Company Registration No. 199403139W

SuperBowl Holdings Limited
and its subsidiaries

Annual Financial Statements
31 December 2023

SuperBowl Holdings Limited and its subsidiaries

Contents

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of SuperBowl Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and statement of cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

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

Directors

The Directors of the Company in office at the date of this report are:

Teo Ho Beng
Roland Teo Ho Kang
Teo Poh Sim Agnes

Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose 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.

Directors' interests in shares or debentures

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

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	As at 1.1.2023	As at 31.12.2023	As at 1.1.2023	As at 31.12.2023
(a) **The Company** **<u>SuperBowl Holdings Limited (Ordinary shares)</u>**				
Teo Ho Beng	1,000	1,000	322,463,480	322,485,480
Roland Teo Ho Kang	–	–	322,463,480	322,485,480

Directors' interests in shares or debentures (cont'd)

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	As at 1.1.2023	**As at 31.12.2023**	**As at 1.1.2023**	**As at 31.12.2023**
(b) **The ultimate holding company** **Hiap Hoe Holdings Pte Ltd** **(Ordinary shares)**				
Teo Ho Beng	6,345,664	6,345,664	–	–
Roland Teo Ho Kang	4,133,689	–	–	4,133,689
Teo Poh Sim Agnes	262,258	262,258	–	–
(c) **The intermediate holding company** **Hiap Hoe Limited** **(Ordinary shares)**				
Teo Ho Beng	2,662,100	2,682,100	349,578,726	349,578,726
Roland Teo Ho Kang	–	–	349,578,726	349,578,726
Teo Poh Sim Agnes	156,250	156,250	–	–

By virtue of Section 7 of the Companies Act 1967, Mr Teo Ho Beng and Mr Roland Teo Ho Kang are deemed to have interests in the shares of each of the wholly-owned subsidiaries of Hiap Hoe Limited, Hiap Hoe Holdings Pte Ltd, and SuperBowl Holdings Limited. Mr Roland Teo Ho Kang's deemed interest is derived from his being the beneficiary of a trust which holds his shareholdings in Hiap Hoe Holdings Pte Ltd.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of its related corporations, either at the beginning of the financial year, on the date of appointment as a Director during the financial year (as the case may be), or at the end of the financial year.

Share options granted

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

No shares were issued by virtue of the exercise of options.

There were no unissued shares under option at the end of the financial year.

Auditors

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

On behalf of the Board of Directors

TEO HO BENG
Director

ROLAND TEO HO KANG
Director

Singapore

21 May 2024

Independent Auditor's Report to the Members of SuperBowl Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SuperBowl Holdings Limited (the "**Company**") and its subsidiaries (collectively, 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 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated statement of cash flows of the Group for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for other information. The other information comprises the Directors' Statement 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 on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- 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.

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.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

21 May 2024

SuperBowl Holdings Limited and its subsidiaries

Statements of Financial Position
As at 31 December 2023

	Note	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Non-Current Assets					
Property, plant and equipment	4	**32,423,299**	36,378,958	**–**	–
Investment properties	5	**15,857,582**	16,587,136	**–**	–
Subsidiaries	7	**–**	–	**15,941,971**	14,941,971
Joint venture	8	**19,718,110**	25,485,948	**5**	5
Club membership	9	**24,000**	12,000	**–**	–
Trade and other receivables	10	**239,728**	560,002	**–**	–
Deferred tax assets	11	**–**	1,102,942	**–**	1,253,000
		68,262,719	80,126,986	**15,941,976**	16,194,976
Current Assets					
Other assets	6	**162,802**	141,218	**–**	–
Due from a subsidiary	7	**–**	–	**1,849,022**	2,140,915
Due from fellow subsidiaries	12	**1,233,547**	1,174,232	**–**	–
Due from joint venture	8	**63,537**	41,423	**–**	–
Trade and other receivables	10	**1,397,296**	1,234,169	**760,898**	589,526
Other investments	13	**137,958,362**	116,769,471	**137,958,362**	116,769,471
Inventories, at cost	14	**5,033**	5,941	**–**	–
Prepayments		**66,402**	73,089	**36,761**	40,164
Derivatives – assets	15	**160,568**	199,079	**160,568**	199,079
Cash and short-term deposits	16	**20,015,838**	29,096,903	**18,756,825**	27,630,379
		161,063,385	148,735,525	**159,522,436**	147,369,534
Total assets		**229,326,104**	228,862,511	**175,464,412**	163,564,510
Capital and Reserves					
Share capital	17	**74,028,806**	74,028,806	**74,028,806**	74,028,806
Retained profits		**86,587,115**	82,418,326	**67,057,353**	54,095,927
Total equity		**160,615,921**	156,447,132	**141,086,159**	128,124,733
Non-Current Liabilities					
Deferred tax liabilities	11	**197,588**	–	**–**	–
Borrowings	18	**25,251,652**	28,627,271	**–**	–
Other liabilities	20	**1,321,271**	1,218,685	**–**	–
		26,770,511	29,845,956	**–**	–
Current Liabilities					
Trade and other payables	19	**462,441**	411,821	**25,988**	31,967
Other liabilities	20	**1,435,422**	1,601,279	**56,004**	88,577
Derivatives – liabilities	15	**60,686**	66,324	**60,686**	66,324
Borrowings	18	**31,741,948**	35,298,745	**23,173,114**	22,492,606
Due to a subsidiary	7	**–**	–	**3,787,855**	7,832,771
Due to joint venture	8	**5,889,994**	4,420,432	**5,876,925**	4,418,400
Due to a fellow subsidiary	12	**283,681**	509,132	**283,681**	509,132
Due to intermediate holding company (trade)	12	**111,165**	–	**–**	–
Tax payable		**1,954,335**	261,690	**1,114,000**	–
		41,939,672	42,569,423	**34,378,253**	35,439,777
Total liabilities		**68,710,183**	72,415,379	**34,378,253**	35,439,777
Total equity and liabilities		**229,326,104**	228,862,511	**175,464,412**	163,564,510

SuperBowl Holdings Limited and its subsidiaries

Consolidated Statement of Comprehensive Income
For the financial year ended 31 December 2023

	Note	2023 $	2022 $
Revenue	21	**19,951,537**	16,539,235
Other items of income			
Dividend income		**3,325,145**	2,600,278
Other income	22	**154,980**	312,137
Impairment loss on trade receivables written back	32(iii)	**16,574**	146,654
Interest income	23	**2,991,198**	1,784,393
		6,487,897	4,843,462
Employee benefits expense	24	**(4,085,074)**	(4,349,988)
Depreciation of property, plant and equipment	4	**(4,627,569)**	(4,756,646)
Depreciation of investment properties	5	**(729,554)**	(729,554)
Finance costs	25	**(3,186,601)**	(2,166,926)
Fair value changes in financial instruments	26	**4,493,728**	(8,857,119)
Foreign exchange loss		**(17,979)**	(1,220,302)
Impairment loss on trade receivables	32(iii)	**(23,048)**	(22,204)
Other expenses	27	**(6,080,843)**	(4,757,007)
Share of results in joint venture, net of tax		**(5,767,838)**	3,029,292
Profit/(loss) before tax		**6,414,656**	(2,447,757)
Income tax (expense)/credit	28	**(2,245,867)**	805,543
Profit/(loss) after tax, representing total comprehensive income/(loss) for the year		**4,168,789**	(1,642,214)

SuperBowl Holdings Limited and its subsidiaries

Consolidated Statement of Changes in Equity
For the financial year ended 31 December 2023

	Share capital $	Retained profits $	Total $
Balance at 1 January 2022	74,028,806	84,060,540	158,089,346
Total comprehensive loss for the year	–	(1,642,214)	(1,642,214)
Balance at 31 December 2022 and 1 January 2023	**74,028,806**	**82,418,326**	**156,447,132**
Total comprehensive income for the year	**–**	**4,168,789**	**4,168,789**
Balance at 31 December 2023	**74,028,806**	**86,587,115**	**160,615,921**

SuperBowl Holdings Limited and its subsidiaries

Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023

	Note	2023 $	2022 $
Operating activities			
Profit/(loss) before taxation		**6,414,656**	(2,447,757)
Adjustments for:			
Exchange difference		**(365,406)**	358,015
Amortisation of deferred government grant income	22	**–**	(94,825)
Depreciation of property, plant and equipment	4	**4,627,569**	4,756,646
Depreciation of investment properties	5	**729,554**	729,554
Impairment loss on trade receivables	32(iii)	**23,048**	22,204
Impairment loss on trade receivables written back	32(iii)	**(16,574)**	(146,654)
Write back of impairment loss on club membership	22	**(12,000)**	–
Interest income	23	**(2,991,198)**	(1,784,393)
Finance costs	25	**3,186,601**	2,166,926
Loss/(gain) on disposal of other investments	27,22	**181,863**	(35,458)
Gain on disposal of property, plant and equipment	22	**–**	(27,023)
Property, plant and equipment written off	27	**–**	52
Share of results in joint venture, net of tax		**5,767,838**	(3,029,292)
Fair value changes in other investments at FVPL	26	**(4,460,094)**	9,093,224
Fair value changes in derivative instruments	26	**(33,634)**	(236,105)
Dividend income from other investments		**(3,325,145)**	(2,600,278)
Operating cash flows before changes in working capital		**9,727,078**	6,724,836
Decrease/(increase) in:			
Inventories		**908**	(5,941)
Trade and other receivables		**322,045**	(603,476)
Prepayments		**6,687**	16,824
Other assets		**(21,584)**	(4,332)
Due from fellow subsidiaries		**(8,015)**	8,000
Due from joint venture		**(22,114)**	(41,423)
(Decrease)/increase in:			
Trade and other payables		**50,620**	168,548
Other liabilities		**(63,271)**	822,414
Due to joint venture (non-trade)		**679,701**	(12,348)
Due to intermediate holding co, trade		**111,165**	–
Cash generated from operations		**10,783,220**	7,073,102
Income tax refund/(paid)		**747,308**	(1,437,196)
Net cash generated from operating activities		**11,530,528**	5,635,906
Investing activities			
Additions to property, plant and equipment	A	**(369,926)**	(1,654,103)
Proceeds from disposal of property, plant and equipment		**–**	125,603
Interest income received		**2,815,055**	1,453,922
Purchase of other investments		**(29,675,236)**	(23,593,221)
Proceeds from disposal of other investments		**12,970,070**	15,131,676
Repayment of loan from fellow subsidiaries		**20,492**	13,413,529
Dividend income received		**3,119,652**	3,199,779
Net cash (used in)/generated from investing activities		**(11,119,893)**	8,077,185

