Revised Financial Statements

Emerging Towns & Cities Singapore Ltd.
and its subsidiaries

For the financial year ended 31 December 2019

Company information

Company Registration Number	198003839Z
Registered Office	80 Robinson Road #17-02 Singapore 068898
Directors	Ang Mong Seng (Non-Executive and Independent Group Chairman) Tan Thiam Hee (Executive Director and Group Chief Executive Officer) Zhu Xiaolin (Executive Director and Group President) Teo Cheng Kwee (Non-Executive Director) Lim Jun Xiong Steven (Independent Director) (Resigned on 5 April 2021)
Audit Committee	Lim Jun Xiong Steven (Chairman) (Resigned on 5 April 2021) Ang Mong Seng Teo Cheng Kwee
Nominating & Corporate Governance Committee	Ang Mong Seng (Chairman) Zhu Xiaolin Lim Jun Xiong Steven (Resigned on 5 April 2021)
Remuneration Committee	Lim Jun Xiong Steven (Chairman) (Resigned on 5 April 2021) Ang Mong Seng Teo Cheng Kwee
Company Secretaries	Ong Beng Hong Tan Swee Gek
Registrar and Share Transfer Office	B.A.C.S. Private Limited 77 Robinson Road, #06-03, Robinson Road 77 Singapore 068896
Catalist Sponsor	RHT Capital Pte. Ltd. 6 Raffles Quay #24-02 Singapore 048580
Independent Auditors	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621 Partner-in-charge: Chin Sin Beng (w.e.f. financial year ended 31 December 2019)

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Directors' statement
for the financial year ended 31 December 2019

We submit this statement to the members, together with the audited revised consolidated financial statements of Emerging Towns & Cities Singapore Ltd. (the "Company") and its subsidiaries (the "Group") and statement of financial position of the Company for the financial year ended 31 December 2019.

This new directors' statement replaces the original directors' statement signed on 31 March 2020. This new directors' statement and the revised financial statements have been prepared in accordance with Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018 (the "Regulations").

The bases for revisions are explained in Note 33 to the revised financial statements. This new directors' statement is taken as having been prepared on the date of the original directors' statement and accordingly, does not consider those events occurring between 31 March 2020 and 4 March 2022.

In our opinion,

(a) the accompanying revised financial statements of the Group and 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 2019 and the financial performance, changes in equity and 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) as at the date of the original directors' statement (31 March 2020), as disclosed in Note 2(a) to the financial statements, there were 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 revised financial statements for issue.

Names of directors

The directors of the Company in office at the date of this statement and at the date of the original directors' statement are:

Directors in office at 31 March 2020	Changes during the period from 31 March 2020 to 4 March 2022 Resignation	Directors in office at 4 March 2022
Ang Mong Seng (Appointed on 25 May 2018)	-	Ang Mong Seng
Tan Thiam Hee (Appointed on 24 June 2015)	-	Tan Thiam Hee
Zhu Xiaolin (Appointed on 30 March 2017)	-	Zhu Xiaolin
Lim Jun Xiong Steven (Appointed on 25 May 2018)	Lim Jun Xiong Steven (Resigned on 5 April 2021)	-
Teo Cheng Kwee (Appointed on 21 July 2015)	-	Teo Cheng Kwee

Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967, none of the directors who held office at the end of the financial year was interested in shares, debentures, warrants or options of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.1.2019	**As at 31.12.2019 and 21.1.2020 #**	As at 1.1.2019	**As at 31.12.2019 and 21.1.2020 #**
The Company - Emerging Towns & Cities Singapore Ltd.	Number of ordinary shares			
Ordinary shares				
Tan Thiam Hee	360,000	**360,000**	-	-
Zhu Xiaolin	151,120,969	**151,120,969**	49,269,895	**49,269,895**
Teo Cheng Kwee	59,281,760	**59,281,760**	-	-
Share options				
Tan Thiam Hee	5,000,000	**5,000,000**	-	-
Teo Cheng Kwee	2,000,000	**2,000,000**	-	-

\# There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2020.

Equity compensation benefits

The Company has the following employee share option scheme and performance share plan for granting share options and share awards to employees and directors of the Company and its subsidiaries:

(a) the Emerging Towns & Cities Singapore Ltd. Employee Share Option Scheme 2016 (the "2016 Scheme") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016; and

(b) the Emerging Towns & Cities Singapore Ltd. Performance Share Plan 2016 (the "Plan") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016.

The 2016 Scheme and the Plan are administered by the Company's Remuneration Committee which at the date of the original directors' statement (31 March 2020) comprised the following members:

Lim Jun Xiong Steven (Chairman) (Resigned on 5 April 2021)
Ang Mong Seng
Teo Cheng Kwee

At the date of this statement, the 2016 Scheme and the Plan are administered by the Company's Remuneration Committee currently comprising Ang Mong Seng and Teo Cheng Kwee.

Under the 2016 Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and performance of the Group. Under the Plan, the Company may grant share awards to employees and directors of the Company and its subsidiaries to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. The 2016 Scheme and the Plan align the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

Equity compensation benefits (cont'd)

The total number of new shares over which options or awards may be granted pursuant to the 2016 Scheme and the Plan respectively, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

Under the 2016 Scheme, options granted with exercise prices equal to the market price may be exercised after the first anniversary of the date of grant and will expire after ten years from the date of grant. Options with exercise prices which represent a discount to the market price may be exercised after the second anniversary of the date of grant and will expire after ten years from the date of grant.

Under the 2016 Scheme, a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the exercise price in respect of the shares comprised in any option(s) to the extent unexercised; (b) the class and/or number of shares comprised in any option(s) to the extent unexercised and the rights attached thereto; and/or (c) the class and/or number of shares in respect of which additional options may be granted to participants of the 2016 Scheme may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the date of the exercise of an option provided that the record date relating to such variation precedes such date of exercise.

Under the Plan, if a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the class and/or number of shares which are the subject of an award to the extent not yet vested; and/or (b) the class and/or number of shares over which future awards may be granted under the Plan may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the vesting date of an award provided that the record date relating to such variation precedes such date of vesting.

There were no options granted under the 2016 Scheme during the financial year under review. The Employee Share Option Scheme (the "2009 Scheme") approved in 2009 was terminated by the shareholders at an Extraordinary General Meeting of the Company held on 21 November 2016. Options already granted under the 2009 Scheme remain valid and exercisable until the end of the relevant exercise period.

Details of outstanding options granted under the 2009 Scheme as at the end of the financial year are as follows:

Date of grant	Balance as at 1.1.2019	Options cancelled or lapsed	Options exercised	Balance as at 31.12.2019	Exercise price per share option	Exercisable period
17.5.2016	15,000,000	-	-	15,000,000	$0.075	17.5.2018 to 16.5.2026

Equity compensation benefits (cont'd)

There were no options granted to the directors, controlling shareholders of the Company or their associates (as defined in the Listing Manual - Section B: Rules of Catalist ("Catalist Rules") of Singapore Exchange Securities Trading Limited) as at the end of the financial year under the Schemes, except as follows:

Name of participant	Options granted during financial year under review (including terms)	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
<u>2009 Scheme</u>				
Tan Thiam Hee	-	5,000,000	-	5,000,000
Teo Cheng Kwee	-	2,000,000	-	2,000,000

There were no material conditions to which the options granted under the 2009 Scheme were subject.

