeg Investment Pte. Ltd.	Property investment	Singapore	-	-	100	100	-	-
(a) Kingscrest Investment Pte. Ltd.	Property investment	Singapore	-	-	100	100	-	-
(a) Pegal Investment Pte. Ltd.	Property investment	Singapore	-	-	100	100	-	-
<u>Held by PT Suryamas Dutamakmur Tbk</u>								
(c) PT Saptakreasi Indah	Investment	Indonesia	-	-	72.96	72.96	27.04	27.04
(c) PT Centranusa Majupermai	Investment and real estate	Indonesia	-	-	72.96	72.96	27.04	27.04
(c) PT Permainan Megacitra	Real estate	Indonesia	-	-	72.96	72.96	27.04	27.04
(c) PT Multiraya Sinarindo	Real estate	Indonesia	-	-	72.96	72.96	27.04	27.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2020 and 2019: (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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
<u>Held by PT Suryamas Dutamakmur Tbk (Continued)</u>								
(c) PT Rancamaya Asri Golf and Country	Golf course operator	Indonesia	-	-	72.96	72.96	27.04	27.04
(c) PT Tajur Surya Abadi	Real estate	Indonesia	-	-	48.88	48.88	51.12	51.12
(c) PT Inti Sarana Papan	Real estate	Indonesia	-	-	72.96	72.96	27.04	27.04
<u>Held by PT Saptakreasi Indah</u>								
(c) PT Rancamaya Indah Hotel	Hotel	Indonesia	-	-	72.96	72.96	27.04	27.04
<u>Held by PT Rancamaya Asri Golf and Country</u>								
(c) PT Saptakreasi Indah	Investment	Indonesia	-	-	72.96	72.96	27.04	27.04
<u>Held by PT Permainusa Megacitra</u>								
(c) PT Rancamaya Indah Hotel	Hotel	Indonesia	-	-	72.96	72.96	27.04	27.04
<u>Held by PT Rancamaya Indah Hotel</u>								
(c) PT Centranusa Majupermai	Investment and real estate	Indonesia	-	-	72.96	72.96	27.04	27.04
<u>Held by PT Centranusa Majupermai</u>								
(c) PT Dwigunatama Rintisprima	Real estate	Indonesia	-	-	36.48	36.48	63.52	63.52
<u>Held by PT Tajur Surya Abadi</u>								
(c) PT Puri Surya Abadi	Real estate	Indonesia	-	-	48.88	48.88	51.12	51.12

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2020 and 2019: (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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
<u>Held by PT Dwigunatama Rintisprima</u>								
(c) PT Dwikarya Langgengsukes	Real estate	Indonesia	-	-	36.48	36.48	63.52	63.52
(c) PT Kharisma Buana Mandiri	Water theme park operator	Indonesia	-	-	36.48	36.48	63.52	63.52
<u>Held by PT Dwikarya Langgengsukes</u>								
(c) PT Kharisma Buana Mandiri	Water theme park operator	Indonesia	-	-	36.48	36.48	63.52	63.52
<u>Held by 5Footway Founders Pte. Ltd.</u>								
(a) 5Footway Partners Pte. Ltd.	Investment holding	Singapore	-	-	75.12	75.12	24.88	24.88
<u>Held by 5Footway Partners Pte. Ltd.</u>								
(a) 5Footway Holdings Pte. Ltd.	Hostel operator	Singapore	-	-	75.12	75.12	24.88	24.88
<u>Held by 5Footway Holdings Pte. Ltd.</u>								
(f) Ali Lane Pte. Ltd.	Dormant	Singapore	-	-	-	75.12	-	24.88
(d)(g) Aliwal 8 Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(f) Aliwal 10 Pte. Ltd.	Dormant	Singapore	-	-	-	75.12	-	24.88
(d)(g) Aliwal 12 Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(d) PC1 Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 31 December 2020 and 2019: (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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
<u>Held by 5Footway Holdings Pte. Ltd. (Continued)</u>								
(d)(g) PC2 Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(d)(g) PC4 Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(a) PC5 Pte. Ltd.	Hostel operator	Singapore	-	-	75.12	75.12	24.88	24.88
(a) 5Footway Management Pte. Ltd	Management services for hostel and hotel operators	Singapore	-	-	75.12	75.12	24.88	24.88
(a) 5FW Management II Pte. Ltd	Management services for hostel and hotel operators	Singapore	-	-	75.12	75.12	24.88	24.88
(d)(g) SB Road Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(d) BQ-One Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(d) BQ2 Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(d) 3BQ Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
(f) 5FW Management III Pte. Ltd.	Dormant	Singapore	-	-	-	75.12	-	24.88
(f) 5FW Management IV Pte. Ltd.	Dormant	Singapore	-	-	-	75.12	-	24.88
(a) PC10 Pte. Ltd.	Hostel operator	Singapore	-	-	75.12	75.12	24.88	24.88
(d)(g) PC9 Pte. Ltd.	Dormant	Singapore	-	-	75.12	75.12	24.88	24.88
<u>Held by 5Footway Management Pte. Ltd.</u>								
(b) 5FW Management (HK) Pte Limited	Dormant	Hong Kong	-	-	75.12	75.12	24.88	24.88
(b) 5FWII Management (Macau) Limited	Dormant	Macau	-	-	69.11	69.11	30.89	30.89

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

- (a) Audited by Nexia TS Public Accounting Corporation, Singapore
- (b) Not required to be audited under the laws of the country of incorporation
- (c) Audited by Crowe Howarth Indonesia
- (d) Dormant and qualified to opt for audit exemption under the Singapore Companies Act, Chapter 50
- (e) Newly incorporated during the financial year ended 31 December 2020
- (f) Deregistered during the financial year ended 31 December 2020
- (g) Deregistered subsequent to the financial year ended 31 December 2020

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.

On 29 July 2019, the Group through its wholly-owned subsidiary corporations, TG Innovation Pte. Ltd. and Top Global Hospitality Pte Ltd acquired 70% and 5% of the issued shares of I Industries Pte. Ltd. ("IIPL") respectively. The acquisition resulted in the Group obtaining control with an aggregate 75% shareholding interests in IIPL which was consolidated with effect from the date of acquisition.

The Group had on 1 November 2019 acquired an additional 5% of the issued shares of IIPL through its wholly-owned subsidiary corporation, Ultron Techniques Pte. Ltd.. Subsequent to this acquisition of additional shares resulted in the Group obtaining 80% shareholding interests in IIPL.

On 30 August 2019, the Group through its wholly-owned subsidiary corporation, Top Automation Pte. Ltd. acquired 100% of the equity interest in six entities namely, 15 Scotts 01 Pte Ltd, 15 Scotts 02 Pte Ltd, 15 Scotts 3F Pte Ltd, Alpeg Investment Pte Ltd, Kingscrest Investment Pte Ltd and Pegal Investment Pte Ltd (collectively the "six entities"). The acquisition resulted in the Group obtaining control of the six entities, which were consolidated with effect from the date of the acquisition.

Details of the acquisitions are disclosed in Note 34(a) to the financial statements.

Carrying value of non-controlling interests

	Group	
	2020	2019
	\$'000	\$'000
PT Suryamas Dutamakmur Tbk	48,490	49,861
PT Dwigunatama Rintisprima	79,602	80,069
Other subsidiary corporations with immaterial non-controlling interests	5,525	3,836
Total	133,617	133,766

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

Summarised statement of financial position

	PT Dwigunatama Rintisprima and its Subsidiary Corporations		PT Suryamas Dutamakmur Tbk	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Assets	158,283	161,877	6,240	7,493
Liabilities	(13,280)	(16,606)	(22,733)	(20,957)
Total current net assets/(liabilities)	145,003	145,271	(16,493)	(13,464)
Non-current				
Assets	5,695	5,923	194,455	196,624
Liabilities	(701)	(717)	(8,397)	(10,194)
Total non-current net assets	4,994	5,206	186,058	186,430
Net assets	149,997	150,477	169,565	172,966

Summarised statement of comprehensive income

	PT Dwigunatama Rintisprima and its Subsidiary Corporations		PT Suryamas Dutamakmur Tbk	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Revenue	13,779	24,842	16,802	21,735
Profit before income tax	2,796	8,181	74	2,586
Income tax expense	(11)	(15)	(109)	(213)
Profit/(loss) for the financial year	2,785	8,166	(35)	2,373
Other comprehensive (loss)/income	(3,265)	3,869	(3,366)	4,519
Total comprehensive (loss)/income	(480)	12,035	(3,401)	6,892
Total comprehensive (loss)/income allocated to non-controlling interests	(305)	7,644	(920)	1,863

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10 Investments in subsidiary corporations (Continued)

Summarised statement of cash flows

	PT Dwigunatama Rintisprima and its Subsidiary Corporations		PT Suryamas Dutamakmur Tbk	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from operating activities</u>				
Cash (used in)/generated from operations	(60)	1,553	8,552	(1,207)
Interest received	90	138	157	144
Income tax paid	(387)	(497)	(337)	(66)
Net cash (used in)/provided by operating activities	(357)	1,194	8,372	(1,129)
Net cash used in investing activities	(220)	(993)	(147)	(411)
Net cash provided by/(used in) financing activities	251	(538)	(8,658)	2,467
Net (decrease)/increase in cash and cash equivalents	(326)	(337)	(433)	927
Cash and cash equivalents				
Beginning of financial year	1,724	2,006	4,782	3,744
Effects of currency translation on cash and cash equivalents	(39)	55	(11)	111
End of financial year	1,359	1,724	4,338	4,782

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Investment properties

	Leasehold land and buildings \$'000	Freehold properties \$'000	Total \$'000
Group			
2020			
Cost			
Beginning of financial year	6,093	223,135	229,228
Currency translation differences	(138)	–	(138)
Additions	109	–	109
End of financial year	6,064	223,135	229,199
Accumulated depreciation			
Beginning of financial year	1,005	3,248	4,253
Currency translation differences	(22)	–	(22)
Depreciation charge (Note 23)	294	4,613	4,907
End of financial year	1,277	7,861	9,138
Accumulated impairment losses			
Beginning of financial year	–	–	–
Impairment loss (Note 26)	–	6,232	6,232
End of financial year	–	6,232	6,232
Net book value at end of financial year	4,787	209,042	213,829
2019			
Cost			
Beginning of financial year	5,001	51,295	56,296
Currency translation differences	156	–	156
Additions	783	–	783
Acquisition of subsidiary corporations (Note 34(a)(iii))	–	180,000	180,000
Disposals	–	(8,160)	(8,160)
Reclassified from development properties	153	–	153
End of financial year	6,093	223,135	229,228
Accumulated depreciation			
Beginning of financial year	649	1,412	2,061
Currency translation differences	21	–	21
Disposals	–	(422)	(422)
Depreciation charge (Note 23)	335	2,258	2,593
End of financial year	1,005	3,248	4,253
Net book value at end of financial year	5,088	219,887	224,975

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Investment properties (Continued)

Transfer from development properties

During the financial year ended 31 December 2019, the Group transferred several plots of land from development properties to investment properties as it has been leased out to non-related parties operate supermarket and food establishments.

Investment properties are leased to non-related parties which under operating leases (Note 13).

Freehold properties with an aggregate carrying amounts of \$168,700,000 (2019: \$178,700,000) have been pledged as security for bank loans of the Group (Note 17).