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

SuperBowl Holdings Limited and its subsidiaries

Consolidated Statement of Cash Flows
For the financial year ended 31 December 2023

	Note	2023 $	2022 $
Financing activities			
Interest paid		**(2,969,860)**	(2,081,977)
Loans from a fellow subsidiary		**–**	703,768
Loans from joint venture		**11,493,320**	4,450,856
Repayment of loans to fellow subsidiary		**(226,314)**	(995,908)
Repayment of loans to joint venture		**(10,736,225)**	(9,287)
Repayment of principal portion of lease liabilities		**(3,468,840)**	(3,372,222)
Proceeds from loans and borrowings		**2,422,740**	9,189,488
Repayment of bank borrowings		**(6,080,263)**	(3,816,605)
Changes in cash and bank balances pledged		**1,848,228**	(7,883,159)
Changes in fixed deposits pledged		**330,621**	–
Net cash used in financing activities		**(7,386,593)**	(3,815,046)
Net (decrease)/increase in cash and cash equivalents		**(6,975,958)**	9,898,045
Effect of exchange rate changes on cash and cash equivalents		**(90,843)**	(852)
Cash and cash equivalents at beginning of year		**10,997,269**	1,100,076
Cash and cash equivalents at end of year	16	**3,930,468**	10,997,269

Note:

A. Additions to property, plant and equipment

During the year, the Group added property, plant and equipment of $671,910 (2022: $5,423,251) which included non-cash additions to right-of-use assets of $301,984 (2022: $3,769,148) and the balance of $369,926 (2022: $1,654,103) was made in cash.

B. Reconciliation of liabilities arising from financing activities

	1 January 2023 $	Cash flows $	Interest expense (Note 25) $	Foreign exchange movement $	Additions $	31 December 2023 $
Borrowings	**31,880,174**	**(5,141,043)**	**1,683,419**	**(307,936)**	**–**	**28,114,614**
Lease liabilities	**32,045,842**	**(4,764,372)**	**1,295,532**	**–**	**301,984**	**28,878,986**
Due to a fellow subsidiary	**509,132**	**(237,031)**	**16,802**	**(5,222)**	**–**	**283,681**
Loans due to joint venture	**4,418,400**	**577,004**	**190,848**	**22,009**	**–**	**5,208,261**
	68,853,548	**(9,565,442)**	**3,186,601**	**(291,149)**	**301,984**	**62,485,542**

	1 January 2022 $	Cash flows $	Interest expense (Note 25) $	Foreign exchange movement $	Additions $	31 December 2022 $
Borrowings	26,901,454	4,669,099	767,601	(457,980)	–	31,880,174
Lease liabilities	31,648,916	(4,742,103)	1,369,881	–	3,769,148	32,045,842
Due to a fellow subsidiary	783,699	(296,232)	14,938	6,727	–	509,132
Loans due to joint venture	–	4,437,349	14,506	(33,455)	–	4,418,400
	59,334,069	4,068,113	2,166,926	(484,708)	3,769,148	68,853,548

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

1 General information

The financial statements of the Company and its subsidiaries for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' statement.

Superbowl Holdings Limited (the "Company") is incorporated as a limited liability company and domiciled in the Republic of Singapore.

The registered office is located at 18 Ah Hood Road #13-51 Hiap Hoe Building At Zhongshan Park, Singapore 329983.

The principal activities of the Company are those of investment holding and managers of recreation centres. The principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

The immediate, intermediate and ultimate holding companies are Hiap Hoe Strategic Pte Ltd, Hiap Hoe Limited and Hiap Hoe Holdings Pte Ltd, respectively. All entities are incorporated in the Republic of Singapore.

2. Material accounting policy information

2.1 Basis of preparation

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

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

The financial statements are presented in Singapore Dollars (SGD or $), unless otherwise stated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new SFRS(I) and Amendments to SFRS(I) that are effective for annual periods beginning on 1 January 2023. The adoption of these standards did not have any effect on the financial performance of the Group or financial position of the Group and the Company.

2. Material accounting policy information (cont'd)

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024

The Group has performed a preliminary assessment and the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Foreign currency

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

Transactions and balances

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

2. Material accounting policy information (cont'd)

2.5 Basis of consolidation

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

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

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

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

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

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Transactions with Non-Controlling Interests

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

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

2. Material accounting policy information (cont'd)

2.6 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.17. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis to allocate the depreciable amount over the estimated useful lives (or lease term, if shorter). Leased assets are depreciated over the shorter of the lease terms and their useful lives unless it is reasonably certain that the Group will obtain ownership by end of the lease term.

The estimated useful lives of property, plant and equipment are as follows:

Leasehold land and properties	over remaining period of lease (subject to a maximum of 50 years)
Plant and machinery	3 to 15 years
Furniture, fixtures and fittings	2.25 to 15 years
Office equipment	1 to 5 years
Motor vehicles	3 to 10 years
Leased premises	over remaining period of lease

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

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

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

2. Material accounting policy information (cont'd)

2.7 Investment properties

Investment properties are properties that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or for sale in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Right-of-use assets are classified as investment properties when the definition of an investment property is met.

Plant and machinery included under investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on plant and machinery using a straight-line method to allocate the depreciable amounts over the estimated useful lives ranging from 3 to 15 years.

Investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, similar to the policy for property, plant and equipment. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated remaining useful lives of a maximum of 50 years for freehold properties, and the remaining period of lease or a maximum of 50 years, whichever is lower for leasehold properties. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

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

Transfers are made to or from investment property only when there is a change in use. As the Group uses the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

2.8 Subsidiaries

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

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less any impairment losses.

2. Material accounting policy information (cont'd)

2.9 Joint venture

Joint venture relates to entity which the Company has joint control as a result of contractual arrangements, and rights to the net assets of the entity.

The Company accounts for its investments in the joint venture using the equity method from the date on which it becomes a joint venture.

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

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

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

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

In the Company's statement of financial position, investments in joint ventures are accounted for at cost less any impairment losses.

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

2. Material accounting policy information (cont'd)

2.10 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

2. Material accounting policy information (cont'd)

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

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

(i) Amortised cost

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

(ii) Fair value through other comprehensive income (FVOCI)

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

(iii) Fair value through profit or loss (FVPL)

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

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. Amount presented in OCI shall not be subsequently transferred to profit or loss. However, the entity may transfer the cumulative gain or loss within equity. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Derivatives

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

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.11 Financial instruments (cont'd)

(c) Offsetting of financial instruments

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

2.12 Impairment of financial assets

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

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

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

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

2.13 Cash and cash equivalents

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

2. Material accounting policy information (cont'd)

2.14 Inventories

Inventories, comprising consumables which include smart cards, spare parts and hotel supplies, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

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

2.15 Financial guarantees

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

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.12 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.16 Leases

(a) As lessee

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

Right-of-use asset

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

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

2. Material accounting policy information (cont'd)

2.16 Leases (cont'd)

(a) As lessee (cont'd)

Right-of-use asset (cont'd)

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset as set of in Note 2.6.

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

The right-of-use assets (except for those which meets the definition of an investment property) are presented within Property, plant and equipment in the statement of financial position (Note 4).

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

Lease liabilities

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

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

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

The Group has elected to not recognised 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, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2. Material accounting policy information (cont'd)

2.16 Leases (cont'd)

(a) As lessee (cont'd)

Lease liabilities (cont'd)

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

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

The lease liabilities are presented within Interest-bearing loans and borrowings in the statement of financial position.

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

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

(i) the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

(ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

(iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2. Material accounting policy information (cont'd)

2.16 Leases (cont'd)

(b) As lessor

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

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

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss.

<u>Intermediate lessor in sublease</u>

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "finance lease receivables" in the statement of financial position. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition and construction 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 being 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.

2.18 Share capital and share issue expenses

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

2. Material accounting policy information (cont'd)

2.19 Dividends

Final dividends proposed by the directors are not deducted against shareholders' equity until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2.20 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

2. Material accounting policy information (cont'd)

2.20 Taxes (cont'd)

(b) Deferred tax (cont'd)

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

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Material accounting policy information (cont'd)

2.20 Taxes (cont'd)

(c) Goods and services tax

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

- Where the taxes incurred on a purchase of assets or services are not recoverable from the taxation authorities, in which case the taxes are recognised as part of the cost of acquisition of the assets or as part of the expenses item as applicable; and

- Receivables and payables that are stated with the amount of taxes included.