Save for Mr Tan Thiam Hee, no director or employee the Company or any of its subsidiaries has received 5% or more of the total number of options available under the Schemes. No options have been granted to the directors and employees of the Company's subsidiaries since the commencement of the Schemes to the end of the financial year under review.

There were no unissued shares of subsidiaries under option as at the end of the financial year. No shares have been issued during the financial year by virtue of the exercise of the options to take up unissued shares of the Company.

There were no awards granted to the directors, controlling shareholders of the Company or their associates (as defined in the Catalist Rules) as at the end of the financial year under the Plan, except as follows:

Name of participant	Total number of shares comprised in awards granted during the financial year under review (including terms)	Aggregate number of shares comprised in awards granted since the commencement of the Plan to the end of the financial year under review	Aggregate number of shares comprised in awards released since the commencement of the Plan to the end of the financial year under review	Aggregate number of shares comprised in awards which have not been released as at the end of the financial year under review
Tan Thiam Hee	-	360,000	360,000	-

No director or employee of the Company or any of its subsidiaries has received 5% or more of the total number of shares available under the Plan.

There were 8,765,000 new ordinary shares granted to the eligible group employees for the financial year under review, and the aggregate number of shares comprised in awards granted to the directors and employees of the Company's subsidiaries since the commencement of the Plan to the end of the financial year under review is 11,026,000.

Audit Committee
The Audit Committee at the date of the original directors' statement (31 March 2020) comprised the following members:

Lim Jun Xiong Steven (Chairman) (Resigned on 5 April 2021)
Ang Mong Seng
Teo Cheng Kwee

The Audit Committee at the date of this statement comprises the following members:

Ang Mong Seng
Teo Cheng Kwee

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act 1967, the Catalist Rules and the Code of Corporate Governance. The functions performed are detailed in the Report on Corporate Governance set out in the Annual Report of the Company for the financial year ended 31 December 2019.

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

At the date of the original directors' statement (31 March 2020), the Audit Committee was satisfied with the independence and objectivity of the external auditors and recommended to the Board of Directors that the auditors, Foo Kon Tan LLP, be nominated for re-appointment as auditors at the Annual General Meeting of the Company held on 12 June 2020.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, had expressed its willingness to accept re-appointment for the financial year ended 31 December 2020.

On behalf of the Directors

....
ANG MONG SENG

....
TAN THIAM HEE

Dated: 4 MAR 2022

Independent auditor's report to the members of Emerging Towns & Cities Singapore Ltd.

Report on the Audit of the Revised Financial Statements

Opinion

We have audited the revised financial statements of Emerging Towns & Cities Singapore Ltd. (the "Company") and its subsidiaries (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 2019, and the consolidated statement of profit or loss and other 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 revised financial statements, including a summary of significant accounting policies. The revised financial statements replace the original financial statements approved by the directors on 31 March 2020.

In our opinion, the accompanying revised 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") as they have effect under the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-sheet) Regulations 2018 (the "Regulations") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view, seen as at the date of the original financial statements, of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Revised 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 revised 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 Matter - Revisions Made Under the Regulations

We draw attention to Note 2(a) and Note 33 to these revised financial statements which describe the reasons and the impacts arising from the revisions to the original financial statements. The original financial statements were approved by the directors on 31 March 2020 and we dated our original auditor's report on the original financial statements on that date.

The revised financial statements have been prepared in accordance with the Regulations and accordingly do not deal with events which have taken place after the date on which the original financial statements were approved. Consequently, our procedures on subsequent events are restricted solely to the revisions described in Note 33 to these revised financial statements and we have not performed procedures in relation to events occurring between the date of our original auditor's report and the date of this report.

Independent auditor's report to the members of Emerging Towns & Cities Singapore Ltd. (cont'd)

Key Audit Matters

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

Classification and valuation of investment properties (refer to Note 2(a), Note 6 and Note 33 to the revised financial statements)

Risk:
The investment properties are stated at their fair values based on independent external valuations.

Judgement is needed to determine whether a property qualifies as investment property, and what provides evidence of a change in use for transfer of a property to, or from, investment property. The valuation process involves significant judgement and estimation in determining the appropriate valuation methodology to be used, and in evaluating the underlying assumptions to be applied. The key assumptions used included price per square metre of market comparables, capitalisation rate, expected rental growth, and vacancy period.

Our response:
We assessed the criteria used by the Group in determining the classification of investment properties. We also assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

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

We also evaluated the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the appropriateness of the valuation techniques used by the external valuers for the respective investment properties, taking into account the profile and type of these properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to internal historical data, and available benchmarks, and considered whether these assumptions were consistent with the current market environment.

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

Independent auditor's report to the members of Emerging Towns & Cities Singapore Ltd. (cont'd)

Key Audit Matters (Cont'd)

Net realisable value of development properties (refer to Note 7 to the revised financial statements)

Risk:
Development properties, comprising completed properties for sale and land held for development, represent the largest category of assets on the consolidated statement of financial position.

Management's assessment of the recoverable amounts of the properties, i.e. the lower of cost and net realisable value, is a judgemental process which requires the estimation of net realisable value, taking into account the future selling prices (net of all estimated selling expenses) and the anticipated costs to completion. The shortfall in the net realisable values over the costs of the properties is accounted for as a write-down on development properties recognised in the Group's profit or loss.

The determination of the estimated net realisable values of these development properties is dependent upon the Group's expectations of future selling prices which are affected by macro and micro influences, amongst other things, demand and supply, interest rates, government policies and economic conditions.

There is an inherent risk that the estimate of net realisable values may exceed future selling prices, resulting in a loss when these properties are sold.

Our response:
We reviewed reasonableness of the inputs used by management in assessing the estimated selling prices of the completed properties held for sale. The inputs used included recently transacted selling prices of these properties and comparable properties, and management's expectations based on the market and group-specific factors.

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

Going concern (refer to Note 2(a) to the revised financial statements)

Risk:
As at 31 December 2019, the Group's borrowings amounted to $43,392,000, of which $31,567,000 were classified as current liabilities due for repayment within the next 12 months, and as at that date, the Group had cash and bank balances of $3,222,000. Based on the Group's financial budget and cash flow forecast for the financial year ending 31 December 2020 drawn up by management and approved by the Board of Directors, the Board of Directors has concluded that there is no material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Our response:
Our audit procedures focused on evaluating the significant judgements used by management in its going concern assessment. We reviewed the committed term sheet obtained by the Group from a lender subsequent to end of the reporting period. We also obtained the Group's financial budget and cash flow forecast for the financial year ending 31 December 2020 and challenged the key assumptions made by management. In addition, we reviewed the disclosures in the financial statements.

Independent auditor's report to the members of Emerging Towns & Cities Singapore Ltd. (cont'd)

Other Information

Management is responsible for the other information. The other information comprises the new directors' statement, but does not include the revised financial statements and our auditor's report thereon.