The following amounts are recognised in profit or loss:

	Group	
	2020	2019
	\$'000	\$'000
Rental income (Note 22)	2,347	1,276
Direct operating expenses arising from:		
- Revenue generating properties	(1,030)	(483)

The details of the Group's investment properties as at 31 December 2020 and 2019 are as follows:

Location	Description/existing use	Tenure
15 Scotts Road, Thong Teck Building	23 strata units of retail and office units for commercial 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. Traditional market b. Food courts and restaurants c. Water theme park and go-kart circuit d. Supermarket	Leasehold Leasehold Leasehold Leasehold
Jl. Alternatif Cibubur 900 meter Exit Toll Cibubur. Kelurahan Harjamukti, Kecamatan Cimanggis, DKI Jakarta, Indonesia	Mahagony Residence Club House for commercial purposes	Leasehold

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Investment properties (Continued)

Location	Description/existing use	Tenure
Graha Yasa No. SH 01 Rancamaya Golf & Country Estate, Ciawi - Bogor	7 units of shop houses for commercial purposes	Leasehold
Gg Pesantren RT1 RW7 Kel. Rancamaya, Kec. Bogor Selatan, Bogor	6 units of houses for residential purposes	Leasehold

Impairment test for investment properties

Investment properties are tested for impairment whenever there is any objective evidence or indication that the carrying amounts may not be recoverable. Due to the potential adverse effect on market value as a result of the on-going COVID-19 situation, management had assessed that there were indications of impairment of certain investment properties, and these investment properties were tested for impairment.

The Group engaged an external, independent and qualified property valuer to determine the fair values of these investment properties as at 31 December 2020. In determining the fair values of the investment properties, the valuer applied direct comparison approach, where the sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, types of development and age of the buildings. Accordingly, an impairment loss of \$6,232,000 (2019: \$Nil) representing the write-down of these investment properties to the recoverable amount was recognised in "Other gains/(losses)".

Fair value hierarchy - Recurring fair value measurement

Description	Fair value measurement using		
	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 December 2020			
- Residential	–	31,387	–
- Commercial	–	193,589	–
As at 31 December 2019			
- Residential	–	31,348	–
- Commercial	–	200,093	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Investment properties (Continued)

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been derived using the direct 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.

The valuation report for certain properties for the financial year ended 31 December 2020 has highlighted that with the heightened uncertainty of the COVID-19 outbreak, a higher degree of caution should be exercised when relying upon their valuation. The valuation is based on the information available as at the date of valuation and may differ significantly due to changes in assumptions and conditions arising from ongoing development of COVID-19 and other unforeseen events.

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 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Property, plant and equipment

Group	Plant and equipment	Motor vehicles	Furniture and fittings	Land use rights	Golf course	Golf and country club equipment	Buildings and club house	Total
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
Beginning of financial year	528	1,836	2,695	18,684	1,832	3,780	42,960	72,315
Currency translation differences	–	(24)	(28)	(416)	(41)	(84)	(366)	(959)
Additions	20	–	196	–	–	32	164	412
Disposals	(196)	–	(648)	–	–	–	(900)	(1,744)
Reclassification	–	–	22	–	–	–	(22)	–
End of financial year	352	1,812	2,237	18,268	1,791	3,728	41,836	70,024
Accumulated depreciation								
Beginning of financial year	419	1,371	1,739	4,976	1,548	2,560	6,645	19,258
Currency translation differences	–	(16)	(17)	(109)	(34)	(56)	(78)	(310)
Depreciation charge (Note 23)	73	198	498	855	277	216	2,180	4,297
Disposals	(196)	–	(578)	–	–	–	(900)	(1,674)
End of financial year	296	1,553	1,642	5,722	1,791	2,720	7,847	21,571
Accumulated impairment losses								
Beginning of financial year	–	–	–	–	–	–	–	–
Impairment loss (Note 26)	–	–	–	–	–	–	272	272
End of financial year	–	–	–	–	–	–	272	272
Net book value								
End of financial year	56	259	595	12,546	–	1,008	33,717	48,181

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Property, plant and equipment (Continued)

Group	Plant and equipment	Motor vehicles	Furniture and fittings	Land use rights	Golf course	Golf and country club equipment	Buildings and club house	Total
2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
Beginning of financial year	753	1,705	2,822	18,171	1,782	3,510	42,240	70,983
Currency translation differences	–	25	33	510	50	97	435	1,150
Additions	56	126	171	–	–	173	302	828
Disposals	(102)	(20)	(348)	–	–	–	–	(470)
Transfer from development property	–	–	–	3	–	–	–	3
Reclassified to intangible assets (Note 15)	(179)	–	–	–	–	–	–	(179)
Reclassification	–	–	17	–	–	–	(17)	–
End of financial year	528	1,836	2,695	18,684	1,832	3,780	42,960	72,315
Accumulated depreciation								
Beginning of financial year	489	1,059	1,312	3,742	1,219	2,219	4,589	14,629
Currency translation differences	–	17	19	127	36	64	102	365
Depreciation charge (Note 23)	115	315	604	1,107	293	277	1,954	4,665
Reclassified to intangible assets (Note 15)	(87)	–	–	–	–	–	–	(87)
Disposals	(98)	(20)	(196)	–	–	–	–	(314)
End of financial year	419	1,371	1,739	4,976	1,548	2,560	6,645	19,258
Net book value								
End of financial year	109	465	956	13,708	284	1,220	36,315	53,057

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Property, plant and equipment (Continued)

	Plant and equipment \$'000	Furniture and fittings \$'000	Buildings \$'000	Total \$'000
Company				
2020				
Cost				
Beginning of financial year	208	–	955	1,163
Additions	7	–	–	7
Disposals	(70)	–	–	(70)
End of financial year	145	–	955	1,100
Accumulated depreciation				
Beginning of financial year	170	–	796	966
Depreciation charge	23	–	159	182
Disposals	(70)	–	–	(70)
End of financial year	123	–	955	1,078
Net book value				
End of financial year	22	–	–	22
2019				
Cost				
Beginning of financial year	237	26	955	1,218
Additions	21	–	–	21
Disposals	(50)	(26)	–	(76)
End of financial year	208	–	955	1,163
Accumulated depreciation				
Beginning of financial year	188	26	318	532
Depreciation charge	29	–	478	507
Disposals	(47)	(26)	–	(73)
End of financial year	170	–	796	966
Net book value				
End of financial year	38	–	159	197

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Property, plant and equipment (Continued)

The depreciation charge is allocated as follows:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cost of sales	2,132	1,770	–	–
Administrative expenses	2,165	2,895	182	507
Total	4,297	4,665	182	507

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of the such lease assets are disclosed in Note 13.

Land and buildings with an aggregate carrying amounts of \$33,212,000 (2019: \$33,416,000) have been pledged as security for bank loans of the Group (Note 17).

13 Leases

Nature of the leasing activities – The Group and the Company as lessee

Plant and equipment

The Group and the Company leases office equipment for the purpose of back office operations. There is no externally imposed covenant on these lease arrangements.

Motor vehicles

The Group leases motor vehicles for the purpose of real estate development operations. There is no externally imposed covenant on these lease arrangements.

Buildings

The Group leases buildings for the purpose of operating hostels in Singapore. The Company leases building for back office operations. The Group and the Company are restricted from assigning and subleasing the buildings to third parties.

The Group and the Company make monthly lease payments for the assets above.

Leasehold land and buildings

The Group has made upfront payments to secure the right-of-use of leasehold land for its property development business. The Group and the Company lease buildings for the purpose of operating hostels and back office operations in Singapore. These leasehold land and buildings and land use rights are recognised within investment properties (Note 11) and property, plant and equipment (Note 12) respectively.

The Group and the Company make monthly lease payments for the assets above. There are no externally imposed covenants on these agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 Leases (Continued)

Nature of the leasing activities – The Group and the Company as lessee (Continued)

(a) Carrying amounts

ROU assets classified within Property, plant and equipment and Investment properties

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	7	11	5	11
Motor vehicles	198	276	–	–
Buildings	–	860	–	160
Land use rights	12,546	13,708	–	–
Leasehold land and buildings	15,990	41,403	–	–
	28,741	56,258	5	171

(b) Depreciation charge during the financial year

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	4	5	4	5
Motor vehicles	182	99	–	–
Buildings	588	663	159	478
Land use rights	855	1,107	–	–
Leasehold land and buildings	1,406	2,289	–	–
	3,035	4,163	163	483

(c) Interest expense

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	51	92	3	24

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 Leases (Continued)

Nature of the leasing activities – The Group and the Company as lessee (Continued)

(d) Lease expense not capitalised in lease liabilities

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Lease expense – short-term lease	247	528	252	–

(e) During the financial year, the Group has provided an impairment loss of \$272,000 on the building leased for the purpose of operating hostels in Singapore.

(f) Cash flows

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Total cash outflows for all the leases	946	1,309	420	508

(g) Additions

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Additions of ROU assets during the financial year	–	103	–	7

Nature of the leasing activities – The Group as lessor

The Group has leased out investment properties to non-related parties for monthly lease payments. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 Leases (Continued)

Nature of the Group's leasing activities – The Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangements in which it subleases buildings for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the subleases are classified as operating leases.

Income from subleasing the buildings recognised during the financial year ended 2020 was \$8,000 (2019: \$67,000).

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2020	2019
	\$'000	\$'000
Not later than one year	2,778	2,161
Between one and five years	2,648	1,273
	5,426	3,434

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	
	2020	2019
	\$'000	\$'000
Deferred income tax assets		
- To be recovered after one year	(520)	(474)
Deferred income tax liabilities		
- To be settled after one year	5,309	5,616
Net deferred income tax liabilities	4,789	5,142

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14 Deferred income taxes (Continued)

Movement in deferred income tax account is as follows:

	Group	
	2020	2019
	\$'000	\$'000
Beginning of financial year	5,142	4,185
Currency translation differences	9	(12)
Acquisition of subsidiary corporation (Note 34(a)(iii))	–	99
(Credited)/charged to profit or loss	(362)	870
End of financial year	4,789	5,142

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

	Unutilised tax losses \$'000	Others \$'000	Total \$'000
Group			
2020			
Beginning of financial year	–	(474)	(474)
Currency translation differences	–	10	10
Credited to profit or loss	–	(56)	(56)
End of financial year	–	(520)	(520)
2019			
Beginning of financial year	(1,092)	(430)	(1,522)
Currency translation differences	–	(11)	(11)
Charged/(credited) to profit or loss	1,092	(33)	1,059
End of financial year	–	(474)	(474)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14 Deferred income taxes (Continued)

Deferred income tax liabilities

	Fair value gains on property, plant and equipment \$'000	Fair value gains on development properties \$'000	Fair value gains on investment properties \$'000	Fair value gains on intangible assets \$'000	Others \$'000	Total \$'000
Group						
2020						
Beginning of financial year	2,042	2,919	286	114	255	5,616
Currency translation differences	–	(1)	–	–	–	(1)
Credited to profit or loss	(70)	(180)	(21)	(35)	–	(306)
End of financial year	1,972	2,738	265	79	255	5,309
2019						
Beginning of financial year	2,204	2,916	303	–	284	5,707
Reclassification	–	–	–	29	(29)	–
Currency translation differences	(1)	–	–	–	–	(1)
Acquisition of subsidiary corporations (Note 34(a)(iii))	–	–	–	99	–	99
(Credited)/charged to profit or loss	(161)	3	(17)	(14)	–	(189)
End of financial year	2,042	2,919	286	114	255	5,616

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 \$8,128,000 and \$Nil (2019: \$6,506,000 and \$755,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Intangible assets

Composition:

Goodwill (Note (a))

Trademark (Note (b))

Customer relationship (Note (b))

Computer software (Note (b))

Development costs (Note (b))

Group	
2020	2019
\$'000	\$'000
501	501
–	123
462	546
8	95
414	–
884	764
1,385	1,265

(a) Goodwill

Cost

Beginning of financial year

Acquisition of subsidiary corporation (Note 34(a)(iii))

End of financial year

Group	
2020	2019
\$'000	\$'000
1,085	584
–	501
1,085	1,085

Accumulated impairment losses

Beginning and end of financial year

(584)	(584)
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Net book value

End of financial year

501	501
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Intangible assets (Continued)

(a) Goodwill (Continued)

Impairment tests for goodwill

Goodwill on consolidation arose from the acquisition of I Industries Pte. Ltd. and it has been allocated to the Research and Development cash-generating unit ("CGU") within the Group's Investment and others ("I&O") business unit.