The net amount of taxes recoverable from or payable to the taxation authorities are included as part of receivables or payables in the statement of financial position.

2.21 Provisions

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

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

2.22 Revenue

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

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

(a) Dividend income

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

(b) Interest income

Interest income is recognised using the effective interest method.

2. Material accounting policy information (cont'd)

2.22 Revenue (cont'd)

(c) Management fee and other operating income

Management fee and other operating income are recognised on an accrual basis.

(d) Rental income

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

(e) Leisure income

Revenue from leisure activities is recognised when services are provided or goods consumed.

2.23 Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.24 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

3. Significant accounting estimates and judgements

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

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Determination of lease term of contracts with extension options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. There are no restrictions placed upon the Group by entering into these contracts and the Group negotiates extension options to provide flexibility in managing the leased assets and align with the Group's business needs.

(ii) Classification and measurement of financial assets

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group and the Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

As stated in Note 13, the Group has investment portfolio which includes quoted and unquoted debt instruments. The Group has accounted for these debt instruments at fair value through profit or loss as they will be sold from time to time to realise capital appreciation or for liquidity management.

3. Significant accounting estimates and judgements (cont'd)

3.1 Judgements made in applying accounting policies (cont'd)

(iii) Impairment of investments in subsidiaries and joint venture companies

The Group and the Company assess at the end of each reporting period whether there is any indication that the investments in subsidiaries and joint venture may be impaired.

The assessment of indication of impairment involves judgement. In making these judgements, the Group and the Company evaluate, among other factors, the performance of the subsidiaries and joint venture companies.

The carrying amounts of investments in subsidiaries and joint venture at 31 December 2023 of the Group and the Company are disclosed in Notes 7 and 8 respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of financial assets at amortised cost

The Group assesses at the end of each reporting period whether there is any expected credit loss of financial assets based on assumptions about risk of default and expected loss rates. The Group considers factors such as past collection history, existing market conditions as well as forward looking estimates at each reporting period.

The assessment of the correlation between historical observed default, economic conditions and expected credit loss is a significant estimate. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

The carrying amounts of trade and other receivables from third parties, amounts due from joint venture and fellow subsidiaries, and allowance for expected credit losses at the end of the reporting period are disclosed in Notes 10, 8, 12 and 32 to the financial statements.

3. Significant accounting estimates and judgements (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(ii) Impairment of non-financial assets

Investment properties

The Group carries its investment properties at cost less accumulated depreciation and accumulated impairment, with excess of carrying value over recoverable amount being recognised as impairment in profit or loss.

In determining the recoverable value, the Group considers both external and internal sources of information, including the fair value apprised by external valuers, in assessing whether the properties may have been impaired. The fair value assessment is complex and highly dependent on a range of assumptions such as discount rate, capitalisation rate, terminal yield and growth rate made by the valuers.

The carrying amount of the investment properties as at 31 December 2023 is $15,857,582 (2022: $16,587,136). As at 31 December 2023, the fair value of the investment properties is $71,961,000 (2022: $70,605,000).

Property, plant and equipment

The Group carries its property, plant and equipment at cost less accumulated depreciation and accumulated impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. This requires estimates to be made including future revenues, operating costs, growth rates, capital expenditures and discount rates applicable to the cash flows.

The carrying amounts of the property, plant and equipment as at 31 December 2023 is $32,423,299 (2022: $36,378,958).

(iii) Valuation of unquoted investments

The Group has unquoted investments which include fixed income instruments, mutual and private equity funds. The fair values of unquoted investments are determined based on various valuation techniques which involve the use of assumptions and estimates determined by financial institutions managing these investments and application of management judgement. Estimation uncertainty exists for the valuation as these investments are not traded in an active market and the valuation techniques involve the use of significant unobservable inputs.

The carrying amount of the unquoted investments as at 31 December 2023 is $57,491,151 (2022: $45,549,475). If the price of the unquoted investments had been 2% higher/lower with all other variables held constant, the Group's profit (2022: loss) net of tax would have been approximately $954,000 (2022: $756,000) higher/lower (2022: lower/higher), arising as a result of higher/lower fair value gains on other investments.

3. Significant accounting estimates and judgements (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(iv) Estimation of incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses the incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group estimates the IBR relevant to each lease by using observable inputs such as market interest rate and asset yield when available, and that making certain lessee specific adjustments such as a group entity's credit rating.

The carrying amount of the Group's right-of-use assets and lease liabilities calculated on IBR are $26,273,309 (2022: $29,711,382) and $28,878,986 (2022: $32,045,842), respectively. The weighted average incremental borrowing rate was 4.38% (2022: 4.35%) per annum. If the incremental borrowing rate had been 50 basis point higher/lower with all other variables held constant, the Group's right-of use assets and lease liabilities would have been approximately lower/higher by $671,025 (2022: $761,341) and $527,050 (2022: $649,809) respectively.

(v) Income taxes

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of the Company's tax payable at 31 December 2023 was $1,114,000 (2022: $Nil). The carrying amount of the Group's tax payables, deferred tax assets and deferred tax liabilities as at 31 December 2023 were $1,954,335 (2022: $261,690), $Nil (2022: $1,102,942) and $197,588 (2022: $Nil) respectively.

4. Property, plant and equipment

Group	Leasehold land and properties $	Plant and machinery $	Furniture, fixtures and fittings $	Office equipment $	Motor vehicles $	Leased premises $	Total $
Cost							
At 1 January 2022	40,417,211	10,550,035	7,984,961	348,415	2,173,048	12,442,615	73,916,285
Additions	330,233	977,091	226,899	50,113	400,000	3,438,915	5,423,251
Disposals/written off	–	(9,125)	–	(620)	(454,988)	–	(464,733)
At 31 December 2022 and 1 January 2023	**40,747,444**	**11,518,001**	**8,211,860**	**397,908**	**2,118,060**	**15,881,530**	**78,874,803**
Additions	**–**	**346,589**	**10,549**	**12,788**	**–**	**301,984**	**671,910**
Written off	**–**	**–**	**(4,875)**	**(63,584)**	**–**	**–**	**(68,459)**
At 31 December 2023	**40,747,444**	**11,864,590**	**8,217,534**	**347,112**	**2,118,060**	**16,183,514**	**79,478,254**
Accumulated depreciation							
At 1 January 2022	18,794,128	6,077,139	7,397,994	314,724	1,417,942	4,103,373	38,105,300
Depreciation for the year	2,186,512	624,457	187,834	25,711	152,598	1,579,534	4,756,646
Disposals/written off	–	(9,125)	–	(568)	(356,408)	–	(366,101)
At 31 December 2022 and 1 January 2023	**20,980,640**	**6,692,471**	**7,585,828**	**339,867**	**1,214,132**	**5,682,907**	**42,495,845**
Depreciation for the year	**2,186,512**	**538,759**	**153,401**	**26,618**	**150,307**	**1,571,972**	**4,627,569**
Written off	**–**	**–**	**(4,875)**	**(63,584)**	**–**	**–**	**(68,459)**
At 31 December 2023	**23,167,152**	**7,231,230**	**7,734,354**	**302,901**	**1,364,439**	**7,254,879**	**47,054,955**
Net book value							
At 31 December 2023	**17,580,292**	**4,633,360**	**483,180**	**44,211**	**753,621**	**8,928,635**	**32,423,299**
At 31 December 2022	19,766,804	4,825,530	626,032	58,041	903,928	10,198,623	36,378,958

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

Company	Office equipment $	Motor vehicles $	Total $
Cost			
At 1 January 2022, 31 December 2022 and 1 January 2023	61,104	614,988	676,092
Disposals/written off	**(56,574)**	**–**	**(56,574)**
At 31 December 2023	**4,530**	**614,988**	**619,518**
Accumulated depreciation			
At 1 January 2022, 31 December 2022 and 1 January 2023	61,104	614,988	676,092
Disposals/written off	**(56,574)**	**–**	**(56,574)**
At 31 December 2023	**4,530**	**614,988**	**619,518**
Net carrying amount			
At 31 December 2023	**–**	**–**	**–**
At 31 December 2022	–	–	–

(i) Right-of-use ("ROU") assets classified under property, plant and equipment

Group and Company

ROU assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such assets are disclosed below:

(a) Additions of ROU assets during the year were $301,984 (2022: $3,769,148).

(b) Carrying amounts and related depreciation of ROU assets classified within property, plant and equipment are as follows:

	Group	
	2023 $	2022 $
Carrying amounts of ROU assets		
Leasehold land	**17,344,674**	19,512,759
Leased premises	**8,928,635**	10,198,623
	26,273,309	29,711,382

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

(i) Right-of-use ("ROU") assets classified under property, plant and equipment (cont'd)

(b) Carrying amounts and related depreciation of ROU assets classified within property, plant and equipment are as follows (cont'd):

	Group	
	2023	2022
	$	$
Depreciation charge of ROU assets during the year		
Leasehold land	**2,168,085**	2,168,085
Motor vehicles	**–**	2,724
Leased premises	**1,571,972**	1,579,534
	3,740,057	3,750,343

(ii) Assets pledged as security

Certain property, plant and equipment are mortgaged to secure bank facilities (Note 18.1).