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

Responsibilities of Management and Directors for the Revised Financial Statements

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

In preparing the revised financial statements, management is responsible for assessing the Group's ability to continue as a going concern, as made up to the date of the original financial statements, 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 Revised Financial Statements

Our objectives are to obtain reasonable assurance about whether the revised 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 revised financial statements.

Independent auditor's report to the members of Emerging Towns & Cities Singapore Ltd. (Cont'd)

Auditor's Responsibilities for the Audit of the Revised Financial Statements (Cont'd)

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the revised 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 original 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 revised financial statements, including the disclosures, and whether the revised 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 revised consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Obtain sufficient appropriate audit evidence about whether the revisions made under the Regulations are appropriately reflected in these revised financial statements.

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.

Independent auditor's report to the members of Emerging Towns & Cities Singapore Ltd. (Cont'd)

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit in this independent auditor's report is Chin Sin Beng.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore

4 March 2022

Statements of financial position
as at 31 December 2019

	Note	The Group 2019 $'000	The Group 2018 $'000 (Revised)*	The Company 2019 $'000	The Company 2018 $'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	4,235	4,942	73	144
Right-of-use assets	4	174	-	174	-
Subsidiaries	5	-	-	35,393	35,393
Investment properties	6	113,087	114,926	-	-
Trade receivables	8	8,787	9,390	-	-
		126,283	129,258	35,640	35,537
Current Assets					
Development properties	7	162,354	186,205	-	-
Trade and other receivables	8	12,935	14,450	35,109	35,629
Prepayments		584	1,415	27	23
Cash and bank balances	9	3,222	3,026	166	850
		179,095	205,096	35,302	36,502
Total assets		305,378	334,354	70,942	72,039
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	10	43,354	43,126	43,354	43,126
Reserves	11	73,429	74,545	26,170	27,591
Equity attributable to owners of the Company		116,783	117,671	69,524	70,717
Non-controlling interests		12,651	10,967	-	-
Total equity		129,434	128,638	69,524	70,717
Non-Current Liabilities					
Deferred tax liabilities	12	29,039	30,354	-	-
Borrowings	13	11,825	35,005	-	-
Accrued land lease premium	14	21,486	24,920	-	-
Lease liabilities	15	57	-	57	-
Advance consideration received from customers	17	1,877	3,549	-	-
Provision for site restoration		23	23	23	23
		64,307	93,851	80	23
Current Liabilities					
Borrowings	13	31,567	13,188	-	80
Accrued land lease premium	14	10,699	3,842	-	-
Lease liabilities	15	104	-	104	-
Trade and other payables	16	51,511	68,395	1,234	1,219
Advance consideration received from customers	17	17,756	26,440	-	-
		111,637	111,865	1,338	1,299
Total liabilities		175,944	205,716	1,418	1,322
Total equity and liabilities		305,378	334,354	70,942	72,039

* Refer to Note 33 to the revised financial statements

Consolidated statement of profit or loss and other comprehensive income

for the financial year ended 31 December 2019

	Note	2019 $'000 (Revised)*	2018 $'000 (Revised)*
Revenue	18	**41,386**	62,298
Cost of sales		**(27,781)**	(45,335)
Gross profit		**13,605**	16,963
Other income	19	**6,017**	27,768
Selling and distribution expenses		**(1,402)**	(1,981)
Administrative expenses		**(6,065)**	(8,313)
Other operating expenses		**(1,022)**	(1,158)
Finance costs	20	**(9,353)**	(6,263)
Profit before taxation	21	**1,780**	27,016
Taxation	22	**895**	(4,717)
Profit for the year		**2,675**	22,299
Other comprehensive (loss)/income:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation of foreign operations		**(2,275)**	2,344
Reclassification of currency translation differences on disposal of subsidiaries		**-**	271
Other comprehensive (loss)/income for the year, net of tax of nil		**(2,275)**	2,615
Total comprehensive income for the year		**400**	24,914
Profit attributable to:			
Owners of the Company		**786**	9,352
Non-controlling interests		**1,889**	12,947
		2,675	22,299
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(1,284)**	11,782
Non-controlling interests		**1,684**	13,132
		400	24,914
Earnings per share attributable to owners of the Company (Singapore cent)			
- basic	23	**0.08**	0.97
- diluted	23	**0.07**	0.81

* Refer to Note 33 to the revised financial statements

Consolidated statement of changes in equity
for the financial year ended 31 December 2019

	Share capital $'000	Capital reduction reserve $'000	Capital reserve $'000	Revaluation reserve $'000	Share option reserve $'000	Equity component of convertible loan $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2018	43,126	15,998	24,249	299	632	29,886	(3,952)	11,572	121,810	8,723	130,533
Profit for the year (revised)	-	-	-	-	-	-	-	9,352	9,352	12,947	22,299
Other comprehensive income for the year (revised)	-	-	-	-	-	-	2,430	-	2,430	185	2,615
Total comprehensive income for the year (revised)	-	-	-	-	-	-	2,430	9,352	11,782	13,132	24,914
Contributions by and distributions to owners											
Interest incurred on convertible loan	-	-	-	-	-	201	-	-	201	-	201
Share-based payment transactions	-	-	-	-	98	-	-	-	98	-	98
	-	-	-	-	98	201	-	-	299	-	299
Changes in ownership interests in subsidiaries											
Disposal of subsidiaries	-	-	446	-	-	(16,937)	271	-	(16,220)	(10,888)	(27,108)
Transactions with owners in their capacity as owners	-	-	446	-	98	(16,736)	271	-	(15,921)	(10,888)	(26,809)
Balance at 31 December 2018 (revised)	43,126	15,998	24,695	299	730	13,150	(1,251)	20,924	117,671	10,967	128,638

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

Consolidated statement of changes in equity (cont'd)

for the financial year ended 31 December 2019

	Share capital $'000	Capital reduction reserve $'000	Capital reserve $'000	Revaluation reserve $'000	Share option reserve $'000	Equity component of convertible loan $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2019 (previously stated)	43,126	15,998	24,695	299	730	13,150	(1,314)	15,001	111,685	4,737	116,422
Effect of revisions (Note 33)	-	-	-	-	-	-	63	5,923	5,986	6,230	12,216
Balance at 1 January 2019 (revised)	43,126	15,998	24,695	299	730	13,150	(1,251)	20,924	117,671	10,967	128,638
Adjustment on application of SFRS(I) 16	-	-	-	-	-	-	-	1	1	-	1
Adjusted balance at 1 January 2019	43,126	15,998	24,695	299	730	13,150	(1,251)	20,925	117,672	10,967	128,639
Profit for the year (revised)	-	-	-	-	-	-	-	786	786	1,889	2,675
Other comprehensive loss for the year (revised)	-	-	-	-	-	-	(2,070)	-	(2,070)	(205)	(2,275)
Total comprehensive (loss)/income for the year (revised)	-	-	-	-	-	-	(2,070)	786	(1,284)	1,684	400
Contributions by and distributions to owners											
Interest incurred on convertible loan	-	-	-	-	-	167	-	-	167	-	167
Issuance of ordinary shares arising from performance share plan	228	-	-	-	-	-	-	-	228	-	228
Transactions with owners in their capacity as owners	228	-	-	-	-	167	-	-	395	-	395
Balance at 31 December 2019	43,354	15,998	24,695	299	730	13,317	(3,321)	21,711	116,783	12,651	129,434