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 of 1% (2019: 1%) for the hospitality management related business in which the CGU operates. The key assumption and estimate used in the calculation is discount rate of 11.6% (2019: 13.8%).

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.

2020

Based on the impairment test of the I&O business as at 31 December 2020, the estimated recoverable amount of the CGU is \$1,415,000, while the carrying amount of the CGU is \$426,000. If the assumed discount rate increased by 22.7%, the recoverable amount of the CGU would fall to its carrying amount.

2019

Based on the impairment test of the I&O business as at 31 December 2019, the estimated recoverable amount of the CGU is \$2,367,000, while the carrying amount of the CGU is \$1,161,000. If the assumed discount rate increased by 13.1%, the recoverable amount of the CGU would fall to its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Intangible assets (Continued)

(b) Trademark, Customer Relationship, Computer Software and Development Costs

	Trademark \$'000	Customer relationship \$'000	Group Computer software \$'000	Development costs \$'000	Total \$'000
2020					
Cost					
Beginning of financial year	238	580	256	–	1,074
Reclassifications	–	–	(77)	77	–
Additions	–	–	–	426	426
End of financial year	238	580	179	503	1,500
Accumulated amortisation					
Beginning of financial year	115	34	161	–	310
Reclassifications	–	–	(8)	8	–
Amortisation charge (Note 23)	48	84	18	81	231
End of financial year	163	118	171	89	541
Accumulated impairment losses					
Beginning of financial year	–	–	–	–	–
Impairment loss (Note 26)	75	–	–	–	75
End of financial year	75	–	–	–	75
Net book value					
End of financial year	–	462	8	414	884

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Intangible assets (Continued)

(b) Trademark, Customer Relationship, Computer Software and Development Costs (Continued)

	Group			
	Trademark	Customer	Computer	Total
	\$'000	relationship	software	\$'000
		\$'000	\$'000	\$'000
2019				
Cost				
Beginning of financial year	238	–	–	238
Reclassified from property, plant and equipment (Note 12)	–	–	179	179
Additions	–	–	77	77
Acquisition of subsidiary corporation (Note 34(a)(iii))	–	580	–	580
End of financial year	238	580	256	1,074
Accumulated amortisation				
Beginning of financial year	68	–	–	68
Reclassified from property, plant and equipment (Note 12)	–	–	87	87
Amortisation during the financial year (Note 24)	47	34	74	155
End of financial year	115	34	161	310
Net book value				
End of financial year	123	546	95	764

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16 Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables				
- Non-related parties	968	1,240	–	–
Other payables				
- Non-related parties	2,246	2,312	14	100
- Subsidiary corporations	–	–	6,233	6,182
	2,246	2,312	6,247	6,282
Accruals for operating expenses	3,974	4,976	2,509	3,586
Rental deposit	838	657	–	–
Advances received	1,676	1,686	58	–
Contract liabilities	28,506	23,294	–	–
	38,208	34,165	8,814	9,868
Non-current				
Golf membership:				
- Deposits	850	785	–	–
- Deferred interest income	345	431	–	–
	1,195	1,216	–	–
Total trade and other payables	39,403	35,381	8,814	9,868

The non-trade amounts due to subsidiary corporations are unsecured, interest-free and are repayable on demand.

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 22(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Borrowings

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current (Secured)				
Bank overdrafts (Note 4)	–	3,175	–	–
Bank loan (III)	788	903	–	–
Bank loan (IV)	–	7,680	–	–
Bank loan (IX)	333	960	–	–
Bank loan (X)	–	317	–	–
Bank loan (XI)	–	433	–	–
Bank loan (XII)	–	125	–	–
Bank loan (XIII)	–	307	–	–
Bank loan (XVI)	95	–	–	–
Bank loan (XVII)	180	180	–	–
Bank loan (XIX)	3,850	–	–	–
Lease liabilities	415	805	4	171
	5,661	14,885	4	171
Non-current (Secured)				
Bank loan (II)	827	1,363	–	–
Bank loan (III)	460	1,152	–	–
Bank loan (IV)	7,239	–	–	–
Bank loan (XI)	–	2,809	–	–
Bank loan (XIII)	1,328	–	–	–
Bank loan (XV)	–	836	–	–
Bank loan (XVI)	261	486	–	–
Bank loan (XVII)	17,190	17,250	–	–
Bank loan (XVIII)	110,000	110,000	–	–
Lease liabilities	12	436	3	8
	137,317	134,332	3	8
Total borrowings	142,978	149,217	7	179

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Borrowings (Continued)

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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	131,220	127,430	–	–

(a) Security granted

Bank overdrafts

The bank overdrafts were secured by land area of 5.91 hectares located at "Rancamaya" project and the title of the land and existing buildings covering approximately 0.4 hectares.

Bank loan (II)

The bank loan (II) bears an interest rate of 10.25% (2019: 9.5%) per annum.

The bank loan (II) is repayable in one lump sum on 1 February 2022.

The bank loan (II) is secured by land area of 2.3 (2019: 5.5) hectares of land located in Tajur, Bogor.

Bank loan (III)

The bank loan (III) bears an interest rate of 10.25% (2019: 10.25%) per annum.

The bank loan (III) is repayable monthly within 96 months from the drawdown of the loan facility on October 2013. The maturity date of the loan has been extended from October 2021 to July 2022.

The bank loan (III) was 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% (2019: 12.5%) per annum.

The bank loan (IV) was repayable in one lump sum on 20 December 2020. The loan has thereafter been extended until 20 December 2022.

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 (2019: 7.5) hectares and 129.2 (2019: 129.2) hectares respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Borrowings (Continued)

(a) Security granted (Continued)

Bank loan (IV) (Continued)

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

Bank loan (IX)

The bank loan (IX) bears an interest rate of 9.50% (2019: 9.75%) per annum.

The bank loan (IX) was repayable on 2 October 2020. The loan has thereafter been extended until 2 October 2021.

The bank loan (IX) is secured by the title of the land and buildings of the hotel covering approximately 5.01 (2019: 5.01) hectares.

Bank loan (X)

The bank loan (X) bears an interest rate of 9.75% per annum as at 31 December 2019.

The bank loan (X) matures on 18 December 2020 and has been fully repaid during the financial year ended 31 December 2020.

The bank loan (X) was secured with 7.7 hectares of land and development properties located at "Harvest City" project.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Borrowings (Continued)

- (a) Security granted (Continued)

Bank loan (XI)

The bank loan (XI) bears an interest rate of 9.5% per annum as at 31 December 2019.

The bank loan (XI) has been fully repaid during the financial year ended 31 December 2020.

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

Bank loan (XII)

The bank loan (XII) bears an interest rate of 9.75% per annum as at 31 December 2019.

The bank loan (XII) matures on 18 December 2020 and has been fully repaid during the financial year ended 31 December 2020.

The bank loan (XII) was secured with 7.7 hectares of land and development properties located at "Harvest City" project.

Bank loan (XIII)

The bank loan (XIII) bears an interest rate of 9.75% (2019: 9.75%) per annum.

The bank loan (XIII) is repayable in one lump sum upon maturity on 27 August 2024.

The bank loan (XIII) is secured with 15 units of development properties located at "Harvest City" project.

Bank loan (XV)

The bank loan (XV) bears an interest rate of 9.75% per annum as at 31 December 2019.

The bank loan (XV) has been fully repaid during the financial year ended 31 December 2020.

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

Bank loan (XVI)

The bank loan (XVI) bears an interest rate of 9.75% (2019: 9.75%) per annum.

The bank loan (XVI) is repayable in one lump sum on 25 December 2023.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Borrowings (Continued)

- (a) Security granted (Continued)

Bank loan (XVII)

The bank loan (XVII) bears an interest rate per annum of 1.15% 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. The loan is subjected to 71 monthly repayment of \$15,000 beginning October 2019, and the remainder shall be repaid in one lump sum in September 2025.

The bank loan (XVII) is secured by:

- a) open legal mortgage over the building under property, plant and equipment at Orchard Road, Tong Building (Note 12);
- b) new assignment of rental proceeds in respect of the property without notification and on a self-management basis;
- 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 \$17,475,000 from the Company on the loan drawn by the subsidiary corporation.

Bank loan (XVIII)

The bank loan (XVIII) bears an interest rate per annum of 1.4% 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. The loan does not have a fixed repayment date. However, there is no repayment expected for the next 12 months.

The bank loan (XVIII) is secured by:

- a) open legal mortgage over the building unit under investment properties at Scotts Road, Thong Teck Building (Note 11);
- b) first assignment of the rights, titles and interest in and to all the relevant agreements relating to the properties;
- c) New Charge of Cash and Security Agreement (First Party) for all monies now or at any time hereafter standing to the credit of Rental Proceeds Account and Interest Reserve Account to be maintained by the Group with the Bank.
- d) deed of subordination of shareholders' or related corporations' loans owing by the subsidiary corporation to the Company/related corporations; and
- e) deed of guarantee and indemnity for \$110,000,000 from the Company on the loan drawn by the subsidiary corporation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Borrowings (Continued)

- (a) Security granted (Continued)

Bank loan (XIX)

The bank loan (XIX) bears an interest rate per annum of 1.3% 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. The loan does not have a fixed repayment date and is repayable on demand.