(iii) Motor vehicles with carrying amount of $608,559 (2022: $715,536) for the Group are registered in the names of certain employees. These are held in trust for the respective companies in the Group.

(iv) Details of the Group's properties included in property, plant and equipment as at 31 December 2023 are as follows:

Description of properties	Tenure	Existing use	Land area sq. m.
1 Yuan Ching Road	30-year leasehold from 1.1.2002	Land parcel, sports and recreation complex and carpark	21,754

(v) Carrying value of assets subject to operating leases

	Group	
	2023	2022
	$	$
Properties on leasehold land	**235,618**	254,045

5. Investment properties

	Group	
	2023	2022
	$	$
Cost		
Balance at beginning and at end	**34,137,428**	34,137,428
Accumulated depreciation		
Balance at beginning	**17,550,292**	16,820,738
Depreciation for the year	**729,554**	729,554
Balance at end	**18,279,846**	17,550,292
Net carrying amount	**15,857,582**	16,587,136

The following amounts are recognised in profit or loss:

Rental income from investment properties		
- Minimum lease payments	**4,442,944**	2,520,806
Direct operating expenses (including repairs and maintenance)		
- Rental generating properties	**1,099,575**	926,473

Except as disclosed in Note 18.1, the Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Valuation of investment properties is performed for bank covenant assessment, disclosure purpose and impairment assessments. The Group obtains external, independent valuations for its investment properties annually. These independent valuers have recognised and relevant professional qualification with relevant experience in the location and category of the properties being valued.

Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The Group reviews the appropriateness of the valuation methodologies and assumptions adopted. The Group also evaluates the appropriateness and reliability of the inputs used in the valuations.

The fair value of the investment properties as at 31 December 2023 is $71,961,000 (2022: $70,605,000) and the valuation methods applied are further discussed in Note 33(d).

5. Investment properties (cont'd)

Assets pledged as security

Certain investment properties are mortgaged to secure bank facilities (Note 18.1).

Details of the investment properties as at 31 December 2023 are as follows:

Description of properties	Tenure	Existing use	Strata area sq. m.
1 Claymore Drive #B1-01/40 Orchard Towers	Freehold	Retail space	735
150 Orchard Road #09-01/02 Orchard Plaza	99-year leasehold from 2.6.1977	Retail space	1,424
1 Jalan Anak Bukit #B1-59/59A Bukit Timah Plaza	99-year leasehold from 30.8.1976	Retail space	112
35 Selegie Road #B1-04 to #B1-12, #B1-14 to #B1-18, #B1-20 to #B1-38 Parklane Shopping Mall	99-year leasehold from 1.12.1974	Retail space	2,352

6. Other assets

	Group	
	2023	2022
	$	$
Other deposits	**162,802**	141,218

7. Subsidiaries

	Company	
	2023	2022
	$	$
(a) Subsidiaries		
Unquoted equity investments, at cost	**18,325,599**	18,325,599
Allowance for impairment losses	**(8,001,387)**	(9,001,387)
	10,324,212	9,324,212
Loans to a subsidiary	**5,617,759**	5,617,759
	15,941,971	14,941,971
Movement in allowance for impairment:		
At 1 January	**(9,001,387)**	(9,541,387)
Write back of allowance	**1,000,000**	540,000
At 31 December	**(8,001,387)**	(9,001,387)

7. Subsidiaries (cont'd)

(a) Subsidiaries (cont'd)

The loans to a subsidiary represent an extension of its investment in the subsidiary. This amount is unsecured and interest-free with repayment terms at the discretion of the subsidiary.

In the current year, the Company had written back an impairment loss of $1,000,000 (2022: $540,000) previously provided for on a subsidiary to reflect an increase in its recoverable amount, arising from its improved leisure business. The recoverable amount of the investment has been determined based on the subsidiary's net assets of $2,746,326 (2022: $1,610,391) as at end of reporting period which is classified under level 3 of the fair value hierarchy.

	Company	
	2023	2022
	$	$
(b) Due from/(to) a subsidiary		
Loans	**1,840,915**	2,140,915
Interest receivable	**8,107**	–
Total due from a subsidiary	**1,849,022**	2,140,915
Loans	**(3,613,434)**	(7,748,998)
Interest payable	**(174,421)**	(83,773)
Total due to a subsidiary	**(3,787,855)**	(7,832,771)

Loans due from a subsidiary bear weighted average effective interest of 4.87% (2022: 4.31%) per annum, are unsecured and recoverable on demand. The fair value is not significantly different from its carrying value.

Loans due to a subsidiary bear weighted average effective interest of 6.02% (2022: 5.27%) per annum, are unsecured and repayable on demand. The fair value is not significantly different from its carrying value.

7. Subsidiaries (cont'd)

(b) Due from/(to) a subsidiary (cont'd)

Balances denominated in foreign currency are as follows:

	Company	
	2023	2022
	$	$
United States Dollar	**(1,987,854)**	(1,905,160)

(c) Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Percentage of equity held		Principal activities
		2023	2022	
SuperBowl Jurong Pte Ltd	Singapore	100%	100%	Property investment
SuperBowl Development Pte Ltd	Singapore	100%	100%	Owners and operators of bowling centres and recreation centres
Super Funworld Pte Ltd	Singapore	100%	100%	Property investment

The subsidiaries are audited by Ernst & Young LLP, Singapore.

8. Joint venture

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
(a) Joint venture				
Unquoted equity shares, at cost	**5**	5	**5**	5
Share of post-acquisition results, net of tax	**19,718,105**	25,485,943	**–**	–
Total	**19,718,110**	25,485,948	**5**	5

8. Joint venture (cont'd)

(a) Joint venture (cont'd)

The details of the joint venture is as follows:

Name of joint venture	Country of incorporation/ principal place of business	Percentage of equity held		Principal activities
		2023	2022	
HH Properties Pte. Ltd. ("HHP")	Singapore	**50%**	50%	Property developer and owner

The joint venture is audited by Ernst & Young LLP, Singapore.

The Group has a 50% joint venture interest, at a cost of $5, in HH Properties Pte. Ltd.

The Group jointly controls the venture with other partner and the appointment of its directors and the allocation of voting rights for key business decisions require the unanimous approval of its joint venturers.

Summary of financial information of the Group's joint venture, not adjusted for the proportion of ownership interest held by the Group, are set out below.

(i) Summarised Statements of Financial Position

	HHP	
	2023	2022
	$	$
Current assets	**307,708,140**	298,443,312
Non-current assets	**184,612,596**	168,509,359
Current liabilities	**9,074,066**	227,832,636
Non-current liabilities	**443,810,439**	188,148,128

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	HHP	
	2023	2022
	$	$
Revenue	**37,392,642**	52,162,808
(Loss)/profit after tax	**(11,535,676)**	6,058,584
Total comprehensive(loss)/income for the year	**(11,535,676)**	6,058,584

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

8. Joint venture (cont'd)

(a) Joint venture (cont'd)

	HHP	
	2023	2022
	$	$
Group		
Net assets of the joint venture	**39,436,231**	50,971,907
Proportion of the Group's ownership interest in the joint venture	**19,718,115**	25,485,953
Other adjustments	**(5)**	(5)
Carrying amount of the Group's interest in the joint venture	**19,718,110**	25,485,948

During the year ended 31 December 2022, HHP had declared and paid a dividend on ordinary shares of $800,000 to its two shareholders, Hiap Hoe Limited (50%) and the Company (50%) proportionally.

(b) Due from/(to) joint venture

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Non-trade balance	**63,537**	41,423	**–**	–
Total due from joint venture	**63,537**	41,423	**–**	–
Loans	**(5,189,514)**	(4,408,192)	**(5,189,514)**	(4,408,192)
Interest payable	**(18,747)**	(10,208)	**(18,747)**	(10,208)
Non-trade balance	**(681,733)**	(2,032)	**(668,664)**	–
Total due to joint venture	**(5,889,994)**	(4,420,432)	**(5,876,925)**	(4,418,400)

Loans due to joint venture bear weighted average effective interest of 4.45% (2022: 4.4%) per annum, are unsecured and repayable on demand. The fair value is not significantly different from its carrying value.

Non-trade balances due from/(to) joint venture represent payments made on behalf by the joint venture, are unsecured, interest-free and repayable on demand.

8. Joint venture (cont'd)

(b) Due from/(to) joint venture (cont'd)

Balances denominated in foreign currency are as follows:

	Group and Company	
	2023	2022
	$	$
Australian Dollar	**(5,208,261)**	(4,418,400)

9. Club membership

	Group	
	2023	2022
	$	$
Cost of membership rights	**42,500**	42,500
Provision for impairment	**(18,500)**	(30,500)
	24,000	12,000

The transferable membership rights in a club are registered in the name of three directors and are held in trust for a subsidiary.

In the current year, the Group had written back an impairment loss of $12,000 (2022: $Nil) previously provided for on this membership rights to reflect an increase in its recoverable amount (Note 22).

10. Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Current				
Trade receivables	**371,867**	375,229	**–**	–
Allowance for impairment	**(2,884)**	(16,462)	**–**	–
	368,983	358,767	**–**	–
Other receivables:				
Interest receivables	**760,898**	589,526	**760,898**	589,526
Lease receivables	**243,151**	246,302	**–**	–
Sundry receivables	**3,890**	19,654	**–**	–
Interest-free staff loans	**19,470**	19,920	**–**	–
Due from related companies, non-trade	**904**	–	**–**	–
	1,028,313	875,402	**760,898**	589,526
	1,397,296	1,234,169	**760,898**	589,526

10. Trade and other receivables (cont'd)

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Non-current				
Lease receivables	**238,098**	545,852	**–**	–
Interest-free staff loans	**1,630**	14,150	**–**	–
	239,728	560,002	**–**	–
Trade and other receivables (current and non-current)	**1,637,024**	1,794,171	**760,898**	589,526
Add:				
Other assets	**162,802**	141,218	**–**	–
Due from a subsidiary	**–**	–	**1,849,022**	2,140,915
Due from fellow subsidiaries	**1,233,547**	1,174,232	**–**	–
Due from joint venture	**63,537**	41,423	**–**	–
Cash and short-term deposits	**20,015,838**	29,096,903	**18,756,825**	27,630,379
Less:				
Lease receivables	**(481,249)**	(792,154)	**–**	–
Total financial assets carried at amortised cost	**22,631,499**	31,455,793	**21,366,745**	30,360,820

Trade and other receivables denominated in foreign currencies at 31 December are as follows:

	Group and Company	
	2023	2022
	$	$
Australian Dollar	**276,847**	210,643
British Pound	**38**	12
Euro	**130**	22
Hong Kong Dollar	**9**	–
United States Dollar	**228,397**	165,852

Group and Company

Trade receivables are unsecured, normally due within 30 days and do not bear any effective interest rate.

Trade and other receivables are subject to credit risk exposure. The Group and the Company do not identify any significant concentration of credit risk as the receivables consist of balances from a large number of customers.

Certain interest receivables are pledged to secure bank facilities (Note 18.1).

Staff loans are unsecured and non-interest bearing. Non-current amounts have maturity ranging between 1 to 2 years (2022: 1 to 2 years). The loans are recognised initially at fair value. The carrying amount of non-current staff loans approximates their fair value.

11. Deferred taxation

	Balance Sheet				Income Statement	
	Group		Company			
	2023	2022	**2023**	2022	**2023**	2022
	$	$	**$**	$	**$**	$
Deferred tax assets:						
Unutilised tax losses	**–**	1,253,000	**–**	1,253,000	**(1,253,000)**	1,253,000
Leases	**279,978**	246,229	**–**	–	**33,749**	47,713
Difference in depreciation for tax purposes	**(28,800)**	(27,800)	**–**	–	**(1,000)**	(7,700)
	251,178	1,471,429	**–**	1,253,000	**(1,220,251)**	1,293,013
Deferred tax liabilities:						
Leases	**(164,976)**	(153,255)	**–**	–	**(11,721)**	(14,385)
Difference in depreciation for tax purposes	**613,742**	521,742	**–**	–	**92,000**	124,000
	448,766	368,487	**–**	–	**80,279**	109,615
Net deferred tax assets/ (liabilities)	**(197,588)**	1,102,942	**–**	1,253,000	**(1,300,530)**	1,183,398

The balances comprise tax on excess of net book value over tax written down value of qualifying property, plant and equipment.

12. Due from/(to) fellow subsidiaries/intermediate holding company

	Group	
	2023	2022
	$	$
Loans	**1,116,498**	1,136,990
Interest receivables	**86,323**	14,531
Non-trade balance	**30,726**	22,711
Total due from fellow subsidiaries	**1,233,547**	1,174,232

Balances denominated in foreign currency are as follows:

	Group	
	2023	2022
	$	$
United States Dollar	**1,202,821**	1,151,521

Loans due from a fellow subsidiary of the Group bear weighted average effective interest of 6.96% (2022: 5.62%) per annum, are unsecured and repayable on demand. The fair values are not significantly different from their carrying values.

Non-trade balance due from a fellow subsidiary of the Group represent payment made on behalf by the fellow subsidiary, is unsecured, interest-free and repayable on demand.

12. Due from/(to) fellow subsidiaries/intermediate holding company (cont'd)

	Group and Company	
	2023	2022
	$	$
Loans	**(267,197)**	(498,415)
Interest payables	**(16,484)**	(10,717)
Total due to a fellow subsidiary	**(283,681)**	(509,132)

Balances denominated in foreign currency are as follows:

	Group and Company	
	2023	2022
	$	$
United States Dollar	**(283,681)**	(509,132)

Loans due to a fellow subsidiary of the Group and the Company bear weighted average effective interest of 6.43% (2022: 5.22%) per annum, are unsecured and repayable on demand. The fair values are not significantly different from their carrying values.

Trade amounts due to intermediate holding company are unsecured, interest-free and repayable on demand.

13. Other investments

	Group and Company	
	2023	2022
	$	$
At fair value through profit or loss:		
- Quoted investments (ii)	**80,467,211**	71,219,996
- Unquoted investments (iii)	**57,491,151**	45,549,475
	137,958,362	116,769,471

(i) Other investments include debt instruments. The Group has reviewed its policy of classification and determined that these debt instruments will be sold from time to time to realise capital appreciation or for liquidity management. Accordingly, these debt instruments will continue to classify as FVPL in accordance with SFRS(I) 9 based on the Group's business model.

13. Other investments (cont'd)

(ii) Quoted investments

The fair value of quoted investments is determined by reference to the respective stock exchange quoted bid price.

(iii) Unquoted investments

As the unquoted investments are not publicly traded, the fair values are determined based on various valuation techniques which involve the use of assumptions and estimates determined by financial institutions managing these investments (Note 33).

(iv) Assets pledged as security
Certain trading investments are pledged to secure bank facilities (Note 18.1).

(v) Other investments denominated in foreign currencies as at 31 December are as follows:

	Group and Company	
	2023	2022
	$	$
Australian Dollar	**17,031,830**	5,108,041
British Pound	**2,808,934**	2,733,570
Canadian Dollar	**200,206**	207,495
Euro	**10,914,060**	11,065,914
Hong Kong Dollar	**5,754,035**	6,611,596
Japanese Yen	**312,466**	299,305
Malaysia Ringgit	**1,376,830**	1,404,319
Swiss Franc	**1,759,019**	1,342,506
United States Dollar	**56,949,830**	51,729,406

(vi) During the financial year, the Group recognised fair value gain of $4,460,094 (2022: loss of $9,093,224) on other investments carried at FVPL (Note 26).

14. Inventories, at cost

	Group	
	2023	2022
	$	$
Consumables	**5,033**	5,941
Cost of inventories included in consumables used	**18,518**	20,388

15. Derivatives

	Group and Company			
	Asset 2023 $	**Liabilities 2023 $**	**Asset 2022 $**	**Liabilities 2022 $**
Currency swaps	**158,232**	**–**	199,079	–
Options	**2,336**	**(60,686)**	–	(66,324)
	160,568	**(60,686)**	199,079	(66,324)
Add: Other investments	**137,958,362**	**–**	116,769,471	–
Total financial assets/(liabilities) at fair value through profit or loss	**138,118,930**	**(60,686)**	116,968,550	(66,324)

During the financial year, the Group recognised fair value gain of $33,634 (2022: $236,105) on derivative instruments (Note 26).

<u>Currency swaps</u>

Currency swaps are used to hedge foreign currency risk arising from the Group's and Company's trading investments denominated in foreign currencies.

<u>Options</u>

Options derivatives contracts are entered which gives the Group's and the Company's the right to buy or sell an underlying trading investment at a specified strike price on a specified date.

Derivatives of the Group's and the Company denominated in foreign currencies are as follows:

	Group and Company			
	Asset 2023 $	**Liabilities 2023 $**	**Asset 2022 $**	**Liabilities 2022 $**
Euro	**–**	**(60,686)**	10,458	(66,324)
United States Dollar	**160,568**	**–**	188,621	–

16. Cash and short-term deposits

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Cash and bank balances	**5,233,222**	6,475,475	**3,974,209**	5,008,951
Fixed deposits	**14,782,616**	22,621,428	**14,782,616**	22,621,428
	20,015,838	29,096,903	**18,756,825**	27,630,379
Cash and bank balances pledged	**(2,985,634)**	(4,797,853)	**(2,985,634)**	(4,797,853)
Fixed deposits pledged	**(13,099,736)**	(13,301,781)	**(13,099,736)**	(13,301,781)
Cash and cash equivalents	**3,930,468**	10,997,269	**2,671,455**	9,530,745

Group and Company

Certain cash and bank balances and fixed deposits are pledged to secure bank facilities (Note 18.1).

Cash and bank balances earn interest at floating rates based on daily bank deposit rates.

Fixed deposits pledged are made for varying periods of between one month to one year (2022: one month to one year) and earn interests at the respective fixed deposit rates. The weighted average effective interest rates as at 31 December 2023 ranged from 4.48% to 5.48% (2022: 2.33% to 3.60%) per annum.

Cash and fixed deposits of the Group denominated in foreign currencies are as follows:

	Group and Company	
	2023	2022
	$	$
Australian Dollar	**15,732,636**	23,470,714
British Pound	**244,309**	166,867
Canadian Dollar	**–**	37,918
Euro	**864,022**	742,880
Hong Kong Dollar	**203,674**	339,859
Japanese Yen	**33,721**	28,731
Malaysia Ringgit	**170,772**	179,376
Swiss Franc	**33,360**	117,677
United States Dollar	**1,092,363**	2,164,353

17. Share capital

	Group and Company			
	2023	2022	**2023**	2022
	Number of shares		**$**	$
Issued and fully paid ordinary shares, with no par value				
Balance at beginning and at end	**325,524,440**	325,524,440	**74,028,806**	74,028,806

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions at meeting of the Company. All shares rank equally with regards to the Company's residual assets.