Consolidated statement of cash flows
for the financial year ended 31 December 2019

	Note	2019 $'000 (Revised)*	2018 $'000 (Revised)*
Cash Flows from Operating Activities			
Profit before taxation		1,780	27,016
Adjustments for:			
Depreciation of property, plant and equipment	3	475	333
Depreciation of right-of-use assets	4	104	-
Fair value gain on investment properties	19	(1,734)	(26,778)
Financing expense on payment from customers	20	732	-
Financing income on payments from customers	19	(2,513)	(945)
Gain on disposal of property, plant and equipment	19	(6)	-
Interest expense	20	8,621	6,263
Interest income	19	(5)	(15)
Share-based payment transactions	21	228	98
Operating profit before working capital changes		7,682	5,972
Development properties		25,771	(17,369)
Trade and other receivables		4,620	(5,655)
Trade and other payables		(27,631)	11,794
Cash generated from/(used in) operations		10,442	(5,258)
Income tax paid		-	-
Net cash generated from/(used in) operating activities		10,442	(5,258)
Cash Flows from Investing Activities			
Additions to investment properties	6	(1,766)	-
Disposal of subsidiaries, net of cash disposed of	A	-	(10,709)
Interest received		5	15
Proceeds from disposal of investment properties		-	205
Proceeds from disposal of property, plant and equipment		13	-
Purchase of property, plant and equipment	3	(206)	(564)
Restricted cash		-	10,193
Net cash used in investing activities		(1,954)	(860)
Cash Flows from Financing Activities			
Interest paid		(3,899)	(1,513)
Proceeds from bank loans		-	3,328
Proceeds from shareholders loans		-	9,326
Proceeds from third party loan		-	20,449
Proceeds from other loan		-	126
Repayment of bank loans		(2,989)	(19,897)
Repayment of shareholders loans		(429)	(8,637)
Repayment of third party loan		(750)	-
Repayment of other loan		(80)	(46)
Payment of accrued land lease premium		-	(4,481)
Payment of lease liabilities		(105)	-
Net cash used in financing activities		(8,252)	(1,345)
Net increase/(decrease) in cash and cash equivalents		236	(7,463)
Cash and cash equivalents at beginning of year		3,026	10,879
Exchange differences on translation of cash and cash equivalents		(40)	(390)
Cash and cash equivalents at end of year	9	3,222	3,026

* Refer to Note 33 to the revised financial statements

Consolidated statement of cash flows (cont'd)

for the financial year ended 31 December 2019

A. Disposal of subsidiaries

On 15 March 2018, pursuant to an extraordinary general meeting, the shareholders of the Company approved the disposal of Cedar Properties Pte. Ltd. ("CPPL") to a then controlling shareholder of the Company, for a consideration of RMB81,000,000 (equivalent to $16,937,000). The disposal was completed on the same date and CPPL, together with its 60% owned subsidiary, Huizhou Daya Bay Mei Tai Cheng Property Development Co., Ltd., ceased to be subsidiaries of the Group. As the disposal constitutes a transaction with a controlling shareholder of the Company, the resulting gain or loss on disposal is directly recognised in a separate reserve in equity.

The net assets and liabilities arising from the disposal of subsidiaries and the cash flow effects of the disposal were as follows:

	2018 $'000
Plant and equipment	913
Investment properties	51,051
Development properties	1,721
Trade and other receivables	5,275
Cash and bank balances	10,709
Deferred tax liabilities	(6,330)
Trade and other payables	(10,590)
Advances from customers	(21,489)
Current tax payable	(4,152)
Net assets disposed of	27,108
Foreign currency translation reserve	271
Non-controlling interests	(10,888)
Gain on disposal of subsidiaries, recorded in capital reserve	446
Total consideration	16,937
Amount set off against convertible loan	(16,937)
Cash and bank balances in subsidiaries disposed of	(10,709)
Net cash outflow arising from disposal	(10,709)

Consolidated statement of cash flows (cont'd)
for the financial year ended 31 December 2019

B. Reconciliation of liabilities arising from financing activities

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

	As at 1 January 2019 $'000	Cash flows - Proceeds from loans $'000	Cash flows - Repayment of loans $'000	Other non-cash flows $'000	Exchange difference on translation $'000	As at 31 December 2019 $'000
Borrowings (Note 13)						
- bank loans	24,798	-	(2,989)	-	(282)	21,527
- loans from shareholders of a subsidiary	3,224	-	(429)	-	(22)	2,773
- amount due to a third party (non-trade)	20,091	-	(750)	-	(249)	19,092
- other loan	80	-	(80)	-	-	-
Accrued land lease premium (Note 14)	28,762	-	-	3,840	(417)	32,185
Lease liabilities (Note 15)	248	-	(105)	18	-	161
	77,203	-	(4,353)	3,858	(970)	75,738

	As at 1 January 2018 $'000	Cash flows - Proceeds from loans $'000	Cash flows - Repayment of loans $'000	Other non-cash flows $'000	Exchange difference on translation $'000	As at 31 December 2018 $'000
Borrowings (Note 13)						
- bank loans	42,522	3,328	(19,897)	-	(1,155)	24,798
- loans from shareholders of a subsidiary	2,575	9,326	(8,637)	-	(40)	3,224
- amount due to a third party (non-trade)	-	20,449	-	-	(358)	20,091
- other loan	-	126	(46)	-	-	80
Accrued land lease premium (Note 14)	28,871	-	(4,481)	3,801	571	28,762
	73,968	33,229	(33,061)	3,801	(982)	76,955

Notes to the revised financial statements
for the financial year ended 31 December 2019

1 General Information

These revised financial statements of Emerging Towns & Cities Singapore Ltd. (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on the date of the new directors' statement.

The Company is incorporated as a limited liability company and domiciled in Singapore.

The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 80 Robinson Road #17-02, Singapore 068898.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are as stated in Note 5.

2(a) Basis of preparation

These revised financial statements were prepared in accordance with the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018 (the "Regulations"), as the directors have voluntarily revised these financial statements in accordance with Section 202A of the Act.

These revised financial statements replace the original financial statements that were approved by the directors on 31 March 2020. These revised financial statements were approved by the directors on 4 March 2022.

These revised financial statements are taken as having been prepared on the date of the original financial statements on 31 March 2020 and accordingly, do not consider any events which occurred between 31 March 2020 and 4 March 2022.

These revised financial statements have been revised to reflect changes made in response to queries raised by the Accounting and Corporate Regulatory Authority ("ACRA") in its letter dated 5 November 2021 as described in Note 33. The impacts of the revisions are disclosed in Note 33 to the revised financial statements.

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention except as otherwise described in the notes below.

The financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information is presented in Singapore dollar and rounded to the nearest thousand, unless otherwise stated.