The bank loan (XIX) is secured by:

- a) open legal mortgage over the building unit under investment properties at The Quinn Singapore (Note 11);
 - b) first assignment of the rights, titles and interest in and to all the relevant agreements relating to the properties;
 - 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 \$3,850,000 from the Company on the loan drawn by the subsidiary corporation.
- (b) Fair value of non-current borrowings

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bank borrowings	136,988	133,922	–	–

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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bank borrowings	1.4 - 12.5	2.8 - 12.5	–	–

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 Borrowings (Continued)

- (c) Reconciliation of movements of liabilities to cash flows arising from financing activities for the financial years ended 31 December 2020 and 2019

	1 January 2020 \$'000	Cash flows \$'000	Non-cash movement		31 December 2020 \$'000
			New lease liabilities \$'000	Changes in foreign exchange \$'000	
Lease liabilities	1,241	(803)	–	(11)	427
Bank borrowings	144,801	(1,784)	–	(466)	142,551

	1 January 2019 \$'000	Cash flows \$'000	Non-cash movement			31 December 2019 \$'000
			Effects from adoption of SFRS(I) 16 \$'000	New lease liabilities \$'000	Changes in foreign exchange \$'000	
Lease liabilities	259	(837)	1,707	103	9	1,241
Bank borrowings	18,973	125,094	–	–	734	144,801

18 Provisions

	Group	
	2020 \$'000	2019 \$'000
Current		
Warranty (Note (a))	19	48
Reinstatement cost (Note (b))	22	120
	41	168
Non-current		
Reinstatement cost (Note (b))	–	22
Provision for hotel equipment and supplies (Note (c))	682	653
	682	675
Total	723	843

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18 Provisions (Continued)

(a) Warranty

The Group grants up to 1 year of warranty on the prototypes developed 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 management's assessment of each individual project.

Movement in provision for warranty is as follows:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	48	56	–	11
Addition	19	16	–	–
Reversal*	(48)	(24)	–	(11)
End of financial year	19	48	–	–

* Reversal of the provision is included in "Cost of sales" of the consolidated statement of comprehensive income (Note 23).

(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	
	2020	2019
	\$'000	\$'000
Beginning of financial year	142	211
Provision utilised	(76)	(35)
Reversal (Note 26)	(44)	(34)
End of financial year	22	142
Less: Current portion	(22)	(120)
Non-current portion	–	22

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18 Provisions (Continued)

(c) Provision for hotel equipment and supplies

	Group	
	2020	2019
	\$'000	\$'000
Beginning of financial year	653	603
Currency translation	(15)	18
Provision made (Note 23)	44	32
End of financial year	682	653

19 Post-employment benefits

	Group	
	2020	2019
	\$'000	\$'000
Obligation recognised in the statement of financial position for: Post-employment benefits	5,752	5,660
Expenses charged to profit or loss: Post-employment benefits (Note 24)	802	790
Remeasurement recognised in other comprehensive income for: Post-employment benefits	(584)	211
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	5,752	5,660

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19 Post-employment benefits (Continued)

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

Present value of obligation	Group	
	2020 \$'000	2019 \$'000
Beginning of financial year	5,660	4,525
Currency translation differences	(126)	134
Current service cost	388	408
Interest expense	414	382
	802	790
Remeasurements:		
- Actuarial (loss)/gain	(584)	211
End of financial year	5,752	5,660

The principal actuarial assumptions used were as follows:

	Group	
	2020	2019
Discount rate	6.30%	7.50%
Salary growth rate	5%	5%
Mortality rate*	TMI IV-2019	TMI III-2011
Disability rate	10%	10%

* 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 \$255,000 (2019: \$264,000) lower or \$252,000 (2019: \$213,000) 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 when calculating the post-employment benefits liability recognised within the statement of financial position.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20 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				
2020				
Beginning and end of financial year	321,895	(514)	265,667	(101)
2019				
Beginning and 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20 Share capital and treasury shares (Continued)

Share Options (Continued)

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20 Share capital and treasury shares (Continued)

Share Options (Continued)

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

Details of the share options outstanding as at 31 December 2020 and 2019 are as follows:

Type of share options	Date of grant	Number of options to subscribe for ordinary shares of the Company		Exercise price per share	Exercise period
		Beginning of financial year	End of financial year		
2020					
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⁾		
2019					
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20 Share capital and treasury shares (Continued)

Share Options (Continued)

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

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 21(b)(i)).

21 Other reserves

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
(a) Composition:				
Share option reserve	4,914	4,914	4,914	4,914
Tax amnesty reserve	–	60	–	–
General reserve	(51)	(51)	–	–
Translation reserve	(18,277)	(13,846)	–	–
Fair value reserve	–	4,407	–	–
	(13,414)	(4,516)	4,914	4,914
(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	60	60	–	–
Cancellation of additional paid-in capital	(60)	–	–	–
End of financial year	–	60	–	–
(iii) General reserve				
Beginning and end of financial year	(51)	(51)	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21 Other reserves (Continued)

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(b) Movements: (Continued)				
(iv) Currency translation reserve				
Beginning of financial year	(13,846)	(19,236)	–	–
Net currency translation differences of financial statements of foreign subsidiary corporations	(5,914)	7,178	–	–
Add/(Less): Non-controlling interests	1,483	(1,788)	–	–
End of financial year	(18,277)	(13,846)	–	–
(v) Fair value reserve				
Beginning of financial year	4,407	3,139	–	–
Fair value (losses)/gains on financial assets, at FVOCI (Note 6)	(4,407)	1,268	–	–
End of financial year	–	4,407	–	–

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.

The Group's share of the tax amnesty assets amounted to \$Nil (2019: \$60,000) was recorded in equity as APIC in accordance with the Indonesia Tax Amnesty Law. The Group had realised its share of tax amnesty during the financial year ended 31 December 2020.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21 Other reserves (Continued)

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)

22 Revenue

	Group	
	2020	2019
	\$'000	\$'000
Revenue from contract revenue with customers:		
- Revenue from development properties	25,425	41,854
- Hospitality management	11,561	14,833
- Rendering of services	1,342	363
	38,328	57,050
Rental income on operating lease (Note 11)	2,347	1,276
Income from subleases (Note 13)	8	67
	40,683	58,393

(a) Disaggregation of revenue from contracts with customers

	Group		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
2020			
Revenue from development properties			
- Indonesia	24,638	787	25,425
Hospitality management			
- Singapore	375	—	375
- Indonesia	11,186	—	11,186
Rendering of services			
- Singapore	3	1,339	1,342
	36,202	2,126	38,328

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22 Revenue

(a) Disaggregation of revenue from contracts with customers (Continued)

	At a point in time \$'000	Group Over time \$'000	Total \$'000
2019			
Revenue from development properties			
- Indonesia	38,399	3,455	41,854
Hospitality management			
- Singapore	1,588	—	1,588
- Indonesia	13,245	—	13,245
Rendering of services			
- Singapore	93	270	363
	53,325	3,725	57,050

(b) The following table provides information about contract assets and contract liabilities for contracts with customers.

	Group	
	2020 \$'000	2019 \$'000
Contract liabilities (Note 16)	28,506	23,294

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	
	2020 \$'000	2019 \$'000
Revenue recognised in current financial year that was included in the contract liabilities balance at the beginning of the financial year	12,319	21,211

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23 Expenses by nature

	Group	
	2020	2019
	\$'000	\$'000
Amortisation of intangible assets (Note 15(b))	231	155
Commission	413	467
Cost of sales of development properties	9,021	13,968
Depreciation of property, plant and equipment (Note 12)	4,297	4,665
Depreciation of investment properties (Note 11)	4,907	2,593
Direct cost of hospitality management	8,909	10,731
Directors' fees paid to:		
- Directors of the Company	255	240
Employee compensation (Note 24)	15,804	21,120
Auditors' remuneration		
Fees on audit services paid/payable to:		
- Auditor of the Company	201	205
- Other auditors	78	80
Fees on non-audit services paid/payable to:		
- Auditor of the Company	3	5
- Other auditors	—	4
Legal and professional fees	911	819
Management & sinking fund	639	326
Marketing	2,553	3,767
Provision for hotel equipment and supplies (Note 18(c))	44	32
Rental expense on short-term lease	247	528
Reversal of provision for warranty (Note 18(a))	(48)	(24)
Travelling	437	669
Property tax	490	275
Repair and maintenance	310	396
Consultancy fees	269	215
Utilities	171	279
Other expenses	1,966	2,129
Total cost of sales, distribution and marketing and administrative expenses	52,108	63,644

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24 Employee compensation

	Group	
	2020	2019
	\$'000	\$'000
Salaries, bonuses and short-term benefits	14,685	20,005
Employer's contribution to defined contribution plans including Central Provident Fund	317	325
Post-employment benefits (Note 19)	802	790
	15,804	21,120

25 Other income

	Group	
	2020	2019
	\$'000	\$'000
Interest income		
- Bank deposits	339	657
- Loan to an investee	–	143
- Late payment interest penalty from customer	153	371
	492	1,171
Forfeited deposits from customer	–	670
Government grant income (a)	977	–
Rental rebates (b)	260	–
Dividend income	3,856	–
Investment income	117	–
Others	616	220
Total	6,318	2,061

- (a) Included in grant income of \$557,000 (2019: \$Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

Government grant income of \$394,000 (2019: \$Nil) is related to property tax rebates and cash grant received from the Singapore Government to help businesses deal with the impact from COVID-19. For the property tax rebates, the Group is obliged to pass on the benefits to its tenants and has transferred these to the tenants in form of rent rebates during the current financial year. For the cash grant, the Group is obliged to waive up to two months of rental to eligible tenants.

- (b) Rental rebates are COVID-19 related rent concessions received from lessors to which the Group applied the practical expedient as disclosed in Note 2.1.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26 Other gains/(losses)

	Group	
	2020	2019
	\$'000	\$'000
Net fair value gain on financial assets, at FVPL (Note 5)	449	3,419
Currency exchange gain/(loss) – net	123	(163)
Compensation from customers on cancelled sales	101	239
Loss on disposal of property, plant and equipment	(70)	(133)
Loss on disposal of investment property	–	(463)
Reversal of reinstatement cost (Note 18(b))	44	34
Reversal of long outstanding payables	–	1,070
Impairment loss on investment properties (Note 11)	(6,232)	–
Impairment loss on property, plant and equipment (Note 12)	(272)	–
Impairment loss on trademark (Note 15)	(75)	–
Gain from bargain purchase (Note 34(a)(iii))	–	7,718
Bad debt written-off – non-trade	(60)	(1)
Others	(182)	(10)
Total	(6,174)	11,710

27 Finance expenses

	Group	
	2020	2019
	\$'000	\$'000
Interest expense		
- Bank borrowings	4,576	3,450
- Lease liabilities	51	92
Facilities fees	20	220
Finance expenses recognised in profit or loss	4,647	3,762

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28 Income taxes

	Group	
	2020	2019
	\$'000	\$'000
Tax expense/(credit) attributable to (loss)/profit is made up of:		
- (Loss)/profit for the financial year:		
Current income tax		
- Singapore tax	17	312
- Indonesia tax		
- Final tax	648	1,089
- Non-final tax	36	31
	<u>701</u>	<u>1,432</u>
Deferred income tax		
- Singapore tax	(35)	(14)
- Indonesia tax	(327)	(208)
	<u>(362)</u>	<u>(222)</u>
- Over provision in prior financial years:		
Current income tax - Singapore	(260)	(3,081)
	<u>(260)</u>	<u>(3,081)</u>
- Under provision in prior financial years:		
Deferred income tax - Singapore	-	1,092
	<u>-</u>	<u>1,092</u>
Total tax expense/(credit)	<u>79</u>	<u>(779)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28 Income taxes (Continued)

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follow:

	Group	
	2020	2019
	\$'000	\$'000
(Loss)/profit before income tax	(15,948)	4,572
Tax calculated at tax rate of 17% (2019: 17%)	(2,711)	777
Effects of:		
- Different tax rates in other countries	153	687
- Expenses not deductible for tax purposes	4,213	2,950
- Income not subject to tax	(1,432)	(3,311)
- Deferred tax assets not recognised	288	290
- Effects of utilisation of previously unrecognised deferred tax assets	(141)	(406)
- Over provision in prior financial years	(260)	(1,989)
- Tax incentives and rebates	—	(87)
- Other	(31)	310
Tax expense/(credit)	79	(779)

29 (Loss)/Earnings per share

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2020	2019
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(17,190)	551
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	321,381	321,381
Basic (loss)/earnings per share (cents per share)	(5.35)	0.17

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 (Loss)/Earnings per share (Continued)

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, net (loss)/profit 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)/profit.