18. Borrowings

	Effective interest rate [(1)] (% per annum)		Maturity	Group		Company	
	2023	2022		**2023**	2022	**2023**	2022
				$	$	**$**	$
Current liabilities							
Secured bank borrowings	**5.94**	4.86	2024	**28,066,523**	31,831,304	**23,137,050**	22,467,229
Interest payable	**–**	–	2024	**48,091**	48,870	**36,064**	25,377
Lease liabilities (Note 18.3)	**4.38**	4.35	2024	**3,627,334**	3,418,571	**–**	–
				31,741,948	35,298,745	**23,173,114**	22,492,606
Non-current liabilities							
Lease liabilities (Note 18.3)	**4.38**	4.35	2025 – 2035	**25,251,652**	28,627,271	**–**	–
				25,251,652	28,627,271	**–**	–
Total				**56,993,600**	63,926,016	**23,173,114**	22,492,606

(1) Based on weighted average effective interest rates.

18.1 The outstanding secured bank borrowings are secured by the following assets:

Group	**2023**	2022
	$	$
Property, plant and equipment (Note 4)	**17,580,292**	19,766,804
Investment properties (Note 5)	**15,857,582**	16,587,136
Trade and other receivables (Note 10)	**647,904**	545,635
Other investments (Note 13)	**101,196,716**	110,175,231
Cash and bank balances (Note 16)	**2,985,634**	4,797,853
Fixed deposits (Note 16)	**13,099,736**	13,301,781
	151,367,864	165,174,440

18. Borrowings (cont'd)

18.2 The bank borrowings are secured by the following:

(a) legal mortgages on the Group's property, plant and equipment and investment properties, (collectively, the "Properties");

(b) legal assignment of all rights and benefits under the tenancy agreements;

(c) assignment of all insurance policies for certain properties;

(d) deed of subordination to subordinate all loans and advances from the Company to the facilities;

(e) a charge over certain trading investments, cash and short-term deposits.

The bank facility agreements include covenants that require the maintenance of certain financial ratios. Non-compliance with certain material covenants may result in these loans being repayable immediately.

18.3 Lease liabilities

The Group enters into leases for lease of land, building and leased premises from non-related parties under non-cancellable lease agreements. There are no restrictions placed upon the Group by entering into these contracts.

The leases for certain leased premises contain extension periods for which the related lease payments had been included in lease liabilities as the Group is reasonably certain to exercise these extension options. The leases for certain leased premises also include termination options. The Group negotiates extension options to provide flexibility in managing the leased assets and align with the Group's business needs.

These non-cancellable lease payments included in the measurement of the lease liabilities comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

18. Borrowings (cont'd)

18.3 Lease liabilities (cont'd)

Included in the interest-bearing loans and borrowings of the Group are the followings:

	Group	
	2023	2022
	$	$
Lease liabilities payable:		
Due not later than one year	**4,782,582**	4,708,918
Due later than one year but not later than five years	**17,479,001**	18,114,367
Due later than five years	**11,820,570**	15,705,485
	34,082,153	38,528,770
Finance charges allocated to future periods	**(5,203,167)**	(6,482,928)
Present value of lease liabilities	**28,878,986**	32,045,842
Present value of lease liabilities:		
Due not later than one year	**3,627,334**	3,418,571
Due later than one year but not later than five years	**14,395,946**	14,431,362
Due later than five years	**10,855,706**	14,195,909
	25,251,652	28,627,271
	28,878,986	32,045,842

As at 31 December 2023 and 2022, the Group's short-term lease commitments are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

In the financial year ended 31 December 2023, lease payments recognised in the consolidated income statement was $25,996 (2022: $25,414). Contingent rents are payable subject to the related revenue exceeding a level stated in the respective agreements. Contingent lease payments recognised in the consolidated income statement during the year amounted to $25,996 (2022: $24,114).

Lease expenses not recognised in lease liabilities but recognised within "operating expenses" in profit or loss are set out below:

	Group	
	2023	2022
	$	$
Short-term leases	**–**	1,300
Variable lease expense due to payments not dependent on an index or rate	**25,996**	24,114
	25,996	25,414

18. Borrowings (cont'd)

18.4 Bank borrowings denominated in foreign currencies at 31 December are as follows:

	Group		**Company**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Euro	**651,813**	2,903,375	**651,813**	2,903,375
Hong Kong Dollar	**2,243,707**	2,181,535	**2,243,707**	2,181,535
United States Dollar	**12,860,167**	12,197,217	**9,720,132**	9,198,870

19. Trade and other payables

	Group		**Company**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Current				
Trade payables				
- external parties	**87,858**	95,519	**10**	9
GST payables	**212,788**	180,010	**–**	–
Revenue received in advance	**35,985**	43,384	**–**	–
Lease payables	**–**	7,456	**–**	–
Due to a director	**4,715**	7,531	**–**	–
Due to a related company, trade	**63,342**	–	**–**	–
Due to a related company, non-trade	**–**	2,068	**–**	–
Others	**57,753**	75,853	**25,978**	31,958
Trade and other payables	**462,441**	411,821	**25,988**	31,967
Add:				
Other liabilities	**2,756,693**	2,819,964	**56,004**	88,577
Borrowings	**56,993,600**	63,926,016	**23,173,114**	22,492,606
Due to intermediate holding company (trade)	**111,165**	–	**–**	–
Due to a subsidiary	**–**	–	**3,787,855**	7,832,771
Due to joint venture	**5,889,994**	4,420,432	**5,876,925**	4,418,400
Due to a fellow subsidiary	**283,681**	509,132	**283,681**	509,132
Less:				
GST payables	**(212,788)**	(180,010)	**–**	–
Revenue received in advance	**(35,985)**	(43,384)	**–**	–
Lease payables	–	(7,456)	**–**	–
Total financial liabilities carried at amortised cost	**66,248,801**	71,856,515	**33,203,567**	35,373,453

19. Trade and other payables (cont'd)

Trade payables, including trade balances with intermediate holding company and a related company, are unsecured, interest-free, normally on 30 days credit terms.

The non-trade amounts due to a related company representing payments made on behalf, are unsecured, interest-free and repayable on demand.

20. Other liabilities

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Current				
Accrued operating expenses	**746,233**	774,933	**56,004**	88,577
Deposits received	**443,443**	600,947	**–**	–
Employee leave entitlement	**35,720**	41,294	**–**	–
Sponsorship monies	**133,257**	109,197	**–**	–
Due to a director	**76,769**	74,908	**–**	–
	1,435,422	1,601,279	**56,004**	88,577
Non-Current				
Deposits received	**1,321,271**	1,218,685	**–**	–

Amount due to a director relates to remuneration.

Other liabilities denominated in foreign currencies at 31 December are as follows:

	Group and Company	
	2023	2022
	$	$
United States Dollar	**–**	8,210

21. Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time for the following:

	Group	
	2023	2022
	$	$
Income from leisure activities	**11,217,618**	10,131,172
Rental income from investment properties and property, plant and equipment	**8,733,919**	6,408,063
	19,951,537	16,539,235

Timing of transfer of goods or services from contracts with customers*

	Group	
	2023	2022
	$	$
At a point in time	**11,151,537**	10,059,915
Over time	**66,081**	71,257
	11,217,618	10,131,172

There are no performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

* Excludes rental income from lease of properties which is out of scope of SFRS(I) 15 *Revenue from Contracts with Customers.*

22. Other income

	Group	
	2023	2022
	$	$
Amortisation of deferred government grant income [1]	**–**	94,825
Government grants [1]	**56,473**	141,778
Gain on disposal of property, plant and equipment	**–**	27,023
Gain on disposal of other investments	**–**	35,458
Sundry income	**86,507**	13,053
Write back of impairment loss on club membership (Note 9)	**12,000**	–
	154,980	312,137

(1) Government grants relate mainly to various employment schemes.

23. Interest income

	Group	
	2023	2022
	$	$
Interest income		
- fixed deposits	**733,117**	256,411
- other investments	**2,102,181**	1,321,206
- fellow subsidiaries [Note 29(a)]	**73,450**	145,825
- others	**82,450**	60,951
	2,991,198	1,784,393

24. Employee benefit expenses

	Group	
	2023	2022
	$	$
Salaries, wages and other related costs	**3,735,482**	4,001,108
Central Provident Fund contribution	**349,592**	348,880
	4,085,074	4,349,988

Employee benefits include compensation of key management personnel as disclosed in Note 29(b).