2(a) Basis of preparation (cont'd)

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

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

The significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

<u>Significant judgements in applying accounting policies</u>

<u>Going concern</u>
As at 31 December 2019, the Group's borrowings amounted to $43,392,000, of which $31,567,000 were classified as current liabilities due for repayment within the next 12 months, and as at that date, the Group had cash and bank balances of $3,222,000. Notwithstanding this, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements, due to the following:

(i) For the financial year ended 31 December 2019, the Group generated net profit and net operating cash inflows of $2,675,000 (2018: $22,299,000) and $10,442,000 (2018: net operating cash outflows of $5,258,000), respectively. Having regard to measures to tighten controls over expenses and to better manage the Group's working capital, the directors believe that the Group is able to continue to generate sufficient cash flows from operations.

(ii) The Group had net current assets and net assets of $67,458,000 (2018: $93,231,000) and $129,434,000 (2018: $128,638,000), respectively, as at 31 December 2019, while the Company had net current assets and net assets of $33,964,000 (2018: $35,203,000) and $69,524,000 (2018: $70,717,000), respectively, as at 31 December 2019. The Group believes that it is able to continue to sell its development properties and collect trade receivables to repay trade creditors and settle its liabilities in the ordinary course of business.

(iii) As disclosed in Note 32 to the financial statements, subsequent to the end of the reporting period, the Group obtained approval from a lender in respect of a term loan facility of US$50 million. Accordingly, the Group will be able to secure the necessary funding from the loan facility for repayment of the respective borrowings before they are due within the next 12 months from the end of the reporting period. The loan proceeds of US$50 million are substantially in excess of the borrowings of $31,567,000 due for repayment within the next 12 months.

Based on the above, the directors are satisfied that the Group and Company will have sufficient working capital and financial resources to enable them to meet their obligations as and when they fall due and continue as going concern for 12 months from the end of the reporting period. Consequently, based on the Group's financial budget and cash flow forecast for the financial year ending 31 December 2020 drawn up by management and approved by the directors, the directors consider that there is no material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

2(a) Basis of preparation (cont'd)

Significant judgements in applying accounting policies (cont'd)

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

Impairment of trade and other receivables (Note 8)
The impairment for trade and other receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past payment history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In respect of trade receivables due from buyers for sale of properties, the Group has considered the right to repossess the property from the buyer in the event of payment default, resulting in the expected credit loss on the Group's trade receivables being insignificant.

Classification of investment properties (Note 6)
On 12 October 2018, a lease agreement was entered into between Huawei Technologies (Yangon) Co., Ltd. (the "Lessee"), and the subsidiary in the Group, Golden Land Real Estate Development Co. Ltd. (the "Lessor"), in respect of 147 apartments located at Block 6, Yankin Road, Yankin Township, Yangon, Myanmar (the "Lease Agreement"). The commencement date of the lease was 1 June 2019.

The 147 apartments were not specifically identified based on the exact floor and location of the units. Instead, the Lease Agreement only indicated the type of units comprising 147 apartments. In addition, renovations and fitting-out works on the apartments according to the condition as required under the Lease Agreement were carried out only in 2019. Due to the terms in the Lease Agreement not fulfilled by the Lessor and the Lessee, an amendment agreement was signed on 29 May 2019, with the commencement date of the lease revised to 1 August 2019.

As disclosed in Note 33 to the revised financial statements, notwithstanding the circumstances described above, as indicated by ACRA in its letter to the Company dated 5 November 2021, there was evidence of a change in use in 2018, following the inception of lease and the Lease Agreement being signed on 12 October 2018. Consequently, the transfer of 147 apartments indicated in the Lease Agreement from development properties to investment properties, together with the corresponding fair value gain, were recognised in 2018.

Deferred taxation on investment properties (Note 12)
For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment properties portfolio and concluded that the Group's investment properties are held under the business model whose objective is to consume substantially all of the economic benefits embodied the investment properties over time, rather than through sale.

Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. The Group recognises deferred taxes on changes in fair value of investment properties.

2(a) Basis of preparation (cont'd)

Significant judgements in applying accounting policies (cont'd)

Income taxes (Note 22)
Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Significant accounting estimates and assumptions used in applying accounting policies

Depreciation of property, plant and equipment (Note 3)
Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The estimation of useful lives is based on assumptions about wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid. As changes in the expected level of usage, maintenance programmes and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised. If depreciation on the Group's property, plant and equipment increases/decreases by 10% from management's estimates, the Group's profit for the year will decrease/increase by $48,000 (2018: $33,000).

Valuation of investment properties (Note 6)
The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers using various valuation methods including the direct comparison method and a combination of discounted cash flows method and capitalisation method. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

The carrying amount of investment properties at the end of the reporting period is disclosed in Note 6 to the financial statements. If the fair value of investment properties increases/decreases by 5%, the Group's profit for the year will increase/decrease by $5,654,000 (2018: $5,746,000).

As described under "Classification of investment properties" as a significant judgment in Note 2(a) to the revised financial statements, the transfer of 147 apartments indicated in the Lease Agreement from development properties to investment properties, together with the corresponding fair value gain, were recognised in 2018. Based on the type of units comprising 147 apartments as specified in the Lease Agreement, the independent professional valuers determined the fair value of such units to be $49,698,000 (US$36,456,000), based on the range of values assessed between $48,538,000 (US$35,605,000) and $50,858,000 (US$37,307,000). Based on the fair value determined by the valuers, a fair value gain on such units of $16,117,000 was recognised by the Group in 2018. If the highest/lowest of the range was used, the Group's fair value gain and profit for the year will decrease/increase by $1,160,000 (2018: increase/decrease by $1,148,000).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2(b), which addresses changes in accounting policies.

2(b) Adoption of new and revised SFRS(I) effective in 2019

On 1 January 2019, the Group adopted the following SFRS(I) that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I).

Reference	Description
SFRS(I) 16	Leases
SFRS(I) INT 23	Uncertainty over Income Tax Treatments
Amendments to SFRS(I) 1-19	Plan Amendment, Curtailment or Settlement
Amendments to SFRS(I) 1-28	Long-term Interests in Associates and Joint Ventures
Amendments to SFRS(I) 9	Prepayment Features with Negative Compensation

Annual Improvements to SFRS(I)s 2015-2017 Cycle:

- Amendments to SFRS(I) 3 and SFRS(I) 11	Previously Held Interest in a Joint Operation
- Amendments to SFRS(I) 1-12	Income Tax Consequences of Payments on Financial Instruments Classified as Equity
- Amendments to SFRS(I) 1-23	Borrowing Costs Eligible for Capitalisation

The adoption of these new and amended SFRS(I) did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements, except for the following:

SFRS(I) 16 *Leases*
The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease
Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease.* The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee
The Group holds leasehold land and leases its corporate office premise and equipment as a lessee. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for these leases, i.e. these leases are on-balance sheet.

2(b) Adoption of new and revised SFRS(I) effective in 2019 (cont'd)

SFRS(I) 16 *Leases* (cont'd)

As a lessee (cont'd)

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property, the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

As a lessor

The Group leases out its investment properties. The Group has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to SFRS(I) 16 for leases in which it acts as a lessor, except for a sub-lease, if any.