Diluted (loss)/earnings per share attributable to equity holders of the Company is calculated as follows:

	2020	2019
Net (loss)/profit attributable to equity holders of the Company and used to determine diluted earnings per share (\$'000)	(17,190)	551
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	321,381	321,381
Adjustments for ('000)		
- Share options	4,165	4,165
	325,546	325,546
Diluted (loss)/earnings per share (cents per share) *	(5.35)	0.17

* 4,165,000 (2019: 4,165,000) share options granted to employees (including Directors) under the existing share option schemes have not been included in the calculation of diluted (loss)/earnings per share for the financial years ended 31 December 2020 and 2019 because they are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30 Contingencies

The Company has issued a corporate guarantee amounting to \$131,325,000 (2019: \$127,475,000) to banks for borrowings of certain subsidiary corporations.

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.

31 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Group's and the Company's foreign currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	IDR \$'000	Total \$'000
Group				
As at 31 December 2020				
Financial assets				
Cash and bank balances	5,766	19	7,859	13,644
Trade and other receivables	1,888	–	1,477	3,365
Financial assets, at FVPL	–	8,650	21	8,671
Financial assets, at FVOCI	80	–	–	80
Receivables from subsidiary corporations	215,797	–	–	215,797
	<u>223,531</u>	<u>8,669</u>	<u>9,357</u>	<u>241,557</u>
Financial liabilities				
Trade and other payables	4,394	–	4,482	8,876
Borrowings	131,220	–	11,331	142,551
Lease liabilities	342	–	85	427
Payables to subsidiary corporations	215,797	–	–	215,797
	<u>351,753</u>	<u>–</u>	<u>15,898</u>	<u>367,651</u>
Net financial (liabilities)/assets	(128,222)	8,669	(6,541)	(126,094)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	<u>128,222</u>	<u>–</u>	<u>6,541</u>	<u>134,763</u>
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u>–</u>	<u>8,669</u>	<u>–</u>	<u>8,669</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

	SGD \$'000	USD \$'000	IDR \$'000	Total \$'000
Group				
As at 31 December 2019				
Financial assets				
Cash and bank balances	7,525	1,676	9,051	18,252
Trade and other receivables	734	–	2,425	3,159
Financial assets, at FVPL	–	8,200	22	8,222
Financial assets, at FVOCI	4,487	–	–	4,487
Receivables from subsidiary corporations	145,314	–	–	145,314
	<u>158,060</u>	<u>9,876</u>	<u>11,498</u>	<u>179,434</u>
Financial liabilities				
Trade and other payables	5,405	–	4,565	9,970
Borrowings	127,430	–	20,546	147,976
Lease liabilities	1,012	–	229	1,241
Payables to subsidiary corporations	145,314	–	–	145,314
	<u>279,161</u>	<u>–</u>	<u>25,340</u>	<u>304,501</u>
Net financial (liabilities)/assets	(121,101)	9,876	(13,842)	(125,067)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	121,101	–	13,842	134,943
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	–	9,876	–	9,876

The Company is not exposed to significant currency risk since it operates only in Singapore and majority of its financial assets and liabilities as at the financial years ended 31 December 2020 and 31 December 2019 are predominantly denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

A 5% (2019: 5%) strengthening of Singapore Dollar against the following currencies at the reporting date would increase/(decrease) the (loss)/profit before income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

	Group	
	2020 \$'000	2019 \$'000
USD	433	(494)

A 5% (2019: 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 equity securities are listed in Indonesia and United States. 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.

The unquoted investments held by the Group which are classified on the consolidated statement of financial position as financial assets at FVOCI 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% (2019: 5%) with all other variables being held constant, the effects on profit after tax and other comprehensive income will be increased/decreased by approximately \$434,000 (2019: \$411,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(a) Market risk (Continued)

(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 and the Company that are exposed to interest rate risk:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Financial assets				
<i>Fixed rate</i>				
Short-term bank deposits	4,994	5,136	–	–
Financial liabilities				
<i>Fixed rate</i>				
Bank borrowings	11,758	21,787	7	179
<i>Floating rate</i>				
Bank borrowings	131,220	127,430	–	–

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

Sensitivity analysis (Continued)

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial liabilities, a change of 25 basis points (2019: 25 basis points) in interest rate at the reporting date would increase/(decrease) 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 \$'000	25 basis points decrease \$'000
Group		
2020		
Floating rate instruments	(323)	323
2019		
Floating rate instruments	(108)	108

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 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 the 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 statements of financial position, except as follows:

	Group	
	2020	2019
	\$'000	\$'000
Corporate guarantees provided to banks on certain subsidiary corporations' borrowings	131,325	127,475

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(b) Credit risk (Continued)

Trade receivables (Continued)

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2020 and 2019 are as follows:

Group	Trade receivables days past due					Total \$'000
	Current	1 - 30 days	31 - 60 days	61 - 90 days	More than 90 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	
31 December 2020						
Trade receivables	817	249	120	30	302	1,518
Loss allowance	–	–	–	–	(246)	(246)
31 December 2019						
Trade receivables	1,932	192	61	56	560	2,801
Loss allowance	–	–	–	–	(260)	(260)

The movement in credit loss allowance are as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Balance at beginning of financial year	260	2,719	—	2,045
Currency translation differences	(5)	18	—	—
Loss allowance recognised in profit or loss during the year	20	186	—	—
Receivables write off as uncollectible	(29)	(2,663)	—	(2,045)
Balance at end of financial year (Note 7)	246	260	—	—

Cash and bank balances, trade receivables relating to revenue from hospitality management, other receivables and financial assets, at FVPL are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(b) Credit risk (Continued)

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 amounted to \$130,169,000 (2019: \$132,129,000) for the purpose of satisfying their short term funding requirements. The Company has made loss allowances amounted to \$753,000 (2019: \$550,000) as the amount has no indication of recovery.

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 bank balances

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 bank balances 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.

Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiary corporations. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiary corporations have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(c) Liquidity risk (Continued)

Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year \$'000	Between 2 to 5 years \$'000	Over 5 years \$'000
Group			
At 31 December 2020			
Trade and other payables	8,026	850	–
Borrowings	4,461	151,744	–
Lease liabilities	426	12	–
	12,913	152,606	–
At 31 December 2019			
Trade and other payables	9,185	785	–
Borrowings	15,655	155,128	–
Lease liabilities	860	449	–
	25,700	156,362	–
Company			
At 31 December 2020			
Trade and other payables	8,756	–	–
Lease liabilities	5	4	–
Financial guarantee contract (Note 30)	131,325	–	–
	140,086	4	–
At 31 December 2019			
Trade and other payables	9,868	–	–
Lease liabilities	172	9	–
Financial guarantee contract (Note 30)	127,475	–	–
	137,515	9	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(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 bank balances. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Net debt	138,210	140,935	8,441	8,761
Total equity	369,609	395,428	260,408	262,282
Total capital	507,819	536,363	268,849	271,043
Gearing ratio*	27%	26%	3%	3%

The Group are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2020 and 2019. The Company is not subject to any externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.

(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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(e) Fair value measurements (Continued)

The following table presents the assets and liabilities measured at fair value at each reporting date:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2020				
Financial assets, at FVPL	8,671	–	–	8,671
Financial assets, at FVOCI	–	80	–	80
31 December 2019				
Financial assets, at FVPL	8,222	–	–	8,222
Financial assets, at FVOCI	–	4,487	–	4,487

There were no transfers between Levels 1, 2 and 3 of fair value measurement hierarchy during the financial years ended 31 December 2020 and 2019.

The fair value of financial instruments traded in active markets 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 Financial risk management (Continued)

(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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Financial assets, at amortised cost	17,009	21,411	129,982	132,880
Financial liabilities, at amortised cost	151,854	159,187	8,763	10,047

32 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) Sales and purchases of goods or services

	Group	
	2020	2019
	\$'000	\$'000
Related parties		
Services received	119	415
Disposal of investment property to a director	–	7,275

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 2020 and 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32 Related party transactions (Continued)

(b) Key management personnel compensation

The remuneration of directors and other members of key management during the financial year are as follows:

	Group	
	2020	2019
	\$'000	\$'000
Salaries, bonuses and short-term benefits	5,950	7,996
Directors' fees		
- Directors of the Company	255	240
Employer's contribution to defined contribution plans including Central Provident Fund	88	82
	<u>6,293</u>	<u>8,318</u>
Comprised amounts paid to:		
Directors of the Company	4,187	5,335
Directors of subsidiary corporations	1,601	2,589
Other key management personnel	505	394
	<u>6,293</u>	<u>8,318</u>

33 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:

Property development	:	Development of residential properties
Hospitality management	:	Golf and country club and hotel operations
Property management	:	Property management of residential and commercial properties
Investment and others	:	Other investment activities and research and development activities

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

33 Segment information (Continued)

The bases of measurement of the reportable segments are in accordance with the Group's accounting policies.

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 \$'000	Hospitality management \$'000	Property management \$'000	Investment and others \$'000	Elimination \$'000	Total \$'000
2020						
Revenue						
Sales to external parties	25,425	11,561	2,347	1,350	–	40,683
Inter-segment sales	–	200	–	1,562	(1,762)	–
Gross profit	14,966	1,924	1,317	359	–	18,566
Other income	4,525	761	350	8,210	(7,528)	6,318
Other losses	(6,311)	(416)	(7)	(332)	892	(6,174)
Impairment loss on trade and other receivables	–	(2,426)	–	(203)	2,609	(20)
Depreciation of property, plant and equipment	(398)	(961)	(23)	(783)	–	(2,165)
Depreciation of investment properties	(294)	–	(4,613)	–	–	(4,907)
Amortisation of intangible assets	–	(150)	–	(81)	–	(231)
Rental expense	(142)	(68)	–	(289)	252	(247)
Commission expense	(359)	–	(54)	–	–	(413)
Marketing expense	(2,250)	(296)	–	(7)	–	(2,553)
Finance expense	(1,396)	(485)	(56)	(2,934)	224	(4,647)
Unallocated costs						(19,475)
Loss before income tax						(15,948)
Income tax expense						(79)
Net loss						(16,027)
Segment assets	413,112	27,333	211,332	559,181	(646,562)	564,396
Additions to:						
- Property, plant and equipment	256	32	–	124	–	412
- Investment properties	–	–	109	–	–	109
- Intangible assets	–	–	–	426	–	426
Segment liabilities	54,982	45,440	44,163	296,722	(246,520)	194,787