25. Finance costs

	Group	
	2023	2022
	$	$
Finance costs		
- bank borrowings	**1,683,419**	767,601
- lease liabilities	**1,295,532**	1,369,881
- a fellow subsidiary [Note 29(a)]	**16,802**	14,938
- joint venture [Note 29(a)]	**190,848**	14,506
	3,186,601	2,166,926

26. Fair value changes in financial instruments

	Group	
	2023	2022
	$	$
Fair value changes in derivative instruments (Note 15)	**33,634**	236,105
Fair value changes in other investments at FVPL [Note 13(vi)]	**4,460,094**	(9,093,224)
	4,493,728	(8,857,119)

27. Other expenses

	Group	
	2023	2022
	$	$
Lease expenses (Note 18.3)	**25,996**	25,414
Loss on disposal of other investments	**181,863**	–
Management fees to intermediate holding company [Note 29(a)]	**1,471,322**	360,579
Marketing and distribution expenses	**182,975**	147,425
Other investment expense	**292,244**	348,130
Professional fees	**119,050**	121,410
Property, plant & equipment written off	**–**	52
Property related taxes	**859,056**	744,706
Transport	**77,885**	84,174
Tournament expense	**239,636**	215,664
Upkeep and maintenance of properties:		
- a fellow subsidiary [Note 29(a)]	**215,424**	197,929
- external parties	**2,138,856**	2,228,078
Others	**276,536**	283,446
	6,080,843	4,757,007

28. Income tax expense/(credit)

	Group	
	2023	2022
	$	$
Current income tax		
Current income taxation	**2,174,202**	437,481
Over provision in respect of prior years	**(1,228,865)**	(59,626)
	945,337	377,855
Deferred income tax		
Provision of temporary differences	**1,275,827**	(1,183,398)
Over provision of deferred tax assets in respect of prior years	**24,703**	–
	1,300,530	(1,183,398)
Income tax expense/(credit) recognised in profit or loss	**2,245,867**	(805,543)

28. Income tax expense/(credit) (cont'd)

A reconciliation between tax expense/(credit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 is as follows:

	Group	
	2023	2022
	$	$
Profit/(loss) before tax	**6,414,656**	(2,447,757)
Share of results in joint ventures, net of tax	**5,767,838**	(3,029,292)
	12,182,494	(5,477,049)
Tax at statutory rate of 17% (2022: 17%)	**2,071,024**	(931,098)
Tax effect on non-deductible expenses [1]	**1,681,670**	443,154
Tax effect on non-taxable income [2]	**(232,965)**	(223,123)
Over provision of current taxation in respect of prior years	**(1,228,865)**	(59,626)
Over provision of deferred tax assets in respect of prior years	**24,703**	–
Singapore statutory stepped income exemption	**(69,700)**	(34,850)
	2,245,867	(805,543)

(1) Non-deductible expenses relate mainly to depreciation of non-qualifying assets and other disallowed expenses incurred in the ordinary course of business.

(2) This relates to non-taxable income occurred in the ordinary course of business. During the year, the non-taxable income relates mainly to exempt dividend received and government grants recognised.

29. Related party transactions

(a) Sale and purchase of goods and services

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

	Group	
	2023	2022
	$	$
Income		
Interest income received from fellow subsidiaries	**73,450**	145,825
Secondment of staff to a fellow subsidiary	**103,806**	50,833
Secondment of staff to joint venture	**210,147**	102,329
Expenses		
Management fees to intermediate holding company	**1,471,322**	360,579
Secondment of staff to a related company	**–**	44,557
Upkeep and maintenance expenses charged by a fellow subsidiary	**215,424**	197,929
Interest expense paid to a fellow subsidiary	**16,802**	14,938
Interest expense paid to joint venture	**190,848**	14,506

(b) Compensation of key management personnel

	Group	
	2023	2022
	$	$
Short-term employee benefits	**551,110**	1,064,204
Central Provident Fund contributions	**41,437**	42,013
	592,547	1,106,217

Comprise amounts paid to:

Directors of the Company	**358,246**	884,446
Other key management personnel	**234,301**	221,771
	592,547	1,106,217

30. Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties and leasehold properties included in property, plant and equipment. These non-cancellable leases have remaining non-cancellable lease term of up to 4 years (2022: 4 years). All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The undiscounted lease payments from the operating leases to be received after 31 December 2023 and 2022 are disclosed below:

	Group	
	2023	2022
	$	$
Undiscounted lease payments to be received:		
Year 1	**8,017,666**	7,033,097
Year 2	**6,603,384**	4,706,295
Year 3	**2,091,319**	3,264,352
Year 4	**281,971**	3,512
	16,994,340	15,007,256

These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The unguaranteed residual values do not represent a significant risk for the Group as they relate to properties which are located in locations with mainly constant increase in value. The Group has not identified any indications that this situation will change.

31. Other commitments

(a) Capital and investment commitments

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

	Group		**Company**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Property, plant and equipment	**–**	287,765	**–**	–
Unquoted investments	**11,044,526**	11,555,832	**11,044,526**	11,555,832

32. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, currency risk, credit risk, liquidity risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Executive Director and Chief Financial Officer. The Audit and Risk Committee of the subsidiary provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in the market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing financial assets and financial liabilities. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually repriced at intervals of less than 6 months (2022: less than 6 months) from the end of the reporting period.

The Group's exposure to the risks of changes in market interest rates relates primarily to loans from/(to) fellow subsidiaries and bank borrowings. The management reviews the interest rate strategies to minimise interest rate risk by taking into account the cash flow forecasts, term of debt obligation and market outlook.

The Group and the Company do not use any floating-to-fixed interest rate swaps or other derivatives to manage these cash flow interest rate risks at the end of the reporting period.

<u>Sensitivity analysis for interest rate risk</u>

At 31 December 2023, if SGD interest rates had been 100 (2022: 100) basis points higher with all other variables held constant, the Group's profit (2022: loss) net of tax would have been $268,976 lower (2022: $295,488 higher), arising as a result of higher interest income on loans to fellow subsidiary which is fully offsetted by higher interest expense on secured bank borrowings and loans to fellow subsidiary and joint venture. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

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

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group has some assets and liabilities denominated in foreign currencies and have exposure to foreign exchange risk mainly in Australian Dollar, British Pound, Canadian Dollar, Euro, Hong Kong Dollar, Malaysia Ringgit, United States Dollar, Japanese Yen and Swiss Franc. The following table demonstrates the sensitivity of the Group's profit (2022: loss) net of tax if the exchange rates had been 5% (2022: 5%) lower with all other variables held constant.

The Group and the Company do not use foreign currency forward exchange contracts for trading or hedging purposes. The Group and the Company's currencies exposure are disclosed in the respective notes to the financial statements.

	Group	
	2023	2022
	$	$
Australian Dollar	**448,251**	(799,413)
British Pound	**10,140**	(6,925)
Canadian Dollar	**–**	(1,574)
Euro	**6,294**	89,226
Hong Kong Dollar	**(84,661)**	76,430
Japanese Yen	**1,399**	(1,192)
Malaysia Ringgit	**7,087**	(7,461)
Swiss Franc	**1,384**	(4,884)
United States Dollar	**(434,078)**	377,190

A 5% decrease in exchange rates with all other variables held constant will have a reverse impact of the same quantum as shown above.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, amounts due from joint venture, amounts due from fellow subsidiaries and subsidiaries. For the other financial assets such as other investments, cash and short-term deposits, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The Group does not expect to incur material credit losses on its financial instruments.

The Group and the Company develops and maintains its credit risk gradings to categorise exposures to its financial instruments according to their degree of risk of default. The Group uses its past collection history, existing market conditions as well as forward looking estimates to rate its receivables.

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

Credit risk (cont'd)

The Group's credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The Group and the Company determines that its financial assets (including amounts due from joint venture, fellow subsidiaries and subsidiaries) are credit-impaired when:

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

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the Group and the Company. Where loans and receivables have been written off, the Group and the Company continue to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management assessed the recoverability of the amounts due from fellow subsidiaries and subsidiaries ("related parties") to determine if there is any credit default and expected credit loss. In determining the expected credit loss, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which they operate, in estimating the probability of default of the loans due from related parties as well as the loss upon default.

Based on available information, management has assessed that amounts due from related parties have low credit risk. Accordingly, for the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12 months expected credit losses.

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

Credit risk (cont'd)

There has been no material change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from related parties.

For trade receivables, the Group applies the simplified approach in calculating lifetime expected credit losses. The Group determines the expected credit losses on trade receivables by reference to its historical credit loss experience based on past due status of the debtors, adjusted for forward-looking factors specific to the debtors and the economic environment. For certain trade receivables, the Group have sufficient deposit to cover those debts that are overdue. The probability of default is nil for cases where deposits collected are greater than amounts outstanding.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

The Group is not exposed to any significant concentration of credit risk.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

- At the reporting date, the Company has no exposure under the intra-group financial guarantee as there are no outstanding amounts due to the bank by the said subsidiary.

(i) Financial assets that are neither past due nor impaired

Trade and other receivables, due from related parties and other assets that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits and other investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

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

Credit risk (cont'd)

(ii) Financial assets that are past due but not impaired

The aging analysis of trade receivables past due but not impaired is as follows:

	Group	
	2023	2022
	$	$
Trade receivables past due:		
One month or less	**57,113**	54,020
More than one but less than two months	**25,347**	71,980
More than two but less than three months	**782**	10,562
More than three months	**32,780**	75,950
	116,022	212,512

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables past due. These receivables are mainly arising by customers that have a good credit record with the Group.

(iii) Financial assets that are past due and impaired

The Group provides for lifetime expected credit losses for trade receivables from customers by reference to past default experience of the debtors and an analysis of days past due, adjusted for forward-looking factors specific to the debtors and the economic environment.