Impact on financial statements

Impact on transition

On transition to SFRS(I) 16, the Group and the Company recognised additional right-of-use assets and lease liability, and recognised the difference in retained earnings. The impact on transition is summarised below. There is no significant impact on deferred tax.

The Group and the Company	1 January 2019 $'000
Increase in right-of-use assets	269
Decrease in property, plant and equipment	(20)
Increase in lease liability	248
Increase in retained earnings	1

When measuring lease liability for a lease that was classified as operating lease, the Group and the Company discounted lease payments using the applicable incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 6.3%.

2(b) Adoption of new and revised SFRS(I) effective in 2019 (cont'd)

SFRS(I) 16 *Leases* (cont'd)
Impact on financial statements (cont'd)
Impact on transition (cont'd)

The Group and the Company	1 January 2019 $'000
Operating lease commitments as at 31 December 2018 as disclosed under SFRS(I) 1-17 in the financial statements	272
Effect of discounting using the incremental borrowing rate at 1 January 2019	(24)
Lease liability recognised at 1 January 2019	248

SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
The interpretation addresses the determination of the accounting tax position when there is uncertainty over income tax treatments under SFRS(I) 1-12 *Income Taxes*. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- The effect of changes in facts and circumstances.

An entity applies the interpretation for annual reporting periods beginning on or after 1 January 2019. The requirements are applied by recognising the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

2(c) New standards and interpretations not yet adopted

The following are the new or amended SFRS(I) and SFRS(I) INT issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I) and SFRS(I) INT in preparing these financial statements:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 17	Insurance Contracts	1 January 2021
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020
Amendments to SFRS(I) 3	Definition of a Business	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Various	Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020

2(c) New standards and interpretations not yet adopted (cont'd)

Management does not anticipate that the adoption of the above SFRS(I) in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except for the following:

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*
The amendments clarify the definition of material and how it should be applied by including in the definition guidance. The new definition of material states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020. Earlier application is permitted.

2(d) Summary of significant accounting policies

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

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

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

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

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

2(d) Summary of significant accounting policies (cont'd)

Consolidation (cont'd)

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)).

Property, plant and equipment

All items of property, plant and equipment are initially recorded 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. 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. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Other expenditure is recognised as an expense during the financial year in which it is incurred.

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 property, 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.

If a property was previously held for own use, it is accounted for as property, plant and equipment up to the date of change in use before its transfer to investment properties. Any difference at the date of the change in use between the carrying amount of the property and its fair value is recognised as a revaluation reserve, even if the property was previously measured using the cost model. On subsequent disposal of the investment property, any existing revaluation surplus that was previously recognised is transferred to retained earnings.

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

Leasehold land	70 years from 15 October 2013
Building	70 years from 15 October 2013
Office equipment	5 to 8 years
Furniture and fittings	3 years
Renovations	5 years
Motor vehicles	1 to 8 years

2(d) Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)
For acquisitions and disposals during the financial year, depreciation is recognised in profit or loss from the month that the property, plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

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

Subsidiaries
In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Investment properties
Investment properties include those portions of commercial properties and apartments that are held for long-term rental yields and/or capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation. Investment properties comprise completed investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

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

Investment properties are 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. On disposal or retirement of an investment property, any gain or loss on disposal or retirement of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

- commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer of investment properties to development properties; or
- inception of an operating lease to another party, for a transfer from development properties or property, plant and equipment to investment properties.

When the use of an investment property changes such that it is transferred to owner-occupied property or inventory, its fair value at the date of transfer becomes its deemed cost for subsequent accounting.

2(d) Summary of significant accounting policies (cont'd)

Development properties

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Land held for future development where no significant development has been undertaken is stated at the lower of cost and net realisable value.

Borrowing costs that are directly attributable to the acquisition and development of a development property are capitalised as part of the development property during the period of development until the completion of development.

For a transfer to investment properties from development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments. Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policy on "Revenue from contracts with customers".

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

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

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI or financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

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

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI 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.

The Group's financial assets at amortised cost comprise trade and other receivables and cash and bank balances.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Impairment of financial assets

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

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

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. 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.

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

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.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

Financial liabilities are recognised initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise borrowings, accrued land lease premium, lease liabilities and trade and other payables.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss, such as interest-bearing borrowings, 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

2(d) Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)
Borrowings
Borrowings which are due to be settled more than 12 months after the end of the reporting period are included in current borrowings in the statement of financial position if the loan facility agreements include an overriding repayment on demand clause which gives the lender the right to demand repayment at any time at its sole discretion and irrespective of whether a default event has occurred, or when the Group has defaulted or breached a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the borrowings become payable on demand, even if the lender agreed after the reporting period and before the authorisation of the financial statements for issue not to demand payment as a consequence of the breach. These borrowings are classified as current because, at the end of the reporting period, the Group does not have an unconditional right to defer its settlement for at least twelve months after that date.

However, those borrowings with breaches or defaults of loan agreement terms are classified as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the Group can rectify the breach and/or during which the lender cannot demand immediate repayment. Other borrowings due to be settled more than 12 months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Financial guarantees
The Company has issued corporate guarantees to financial institutions for the borrowings of a subsidiary. 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 liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantees.

Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with the impairment model under SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2(d) Summary of significant accounting policies (cont'd)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from a customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liabilities relate to advance consideration received from customers.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude bank balances restricted in use.

Share capital

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

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, 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.

Convertible loan

When a convertible loan is issued at fair value, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible loan; this amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option, which is recognised net of income tax effects and included in shareholders' equity. The carrying amount of the conversion option is not changed in subsequent periods. Any directly attributable transaction costs are allocated to the liability portion and conversion option in proportion to their initial carrying amounts.

When the conversion option is exercised, the carrying amount of the conversion option will be reclassified to share capital. When the conversion option is allowed to lapse, the carrying amount of the conversion option will be reclassified to retained earnings.

Interest and gains and losses relating to the liability portion are recognised in profit or loss. On conversion, the liability portion is reclassified to equity; no gain or loss is recognised on conversion.

A gain or loss is recognised on the extinguishment of convertible loan. The consideration paid is allocated to the debt and equity components of the existing convertible loan at the date of the transaction using the same allocation method as on initial recognition. The amount of gain or loss relating to the liability component is recognised in profit or loss, while the amount of consideration relating to the equity component is recognised in equity.

2(d) Summary of significant accounting policies (cont'd)

Convertible loan (cont'd)

When determining whether to classify a financial instrument as an equity instrument or a financial liability, the Group assesses the substance of the contractual arrangement rather than its legal form. A financial instrument is an equity instrument rather than a financial liability, if it includes no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group; and if the instrument will or may be settled in the issuer's own equity instruments, it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instrument.

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 a reliable estimate can be made of the amount of the obligation. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised as provisions.