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

33 Segment information (Continued)

	Property development \$'000	Hospitality management \$'000	Property management \$'000	Investment and others \$'000	Elimination \$'000	Total \$'000
2019						
Revenue						
Sales to external parties	41,854	14,833	1,276	430	–	58,393
Inter-segment sales	–	4	–	542	(546)	–
Gross profit	26,313	2,942	793	124	–	30,172
Other income	481	606	676	17,430	(17,132)	2,061
Other gains	218	95	6,107	2,309	2,981	11,710
Impairment loss on trade and other receivables	(73)	(113)	–	–	–	(186)
Depreciation of property, plant and equipment	(447)	(1,551)	(33)	(864)	–	(2,895)
Depreciation of investment properties	(336)	–	(2,257)	–	–	(2,593)
Amortisation of intangible assets	–	(121)	–	(34)	–	(155)
Rental expense	(209)	(304)	–	(15)	–	(528)
Commission expense	(444)	–	(23)	–	–	(467)
Marketing expense	(3,103)	(664)	–	–	–	(3,767)
Finance expense	(1,771)	(454)	–	(1,561)	24	(3,762)
Unallocated costs						(25,018)
Profit before income tax						4,572
Income tax credit						779
Net profit						5,351
Segment assets	419,780	32,936	220,833	496,224	(576,674)	593,099
Additions to:						
- Property, plant and equipment	455	332	42	2	–	828
- Investment properties	–	–	783	–	–	783
- Intangible assets	–	77	–	–	–	77
Segment liabilities	58,210	45,708	44,253	223,189	(173,689)	197,671

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

33 Segment information (Continued)

(a) Reconciliation

Segment profit

Segment profit are reconciled to (loss)/profit before income tax as follows:

The amounts provided to the CEO with respect to (loss)/profit 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 (losses)/profits 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	
	2020	2019
	\$'000	\$'000
Segment profit for reportable segments	3,527	30,253
Other segment profit or loss		
Unallocated:		
Directors' fees	(255)	(240)
Employee compensation	(15,803)	(21,120)
Auditors' remuneration	(282)	(289)
Legal and professional fees	(911)	(824)
Travelling expenses	(437)	(669)
Repair and maintenance	(310)	(396)
Consultancy fees	(269)	(215)
Management fees	(49)	(54)
Utilities	(171)	(279)
Office expense	(154)	(226)
Insurance	(132)	(114)
Stamp duty	(3)	(344)
Others	(699)	(911)
(Loss)/profit before income tax	<u>(15,948)</u>	<u>4,572</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

33 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 hospitality management, property management and investment and others; and
- Indonesia – the operations in this area are principally the property development, hospitality management and facility management.

	Group	
	2020	2019
	\$'000	\$'000
Sales		
Singapore	4,064	3,227
Indonesia	36,619	55,166
	<u>40,683</u>	<u>58,393</u>
Non-current assets		
Singapore	233,325	258,428
Indonesia	208,617	207,023
	<u>441,942</u>	<u>465,451</u>

- (c) There is no single external customer that contributed to 10% or more of the revenue for the financial years ended 31 December 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

34 Business combinations

(a) Acquisition of subsidiary corporations

On 29 July 2019, the Group through its wholly-owned subsidiary corporations, TG Innovation Pte. Ltd. and Top Global Hospitality Pte. Ltd. acquired 70% and 5% of the issued shares of I Industries Pte. Ltd. ("IIPL") respectively. The acquisition resulted in the Group obtaining control with an aggregate 75% shareholding interests in IIPL which was consolidated with effect from the date of acquisition.

On 30 August 2019, the Group through its wholly-owned subsidiary corporation, Top Automation Pte. Ltd. acquired 100% of the equity interest in six entities namely, 15 Scotts 01 Pte Ltd, 15 Scotts 02 Pte Ltd, 15 Scotts 3F Pte Ltd, Alpeg Investment Pte Ltd, Kingscrest Investment Pte Ltd and Pegal Investment Pte Ltd (collectively the "Six Entities"). The acquisition resulted in the Group obtaining control of the six entities, which were consolidated with effect from the date of the acquisition.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

	Acquisition of IIPL \$'000	2019 Acquisition of Six Entities \$'000	Total \$'000
Cash paid/Consideration transferred for the business	937	171,872	172,809

(ii) Effect on cash flows of the Group

	Acquisition of IIPL \$'000	2019 Acquisition of Six Entities \$'000	Total \$'000
Cash paid (as above)	937	171,872	172,809
Less: Cash and cash equivalents in subsidiary corporations acquired	(100)	(119)	(219)
Cash outflow on acquisition	837	171,753	172,590

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

34 Business combinations (Continued)

(a) Acquisition of subsidiary corporations (Continued)

(iii) Identifiable assets acquired and liabilities assumed

	Acquisition of IIPL \$'000	2019 Acquisition of Six Entities \$'000	Total \$'000
Cash and cash equivalents	100	119	219
Trade and other receivables	–	87	87
Investment properties (Note 11)	–	180,000	180,000
Intangible assets (Note 15)	580	–	580
Total assets	680	180,206	180,886
Trade and other payables	–	(616)	(616)
Deferred tax liabilities (Note 14)	(99)	–	(99)
Total liabilities	(99)	(616)	(715)
Total identifiable net assets	581	179,590	180,171
Less: Non-controlling interest measured at the non-controlling interest's proportionate share of net identifiable assets	(145)	–	(145)
Add: Goodwill (Note 15(a) and Note 34(vi) below)	501	–	501
Less: Gain from bargain purchase (Note 26)	–	(7,718)	(7,718)
Consideration transferred for the business	937	171,872	172,809

(iv) Acquisition-related costs

The acquisition-related costs incurred in the business combinations for the financial year ended 31 December 2019 amounts to \$227,000 and \$220,000 are included in "Administrative Expenses" and "Finance Expenses" respectively.

(v) Fair values

The fair value of the acquired identifiable intangible assets of \$580,000 (customer relationship) was finalised during the financial year ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

34 Business combinations (Continued)

(a) Acquisition of subsidiary corporations (Continued)

(vi) Goodwill

For the financial year ended 31 December 2019, goodwill of \$501,000 arising from the acquisition is attributable to the synergies expected to arise from economies of scale and complimentary capabilities in development hospitality technological products.

(vii) Revenue and profit contribution

For the financial year ended 31 December 2019, the acquisition of IIPL and the Six Entities contributed revenue of \$363,000 and \$486,000 respectively and net loss of \$15,000 and \$671,000 respectively to the Group.

Had the acquisition occurred at the beginning of the year, IIPL and the Six Entities would have contributed revenue of \$363,000 and \$1,862,000 respectively and net loss of \$15,000 and \$2,051,000 respectively to the Group.

(b) Acquisition of additional interest in subsidiary corporations

On 1 November 2019, the Group through its wholly-owned subsidiary, Ultron Techniques Pte. Ltd., acquired additional 5% of the issued shares of IIPL for a consideration of \$1. The Group as of 31 December 2019 holds 80% of equity share capital of IIPL.

The following summarises the effect of the changes in the Group's ownership interest in IIPL on the equity attributable to owners of the Company:

	Total \$'000
Consideration paid for acquisition on non-controlling interest	*
Carrying amount of non-controlling interest acquired	<u>27</u>
Increase in equity attributable to equity holders of the Company	<u>27</u>

* Less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35 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 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023).

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022).

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022).

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36 Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore and Indonesia, all of which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

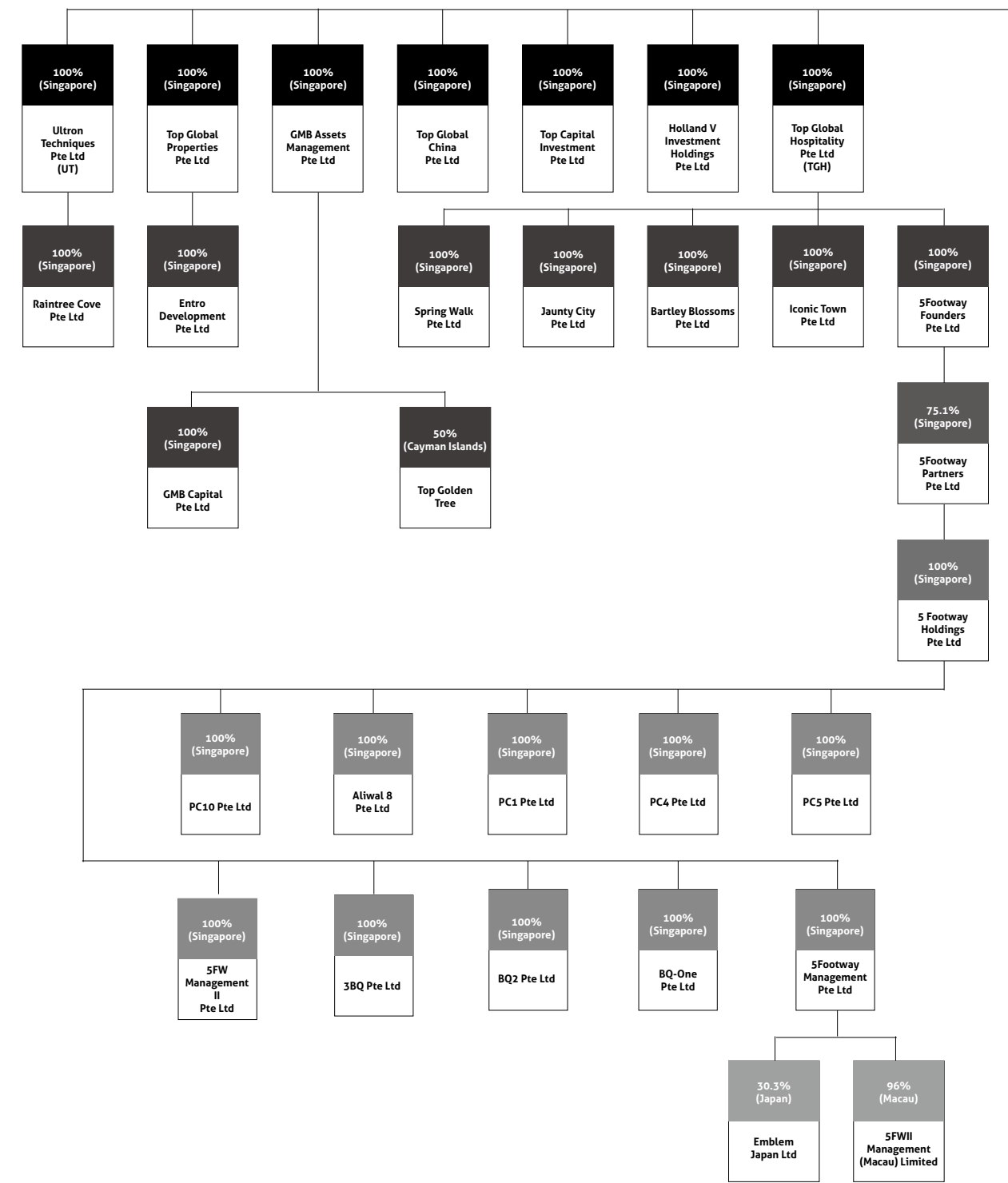
- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remain appropriate.
- (ii) In 2020, border closures and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume in 2020, resulting in a negative impact on the Group's financial performance for 2020.
- (iii) In 2020, the Group had received rental rebates for its leased hotel buildings and had also provide rental concessions to tenants in its commercial buildings. The effects of such rental concessions received are disclosed in Note 25.