Expected credit losses assessment

The following table provides information about the exposure to credit risk and expected credit losses for current trade receivables as at 31 December:

	Group	
	2023	2022
	$	$
Movement in allowance accounts:		
At 1 January	**16,462**	70,196
Amount written off	**(20,052)**	(2,434)
Charge for the year	**23,048**	22,204
Write back of allowances	**(16,574)**	(73,504)
At 31 December	**2,884**	16,462

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

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

Group	**Less than 1 year $**	**1 to 5 years $**	**More than 5 years $**	**Total $**
At 31 December 2023				
Trade and other payables (1)	**213,668**	**–**	**–**	**213,668**
Other liabilities	**1,435,422**	**1,321,271**	**–**	**2,756,693**
Derivatives-liabilities	**60,686**	**–**	**–**	**60,686**
Borrowings (excluding lease liabilities)	**29,681,988**	**–**	**–**	**29,681,988**
Lease liabilities	**4,782,582**	**17,479,001**	**11,820,570**	**34,082,153**
Due to intermediate holding company	**111,165**	**–**	**–**	**111,165**
Due to joint venture	**6,116,258**	**–**	**–**	**6,116,258**
Due to a fellow subsidiary	**300,381**	**–**	**–**	**300,381**
Total undiscounted financial liabilities	**42,702,150**	**18,800,272**	**11,820,570**	**73,322,992**
At 31 December 2022				
Trade and other payables (2)	180,971	–	–	180,971
Other liabilities	1,601,279	1,218,685	–	2,819,964
Derivatives-liabilities	66,324	–	–	66,324
Borrowings (excluding lease liabilities)	33,337,532	–	–	33,337,532
Lease liabilities	4,708,918	18,114,367	15,705,485	38,528,770
Due to joint venture	4,610,989	–	–	4,610,989
Due to a fellow subsidiary	534,551	–	–	534,551
Total undiscounted financial liabilities	45,040,564	19,333,052	15,705,485	80,079,101

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

Liquidity risk (cont'd)

Company	**Less than 1 year** $	**1 to 5 years** $	**Total** $
At 31 December 2023			
Trade and other payables	**25,988**	**–**	**25,988**
Other liabilities	**56,004**	**–**	**56,004**
Derivatives-liabilities	**60,686**	**–**	**60,686**
Borrowings	**24,440,129**	**–**	**24,440,129**
Due to a subsidiary	**3,999,381**	**–**	**3,999,381**
Due to joint venture	**6,103,189**	**–**	**6,103,189**
Due to a fellow subsidiary	**300,381**	**–**	**300,381**
Total undiscounted financial liabilities	**34,985,758**	**–**	**34,985,758**
At 31 December 2022			
Trade and other payables	31,967	–	31,967
Other liabilities	88,577	–	88,577
Derivatives-liabilities	66,324	–	66,324
Borrowings	23,453,816	–	23,453,816
Due to a subsidiary	8,231,871	–	8,231,871
Due to joint venture	4,608,957	–	4,608,957
Due to a fellow subsidiary	534,551	–	534,551
Total undiscounted financial liabilities	37,016,063	–	37,016,063

(1) Excludes GST payable and revenue received in advance.

(2) Excludes GST payable, revenue received in advance and lease payables.

The Group and Company maintain sufficient level of cash and cash equivalents and has available adequate amount of committed credit facilities from financial institutions.

The Group and Company have no exposure to financial guarantees contracts as at end of current and prior financial year end.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to price risk arising from its other investments classified as held for trading financial assets. The Group does not have exposure to commodity price risk.

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

Market price risk (cont'd)

Sensitivity analysis for price risk

At the end of the reporting period, if the price of the shares held had been 1% (2022: 1%) higher/lower with all other variables held constant, the Group's profit (2022: loss) net of tax would have been $1,145,883 higher/lower (2022: $970,288 lower/higher) arising as a result of higher/lower fair value gains on other investments, and the Group's equity would have been $1,145,883 (2022: $970,288) higher/lower, arising as a result of an increase/decrease in the fair value of other investments.

33. Fair value measurement

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

(b) Assets and liabilities measured at fair value

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

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

33. Fair value measurement (cont'd)

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

	Fair value measurements at the end of the reporting period using			
Group and Company 31 December 2023	**Quoted prices in active markets for identical instruments Level 1 $**	**Significant observable inputs other than quoted prices Level 2 $**	**Significant unobservable inputs Level 3 $**	**Total $**
Financial assets at fair value through profit or loss (Note 13)				
- Quoted investments	80,467,211	–	–	80,467,211
- Unquoted investments	–	–	57,491,151	57,491,151
Total held for trading financial assets	80,467,211	–	57,491,151	137,958,362
Derivatives (Note 15)				
Currency swaps	–	–	158,232	158,232
Options	–	–	2,336	2,336
Total derivatives	–	–	160,568	160,568
Financial assets as at 31 December 2023	80,467,211	–	57,651,719	138,118,930
Financial liabilities				
Derivatives (Note 15)				
Options	–	–	(60,686)	(60,686)
Total derivatives	–	–	(60,686)	(60,686)
Financial liabilities as at 31 December 2023	–	–	(60,686)	(60,686)

33. Fair value measurement (cont'd)

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

	Fair value measurements at the end of the reporting period using			
Group and Company 31 December 2022	**Quoted prices in active markets for identical instruments Level 1 $**	**Significant observable inputs other than quoted prices Level 2 $**	**Significant unobservable inputs Level 3 $**	**Total $**
Financial assets at fair value through profit or loss (Note 13)				
- Quoted investments	71,219,996	–	–	71,219,996
- Unquoted investments	–	–	45,549,475	45,549,475
Total held for trading financial assets	71,219,996	–	45,549,475	116,769,471
Derivatives (Note 15)				
Currency swaps	–	–	199,079	199,079
Total derivatives	–	–	199,079	199,079
Financial assets as at 31 December 2022	71,219,996	–	45,748,554	116,968,550
Financial liabilities				
Derivatives (Note 15)				
Options	–	–	(66,324)	(66,324)
Total derivatives	–	–	(66,324)	(66,324)
Financial liabilities as at 31 December 2022	–	–	(66,324)	(66,324)

33. Fair value measurement (cont'd)

(c) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

Financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) include unquoted investments and derivatives such as options and currency swaps.

To measure the fair values of the unquoted investments and derivatives, the Group relies on the valuations as provided by the respective financial institutions managing the other investments. These financial institutions in turn use their own valuation techniques, such as revalued net asset values. Therefore, the unquoted investments and derivatives are reported in Level 3 of the fair value hierarchy, as the fair values are determined based on models with unobservable market inputs to derive the closing price.

For unquoted investments and derivative assets/(liabilities), a significant increase/decrease in the discount rate would result in a significantly lower/higher fair value measurement.

Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable input (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)		
Group and Company	**Unquoted investments $**	**Derivatives assets/ (liabilities) $**	**Total $**
31 December 2023			
Opening balance	**45,549,475**	**132,755**	**45,682,230**
Loss on disposal of unquoted investments	**(83,072)**	**–**	**(83,072)**
Fair value changes included in profit and loss	**1,672,529**	**33,634**	**1,706,163**
Return on capital	**–**	**–**	**–**
Purchase of unquoted investments	**12,333,044**	**–**	**12,333,044**
Proceeds from disposal of unquoted investments	**(1,980,825)**	**–**	**(1,980,825)**
Settlement on derivatives	**–**	**(66,507)**	**(66,507)**
Closing balance	**57,491,151**	**99,882**	**57,591,033**

33. Fair value measurement (cont'd)

(c) Level 3 fair value measurements (cont'd)

Movements in Level 3 assets and liabilities measured at fair value (cont'd)

	Fair value measurements using significant unobservable inputs (Level 3)		
Group and Company	**Unquoted investments**	**Derivatives assets/ (liabilities)**	**Total**
31 December 2022	**$**	**$**	**$**
Opening balance	48,135,101	(227,757)	47,907,344
Loss on disposal of unquoted investments	(115,948)	–	(115,948)
Fair value changes included in profit and loss	(2,298,324)	236,105	(2,062,219)
Return on capital	(470,293)	–	(470,293)
Purchase of unquoted investments	8,248,811	–	8,248,811
Proceeds from disposal of unquoted investments	(7,949,872)	–	(7,949,872)
Settlement on derivatives	–	124,407	124,407
Closing balance	45,549,475	132,755	45,682,230

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets not measured at fair value but for which fair value is disclosed:

	Fair value measurements at the end of the reporting period using			
Group	**Quoted prices in active markets for identical instruments Level 1**	**Significant observable inputs other than quoted prices Level 2**	**Significant unobservable inputs Level 3**	**Total**
31 December 2023	**$**	**$**	**$**	**$**
Assets				
Investment properties	**–**	**–**	**71,961,000**	**71,961,000**
31 December 2022				
Assets				
Investment properties	–	–	70,605,000	70,605,000

33. Fair value measurement (cont'd)

(d) Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)

Determination of fair value

The fair values of the investment properties as disclosed in the table above were based on the direct comparison method. The direct comparison method considers the sale of similar properties that have been transacted in the open market.

The valuations of the investment properties are based on the highest and best use. Current use, unless there is evidence to the contrary, is considered highest and best use.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and bank balances, trade and other receivables, due from/to fellow subsidiaries, due from/to subsidiaries, due from/to joint venture, due to intermediate holding company, trade and other payables and interest-bearing loans and borrowings are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rate on or near the end of the reporting period.

34. Capital management

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 or issue new shares. The Group also considers the future capital requirements, prevailing and projected operating cash flows, projected capital expenditure and projected strategic investment opportunities.

Management monitors capital based on debt to equity ratio as it is a better indicator of the Group's performance.

	Group	
	2023	2022
	$	$
Borrowings (Note 18)	**56,993,600**	63,926,016
Shareholders' equity	**160,615,921**	156,447,132
Debt to equity ratio	**35%**	41%

35. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' statement.