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. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Leases

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16. This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2(d) Summary of significant accounting policies (cont'd)

Leases (cont'd)

Policy applicable from 1 January 2019 (cont'd)

As a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, if any. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2(d) Summary of significant accounting policies (cont'd)

Leases (cont'd)

Policy applicable from 1 January 2019 (cont'd)

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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 as part of revenue.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

2(d) Summary of significant accounting policies (cont'd)

Leases (cont'd)

Policy applicable before 1 January 2019 (cont'd)

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

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

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease.

Income taxes

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

Deferred income tax is measured:

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

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

2(d) Summary of significant accounting policies (cont'd)

Employee benefits

Pension obligations

The Group and the Company participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. In particular, the Company contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, while the Myanmar-incorporated subsidiary contributes to the Social Security Board in Myanmar. These contributions to national pension schemes are charged to profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Employee Share Option Scheme

The Company has an employee share option scheme for the granting of non-transferable options.

The Group issues equity-settled share options to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant.

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

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

In the Company's separate financial statements, the fair value of options granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investments in subsidiaries, with a corresponding increase in equity over the vesting period.

Performance Share Plan

Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in profit or loss on a straight-line basis over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to profit or loss, with a corresponding adjustment to equity over the remaining vesting period.

In the Company's separate financial statements, the fair value of shares granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investments in subsidiaries, with a corresponding increase in equity over the vesting period.

2(d) Summary of significant accounting policies (cont'd)

Related parties
A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and the Company if that person:
   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

b) An entity is related to the Group and the Company if any of the following conditions applies:
   (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) both entities are joint ventures of the same third party.
   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (vi) the entity is controlled or jointly controlled by a person identified in (a).
   (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2(d) Summary of significant accounting policies (cont'd)

Impairment of non-financial assets (cont'd)
An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

Revenue from contracts with customers
Sale of development properties
The Group develops and sells residential and commercial properties before completion of construction of the properties. As the Group does not have an enforceable right to payment for performance completed to date, the Group accounts for revenue on the sale of development properties using the completion of contract method.

Revenue from the sale of development properties is recognised when the control of the properties has been transferred to the buyers, i.e. when the legal possessory right of the property passes to the buyer upon signing of the property handover notice by the buyer. Payments received from buyers prior to this stage are recorded as "advance consideration received from customers".

The Group receives payments from buyers for the sale of development properties. Under the payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer does not coincide and where the difference between the timing of receipt of the payments and the transfer of control of the property is 12 months or more, there exists a significant financing component arising from payments from buyers. A finance income or finance expenses will be recognised depending on the arrangement, whether payments are received from buyers after or before the properties are handed over and revenue is recognised, respectively.

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

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

2(d) Summary of significant accounting policies (cont'd)

Revenue from contracts with customers (cont'd)
The Group pays commissions to its employees for each contract that they obtain for the sale of development property. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commission (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Rental income
Rental income (net of any incentives given to the lessees) under operating leases are accounted for on a straight-line basis over the lease terms.

Interest income
Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Functional currencies
Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

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

(i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised as other comprehensive income in the currency translation reserve in equity.

2(d) Summary of significant accounting policies (cont'd)

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's executive directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 27 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the executive directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted to employees and convertible loan.

3 Property, plant and equipment

The Group	Leasehold land $'000	Building $'000	Office equipment $'000	Furniture and fittings $'000	Renovations $'000	Motor vehicles $'000	Yacht $'000	Total $'000
Cost								
At 1 January 2018	816	2,240	779	942	119	670	1,045	6,611
Additions	-	-	402	9	153	-	-	564
Write-offs	-	-	(5)	-	(119)	-	-	(124)
Disposal of subsidiaries	-	-	(21)	(130)	-	(176)	(1,038)	(1,365)
Exchange difference on translation	17	45	27	21	-	14	(7)	117
At 31 December 2018	833	2,285	1,182	842	153	508	-	5,803
Adjustment on application of SFRS(I) 16	-	-	-	-	(23)	-	-	(23)
At 1 January 2019 (adjusted)	**833**	**2,285**	**1,182**	**842**	**130**	**508**	-	**5,780**
Transfer to investment properties (Note 6)	-	-	**(330)**	-	-	-	-	**(330)**
Additions	-	-	**63**	**1**	-	**142**	-	**206**
Disposal	-	-	-	-	-	**(120)**	-	**(120)**
Exchange difference on translation	**(15)**	**(40)**	**(23)**	**(15)**	-	**(16)**	-	**(109)**
At 31 December 2019	**818**	**2,245**	**892**	**828**	**130**	**514**	-	**5,427**
Accumulated depreciation								
At 1 January 2018	-	-	210	268	90	302	232	1,102
Depreciation (Note 21)	8	14	104	62	49	74	22	333
Write-offs	-	-	(5)	-	(119)	-	-	(124)
Disposal of subsidiaries	-	-	(15)	(113)	-	(80)	(244)	(452)
Exchange difference on translation	-	-	3	3	-	6	(10)	2
At 31 December 2018	8	14	297	220	20	302	-	861
Adjustment on application of SFRS(I) 16	-	-	-	-	(3)	-	-	(3)
At 1 January 2019 (adjusted)	**8**	**14**	**297**	**220**	**17**	**302**	-	**858**
Depreciation (Note 21)	**8**	**82**	**166**	**151**	**45**	**23**	-	**475**
Disposal	-	-	-	-	-	**(113)**	-	**(113)**
Exchange difference on translation	**(1)**	**(2)**	**(8)**	**(6)**	-	**(11)**	-	**(28)**
At 31 December 2019	**15**	**94**	**455**	**365**	**62**	**201**	-	**1,192**
Carrying amount								
At 31 December 2019	**803**	**2,151**	**437**	**463**	**68**	**313**	-	**4,235**
At 31 December 2018	825	2,271	885	622	133	206	-	4,942

3 Property, plant and equipment (cont'd)

The Company	Office equipment $'000	Renovations $'000	Total $'000
Cost			
At 1 January 2018	33	119	152
Additions	7	153	160
Write-offs	(5)	(119)	(124)
At 31 December 2018	35	153	188
Adjustment on application of SFRS(I) 16	-	**(23)**	**(23)**
At 1 January 2019 (adjusted) and 31 December 2019	**35**	**130**	**165**
Accumulated depreciation			
At 1 January 2018	20	90	110
Depreciation	9	49	58
Write-offs	(5)	(119)	(124)
At 31 December 2018	24	20	44
Adjustment on application of SFRS(I) 16	-	**(3)**	**(3)**
At 1 January 2019 (adjusted)	**24**	**17**	**41**
Depreciation	**6**	**45**	**51**
At 31 December 2019	**30**	**62**	**92**
Carrying amount			
At 31 December 2019	**5**	**68**	**73**
At 31 December 2018	11	133	144

As at 31 December 2018, included in renovations is restoration cost in respect of the Company's corporate office with carrying amount of $20,000.

The Group's property, plant and equipment include right-of-use asset with carrying amount of $803,000 as at 31 December 2019 (1 January 2019: $825,000) relating to leasehold land.