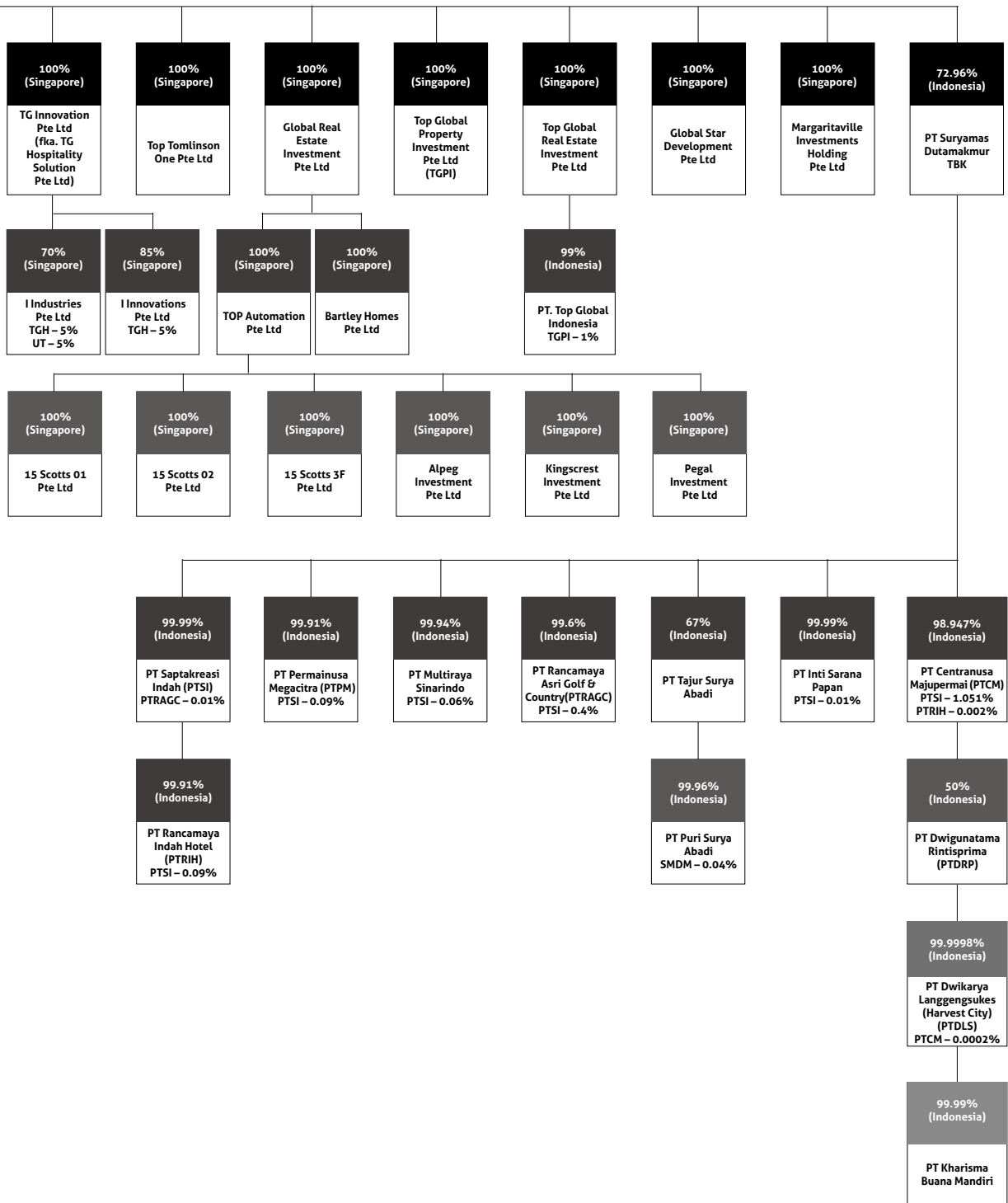
As the global COVID-19 situation remains very fluid as at the date of these financial statements were authorised for issuance the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

37 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 26 March 2021.

GROUP STRUCTURE





STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2021

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 16 March 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	168	5.42	5,410	0.00
100 - 1,000	1,033	33.32	612,356	0.19
1,001 - 10,000	1,426	46.00	6,236,525	1.94
10,001 - 1,000,000	466	15.03	25,109,465	7.81
1,000,001 and above	7	0.23	289,417,343	90.06
Total	3,100	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	275,007,303	85.57	600,000 ⁽¹⁾	0.19

Note:

- (1) Madam Oei Siu Hoa @ Sukmawati Widjaja has a deemed interest in 600,000 ordinary shares of Top Global Limited held by her son, Mr Hano Maeloa.

Shareholding Held in Hands of Public

Based on information available to the Company as at 16 March 2021, 14.22% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2021

Twenty Largest Shareholders as at 16 March 2021

No.	Shareholder's Name	No of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	279,817,568	87.07
2	OCBC SECURITIES PRIVATE LTD	3,030,882	0.94
3	POON TEO KIM	1,649,000	0.51
4	UOB KAY HIAN PTE LTD	1,380,170	0.43
5	ALI SANTOSO OR TJENDRA KASIH SANTOSO	1,271,640	0.40
6	DBS NOMINEES PTE LTD	1,155,745	0.36
7	LIM CHER KHIANG	1,112,338	0.35
8	HONG LEONG FINANCE NOMINEES PTE LTD	723,000	0.22
9	RAFFLES NOMINEES (PTE) LIMITED	669,371	0.21
10	JANET CHAN KIM LIAN	640,000	0.20
11	LOW WOO SWEE @ LOH SWEE TECK	632,070	0.20
12	POON KIANG HAU (FANG JIANHAO)	620,500	0.19
13	PHILLIP SECURITIES PTE LTD	588,085	0.18
14	CHEONG SWEE KHENG	562,480	0.18
15	OCBC NOMINEES SINGAPORE PTE LTD	508,013	0.16
16	TAN HOOI HONG	461,600	0.14
17	MAYBANK KIM ENG SECURITIES PTE. LTD	442,266	0.14
18	GOH YONG HOCK	420,000	0.13
19	UNITED OVERSEAS BANK NOMINEES PTE LTD	410,983	0.13
20	ONG SIOW FONG	394,725	0.12
Total		296,490,436	92.26

* Shareholdings exclusive of 514,200 treasury shares

NOTICE OF ANNUAL GENERAL MEETING

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL <http://ir.topglobal.com.sg/events/event-details/fy2020agm>. A printed copy of this Notice will not be despatched to members.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Top Global Limited (the "Company") will be held by way of electronic means on Wednesday, 28 April 2021 at 10.00 a.m. (Singapore time) 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 2020 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) Mdm Oei Siu Hoa @ Sukmawati Widjaja **(Resolution 2)**
 - (ii) Mr Hano Maeloa **(Resolution 3)**

Mdm Oei Siu Hoa @ Sukmawati Widjaja will, upon re-election as Director of the Company, remain as the Executive Director of the Company.
(See Explanatory Note 1)

Mr Hano Maeloa will, upon re-election as Director of the Company, remain as the Chief Executive Officer and Executive Director of the Company.
(See Explanatory Note 2)
3. To approve the Directors' fees of S\$255,000 for the financial year ended 31 December 2020 (2019: 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:—

NOTICE OF ANNUAL GENERAL MEETING

- (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.

(Resolution 6)

(See Explanatory Note 3)

7. 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 7 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 7, "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.

(Resolution 7)

(See Explanatory Note 4)

NOTICE OF ANNUAL GENERAL MEETING

8. **Approval for the continued appointment of Dr Lam Lee G, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by all shareholders**

That subject to and contingent upon the passing of Ordinary Resolution 9 by shareholders (excluding the Directors and Chief Executive Officer ("CEO") of the Company, and their associates) and pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual (which will take effect from 1 January 2022):

- (a) the continued appointment of Dr Lam Lee G as an Independent Director be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Dr Lam Lee G as a director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution. **(Resolution 8)**

(See Explanatory Note 5)

9. **Approval for the continued appointment of Dr Lam Lee G, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by shareholders excluding the Directors and CEO of the Company, and their associates**

That subject to and contingent upon the passing of Ordinary Resolution 8 by shareholders and pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual (which will take effect from 1 January 2022):

- (a) the continued appointment of Dr Lam Lee G as an Independent Director be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Dr Lam Lee G as a director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution. **(Resolution 9)**

(See Explanatory Note 5)

10. **Approval for the continued appointment of Mr Yeo Chin Tuan Daniel, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by all shareholders**

That subject to and contingent upon the passing of Ordinary Resolution 11 by shareholders (excluding the Directors and CEO of the Company, and their associates) and pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual (which will take effect from 1 January 2022):

- (a) the continued appointment of Mr Yeo Chin Tuan Daniel as an Independent Director be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Mr Yeo Chin Tuan Daniel as a director of the Company; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.

(See Explanatory Note 5)

(Resolution 10)

NOTICE OF ANNUAL GENERAL MEETING

11. Approval for the continued appointment of Mr Yeo Chin Tuan Daniel, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by shareholders excluding the Directors and CEO of the Company, and their associates

That subject to and contingent upon the passing of Ordinary Resolution 10 by shareholders and pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual (which will take effect from 1 January 2022):

- (a) the continued appointment of Mr Yeo Chin Tuan Daniel as an Independent Director be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of: (i) the retirement or resignation of Mr Yeo Chin Tuan Daniel as a director of the Company; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.

(See Explanatory Note 5)

(Resolution 11)

BY ORDER OF THE BOARD

LEE BEE FONG (MS)
Company Secretary

6 April 2021
Singapore

Explanatory Notes on the Ordinary Business and Special Business to be transacted:

1. In relation to the Ordinary Resolution 2 proposed in item 2(i) above, Mdm Oei Siu Hoa @ Sukmawati Widjaja is the mother of Mr Hano Maeloa, the Chief Executive Officer and Executive Director of the Company and Ms Mimi Yuliana Maeloa, the Non-Executive Director of the Company and controlling shareholder of the Company. Save as disclosed, Mdm Oei Siu Hoa @ Sukmawati Widjaja does not have any relationships (including immediate family relationships) with the other Directors of the Company. Detailed information on Mdm Oei Siu Hoa @ Sukmawati Widjaja is set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2020.
2. In relation to the Ordinary Resolution 3 proposed in item 2(ii) above, Mr Hano Maeloa is the son of Mdm Oei Siu Hoa @ Sukmawati Widjaja, the Executive Director of the Company and controlling shareholder of the Company and brother of Ms Mimi Yuliana Maeloa, the Non-Executive Director of the Company. Save as disclosed, Mr Hano Maeloa does not have any relationships (including immediate family relationships) with the other Directors of the Company. Detailed information on Mr Hano Maeloa is set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2020.
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.

NOTICE OF ANNUAL GENERAL MEETING

4. The Ordinary Resolution 7 proposed in item 7 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 7 on Proposed Renewal of Share Purchase Mandate dated 6 April 2021.
5. The proposed Ordinary Resolutions 8, 9, 10 and 11 are in anticipation of Rule 210(5)(d)(iii) of the SGX-ST Listing Manual (which will take effect from 1 January 2022). Rule 210(5)(d)(iii) of the SGX-ST Listing Manual provides that a director will not be independent if he has been a director for an aggregate period of more than nine (9) years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officer.

Dr Lam Lee G and Mr Yeo Chin Tuan Daniel, were appointed as independent directors of the Company since 26 April 2010, have served the Board beyond nine (9) years and unless subject to the two-tier vote, they will not be considered as Independent Directors from 1 January 2022. The Company is seeking a two-tier shareholders' approval for the continued appointment of Dr Lam Lee G and Mr Yeo Chin Tuan Daniel as Independent Directors for a three (3) year term, with effect from passing of the Resolutions until the conclusion of the third Annual General Meeting of the Company following the passing of the Resolutions. Directors, Chief Executive Officer and their associates (as defined under the SGX-ST Listing Manual) are required to abstain from voting on proposed Ordinary Resolutions 9 and 11.

Ordinary Resolutions 8 and 9, if passed, will remain in force until the earlier of: (i) Dr Lam Lee G's retirement and resignation as Director of the Company; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of such Resolution.

Ordinary Resolutions 10 and 11, if passed, will remain in force until the earlier of: (i) Mr Yeo Chin Tuan Daniel's retirement and resignation as Director of the Company; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of such Resolution.

Important Notes:

1. Pre-Registration

In compliance with COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020 (the "**Order**"), the Annual General Meeting ("AGM") will be conducted by way of electronic means and shareholders will NOT be allowed to attend the AGM physically. Printed copies of this Notice of AGM and accompanying Proxy Form, Annual Report 2020 and Letter to Shareholders dated 6 April 2021 will NOT be sent to the shareholders. Instead, these documents will be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM which has been uploaded on SGXNet and the Company's website on the same day. The announcement and this Notice of AGM may also be accessed at the Company's website at URL <http://ir.topglobal.com.sg/events/event-details/fy2020agm>.

A member will be able to participate at the AGM by watching or listening to the AGM proceedings via a live audio-visual webcast or live audio-only stream via mobile phones, tablets or computers. In order to do so, a member must pre-register by **10.00 a.m. on 25 April 2021**, at the URL <http://ir.topglobal.com.sg/events/event-details/fy2020agm> for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the live audio-visual webcast or live audio-only stream of the proceedings of the AGM by **10.00 a.m. on 27 April 2021**. Members who do not receive an email by **10.00 a.m. on 27 April 2021**, but have registered by the **25 April 2021** deadline, may contact the Company via email at fy2020agm@topglobal.com.sg or via call at +65 6746 4333 during operation hours (9.00 a.m. to 5.00 p.m.).

Members or their corporate representatives must not forward the email to other persons who are not members and who are not entitled to participate at the AGM. This is also to avoid any technical disruptions or overload to the live audio-visual webcast or live audio-only stream.

NOTICE OF ANNUAL GENERAL MEETING

Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch or listen to the live audio-visual webcast or live audio-only stream of the AGM should approach their respective depository agents to pre-register by **5.00 p.m. on 16 April 2021** in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.

2. Submission of Questions

A member who pre-registers to watch the live audio-visual webcast or listen to the live audio-only stream may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted electronically via email at fy2020agm@topglobal.com.sg by **10.00 a.m. on 21 April 2021**. A member who wishes to submit the question form must first download, complete and sign the question form, before submitting it by scanning and sending it by email to the email address provided above.

The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the AGM via SGXNet and on our corporate website.

3. Submission of Proxy Form

A member will not be able to vote through the live audio-visual webcast or live audio-only stream and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. The proxy form for the AGM may be accessed at the Company's website at the URL <http://ir.topglobal.com.sg/events/event-details/fy2020agm>, and is made available with this Notice of AGM on SGXNet on the same day.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **5.00 p.m. on 16 April 2021** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **10.00 a.m. on 26 April 2021**.

In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The Chairman of the Meeting, as a proxy, need not be a member of the Company.

The instrument appointing the Chairman of the Meeting as proxy must be submitted in the following manner by **10.00 a.m. on 26 April 2021**:

- (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02, Singapore 068898; or
- (b) if submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

NOTICE OF ANNUAL GENERAL MEETING

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it 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 appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy).

In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

4. Annual Report and other documents

The Annual Report for the financial year ended 31 December 2020 ("**FY2020 Annual Report**") which was issued on 6 April 2021 can be accessed at the Company's website at the URL <http://ir.topglobal.com.sg/investor-relations/annual-reports> and will be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

The following documents are made available to members on 6 April 2021 together with this Notice of AGM via SGXNet and the Company's website at the URL <http://ir.topglobal.com.sg/events/event-details/fy2020agm>.

- (a) Appendix in respect of the Proposed Renewal of the Share Purchase Mandate;
- (b) Additional Information on Directors seeking re-election; and
- (c) Proxy form in relation to the AGM.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via live audio-visual webcast or listen to the live audio-only stream, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members of the Company (or their corporate representatives in the case of members of the Company which are legal entities) to the live audio-visual webcast or listen to the live audio-only stream to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members of the Company received before the AGM and if necessary, following up with the relevant members of the Company in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mdm Oei Siu Hoa @ Sukmawati Widjaja and Mr Hano Maeloa are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 April 2021 ("**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:

	Mdm Oei Siu Hoa @ Sukmawati Widjaja	Mr Hano Maeloa
Date of Appointment	12 March 2010	27 July 2007
Date of last re-appointment	26 April 2018	26 April 2018
Age	69	51
Country of principal residence	Indonesia	Indonesia
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 Mdm Oei Siu Hoa @ Sukmawati Widjaja for re-appointment as Executive Director of the Company. The Board have reviewed and concluded that Mdm Oei Siu Hoa @ Sukmawati Widjaja 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 contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Hano Maeloa for re-appointment as Executive Director of the Company. The Board have reviewed and concluded that Mr Hano Maeloa possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive She is responsible for the overall business development and investments of the Top Global Group.	Executive He is responsible for the business and operational decisions of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Chief Executive Officer and Executive Director
Professional qualifications	Graduate	BSc in business administration from the University of Southern California

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mdm Oei Siu Hoa @ Sukmawati Widjaja	Mr Hano Maeloa
Working experience and occupation(s) during the past 10 years	<p>March 2010 – Executive Chairman of Top Group Limited</p> <p>December 2019 – Re-designated as Executive Director of Top Group Limited</p>	<p>July 2007 to present – Chief Executive Officer and Executive Director of Top Group Limited</p> <p>November 2010 – Chief Executive Officer of Top Group Limited</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct Interest: 275,007,303 shares of the Company</p> <p>Deemed Interest: 600,000 shares of the Company</p>	<p>Direct Interest : 600,000 shares of the Company</p>
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	<p>Yes</p> <p>Mdm Oei Siu Hoa @ Sukmawati Widjaja is the spouse of Mr Kenneth Lian, the Business Development Director of the Company.</p> <p>Mdm Oei Siu Hoa @ Sukmawati Widjaja is also the mother of Mr Hano Maeloa, the Chief Executive Officer and Executive Director of the Company and Ms Mimi Yuliana Maeloa, the Non-Executive Director of the Company.</p> <p>Mdm Oei Siu Hoa @ Sukmawati Widjaja is also the controlling shareholder of the Company.</p>	<p>Yes</p> <p>Mr Hano Maeloa is the son of Mr Kenneth Lian, the Business Development Director of the Company and Mdm Oei Siu Hoa @ Sukmawati Widjaja, the Executive Director of the Company and controlling shareholder of the Company and brother of Ms Mimi Yuliana Maeloa, the Non-Executive Director of the Company.</p>
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#	Nil	Nil
Past (for the last 5 years)	Nil	1. China Medical (International) Group Limited
Present	1. Top Global Limited	1. Top Global Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mdm Oei Siu Hoa @ Sukmawati Widjaja	Mr Hano Maeloa
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mdm Oei Siu Hoa @ Sukmawati Widjaja	Mr Hano Maeloa
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
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mdm Oei Siu Hoa @ Sukmawati Widjaja	Mr Hano Maeloa
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
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mdm Oei Siu Hoa @ Sukmawati Widjaja	Mr Hano Maeloa
<p>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</p> <p>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</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p>	<p>No</p> <p>No</p>
<p>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?</p>	<p>No</p>	<p>No</p>

TOP GLOBAL LIMITED
(Company Registration No. 198003719Z)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

- In compliance of COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this proxy form which has been uploaded on SGXNet and the Company's website on the same day. The announcement and this proxy form may also be accessed at the URL <http://ir.topglobal.com.sg/events/event-details/fy2020agm>.
- A member will not be able to attend the AGM physically. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
- Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including CPF investors, SRS investors and holders under depository agents) and who wish to appoint the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including CPF agent banks, SRS approved banks or depository agents) to submit their votes by 5.00 p.m. on 16 April 2021.
- By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 April 2021.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the AGM.

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL <http://ir.topglobal.com.sg/events/event-details/fy2020agm>. A printed copy of this proxy form will not be despatched to members.

I/We _____ NRIC/Passport No. _____

of _____ (Address)

being a member/members TOP GLOBAL LIMITED (the "**Company**"), hereby appoint **Chairman of the Meeting**, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting ("AGM" or the "Meeting") of the Company to be held by way of electronic means via live audio-visual webcast or live audio-only stream on Wednesday, 28 April 2021 at 10.00 a.m. (Singapore time) and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the Meeting, please indicate with a "v" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the Meeting, please indicate with a "v" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.)

No.	Resolutions Relating To:	VOTING		ABSTAIN FROM VOTING
		FOR	AGAINST	
1.	Audited Financial Statements, Directors' Statement and Independent Auditor's Report for the financial year ended 31 December 2020			
2.	Re-election of Mdm Oei Siu Hoa @ Sukmawati Widjaja as Director of the Company			
3.	Re-election of Mr Hano Maeloa as Director of the Company			
4.	Directors' fees for the financial year ended 31 December 2020			
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 renew the Share Purchase Mandate			
8.	Approval for the continued appointment of Dr Lam Lee G, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by all shareholders			
9.	Approval for the continued appointment of Dr Lam Lee G, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by shareholders excluding the Directors and CEO of the Company, and their associates			
10.	Approval for the continued appointment of Mr Yeo Chin Tuan Daniel, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by all shareholders			
11.	Approval for the continued appointment of Mr Yeo Chin Tuan Daniel, as an Independent Director, pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual by shareholders excluding the Directors and CEO of the Company, and their associates			

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2021

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

IMPORTANT: Please read notes overleaf

IMPORTANT NOTES TO PROXY FORM:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the depository register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the depository register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member will not be able to vote through the live audio-visual webcast or live audio-only stream. A member is only allowed to vote through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner by **10.00 a.m. on 26 April 2021**:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where an instrument appointing the Chairman of the Meeting as proxy is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where an instrument appointing the Chairman of the Meeting as proxy is signed or, as the case may be, authorised 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 appointing the Chairman of the Meeting as proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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 6 April 2021.

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postage
stamp
here

TOP GLOBAL LIMITED

c/o Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898

fold here

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr Lam Lee G

(Independent Non-Executive Chairman)

Mdm Oei Siu Hoa @ Sukmawati Widjaja
(Executive Director)

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
(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
80 Robinson Road #25-00
Singapore 068898

(Director-in-charge: Chan Siew Ting)
Appointment commenced from
the audit of the financial statements for
the year ended 31 December 2019

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

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Singapore 238862

Counter name: TopGlobal
SGX code: BHO
Bloomberg code: TGL:SP

WEBSITE

<http://www.topglobal.com.sg>

PRINCIPAL BANKER

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