4 Right-of-use assets

The Group and the Company	Office premise $'000	Office equipment $'000	Total $'000
Cost			
At 1 January 2018 and 31 December 2018	-	-	-
Adjustment on application of SFRS(I) 16	**269**	**-**	**269**
At 1 January 2019 (adjusted)	**269**	**-**	**269**
Addition	**-**	**9**	**9**
At 31 December 2019	**269**	**9**	**278**
Accumulated depreciation			
At 1 January 2018 and 31 December 2018	-	-	-
Adjustment on application of SFRS(I) 16	**-**	**-**	**-**
At 1 January 2019 (adjusted)	**-**	**-**	**-**
Depreciation	**104**	**-**	**104**
At 31 December 2019	**104**	**-**	**104**
Carrying amount			
At 31 December 2019	**165**	**9**	**174**
At 1 January 2019	269	-	269

5 Subsidiaries

The Company	2019 $'000	2018 $'000
Unquoted equity investments, at cost	**39,993**	39,993
Less: Allowance for impairment losses	**(4,600)**	(4,600)
	35,393	35,393

Details of the subsidiaries are:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of effective equity interest held by the Group	
			2019 %	2018 %
Held by the Company				
Futura Asset Holdings Pte. Ltd. [1]	Inactive	Singapore	**100**	100
Trechance Holdings Limited [3]	Dormant	Hong Kong	**100**	100
DAS Pte. Ltd. [1]	Investment holding	Singapore	**100**	100
Held by DAS Pte. Ltd.				
Uni Global Power Pte. Ltd. [1]	Investment holding	Singapore	**70**	70
Held by Uni Global Power Pte. Ltd.				
Golden Land Real Estate Development Co. Ltd. [2]	Property development and investment	Myanmar	**49**	49

(1) Audited by Foo Kon Tan LLP for statutory purpose
(2) Audited by Foo Kon Tan LLP for consolidation purpose
(3) Not required to be audited

Details of subsidiaries that have material non-controlling interests

The table below shows details of subsidiaries in the Group that have material non-controlling interests:

Name of subsidiaries	**Place of incorporation and principal place of business**	**Proportion of effective interests and voting rights held by non-controlling interests**	**Profit allocated to non-controlling interests $'000**	**Other comprehensive (loss)/income allocated to non-controlling interests $'000**	**Accumulated non-controlling interests $'000**
2019					
DAS Group	Singapore and Myanmar	**51%**	**1,889**	**(205)**	**12,651**
2018					
DAS Group	Singapore and Myanmar	51%	12,937	285	10,967

5 Subsidiaries (cont'd)

Summarised financial information in respect of the subsidiaries that have material non-controlling interests are set out below. No dividend was declared during the financial year. The summarised financial information below represents amounts before intra-group eliminations.

Summarised consolidated statement of financial position

DAS Group	2019 $'000	2018 $'000 (Revised)*
Non-current assets	**126,035**	129,114
Current assets	**179,852**	205,102
Non-current liabilities	**(64,227)**	(150,424)
Current liabilities	**(143,931)**	(89,257)
	97,729	94,535
Equity attributable to owners of the Company	**85,078**	83,568
Equity attributable to non-controlling interests	**12,651**	10,967
	97,729	94,535

* Refer to Note 33 to the revised financial statements

Summarised consolidated statement of profit or loss and other comprehensive income

DAS Group	2019 $'000 (Revised)*	2018 $'000 (Revised)*
Revenue and other income	**46,762**	86,986
Expenses	**(42,169)**	(61,628)
Profit for the year	**4,593**	25,358
Profit attributable to owners of the Company	**2,704**	12,421
Profit attributable to non-controlling interests	**1,889**	12,937
Profit for the year	**4,593**	25,358
Total comprehensive income attributable to owners of the Company	**1,510**	15,016
Total comprehensive income attributable to non-controlling interests	**1,684**	13,232
Total comprehensive income for the year	**3,194**	28,248

* Refer to Note 33 to the revised financial statements

Other summarised information

DAS Group	2019 $'000	2018 $'000
Net cash inflow/(outflow) from operating activities	**9,265**	(5,782)
Net cash outflow from investing activities	**(188)**	(394)
Net cash (outflow)/inflow from financing activities	**(8,147)**	3,056
Net cash inflow/(outflow) for the year	**930**	(3,120)

6 Investment properties

The Group	2019 $'000	2018 $'000 (Revised)*
Investment properties	**113,087**	114,926

Movement in investment properties during the financial year is as follows:

The Group	2019 $'000 (Revised)*	2018 $'000 (Revised)*
At 1 January	**114,926**	95,594
Additions	**1,766**	-
Disposals	**-**	(205)
Transfer from property, plant and equipment (Note 3)	**330**	-
Transfer from development properties (Note 7)	**6,620**	42,158
Transfer to development properties (Note 7)	**(10,608)**	(499)
Fair value gain recognised in profit or loss (Note 19)	**1,734**	26,778
Disposal of subsidiaries	**-**	(51,051)
Exchange difference on translation	**(1,681)**	2,151
At 31 December	**113,087**	114,926

* Refer to Note 33 to the revised financial statements

The investment properties are as follows:

Location	Description	Net floor area (square metres)	Tenure
2019			
Golden City Project No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	221 residential units, 4 retail units and 14 office units	29,812	70 years
2018			
Golden City Project No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	205 residential units, 3 retail units and 23 office units	29,032	70 years

The carrying amount of investment properties pledged to secure borrowings is $75,620,000 (2018: $72,448,000).

At the end of the reporting period, the fair values of investment properties are determined by an independent professional valuer, C.I.M. Property Consultants Co., Ltd. (Colliers International Myanmar) ("CIM"), for the Golden City Project, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. The valuation of the investment properties is based on the properties' highest and best use. For all the Group's investment properties, the current use is considered the highest and best use. Fair value measurements are disclosed in Note 31.

6 Investment properties (cont'd)

Golden City Project

A land lease agreement under a Build, Operate and Transfer ("BOT") arrangement was entered into between the Office of the Commander-in-Chief (Army) Quarter Master General Office ("QM Office") as lessor, and Golden Land Real Estate Development Co. Ltd. ("GLRE") and one of its non-controlling shareholders as lessees, on 15 October 2013. GLRE received the Myanmar Investment Commission permit on 23 October 2013 and it grants GLRE the right to carry out the construction and operation of shopping mall, hotel, residences, services apartments and office tower. The project has an initial tenure of 50 years and is extendable for further two terms of 10 years each. At the expiry of the BOT contract, GLRE is required to transfer the shopping mall, hotel, residences, service apartments and office tower along with all fixed assets back to the QM Office.

As at 31 December 2019

The investment properties within the Golden City Project comprised (i) 221 residential units with an average size of 116.0 square metres per unit, with an aggregated total area of 25,636 square metres, located in Block 1-6 of the project, and they are currently leased to local and China corporations for a lease term of 1-3 years; (ii) ground floor retail space located in Block 1, 3 ,4 and 7 of the project, which is currently leased to 4 lessees for a lease term of 1-2 years; and (iii) 14 office units within the Golden City Business Centre with an aggregated total area of 3,667 square metres, which are currently leased to 8 lessees for a lease term of 1-3 years.

CIM used the market approach to determine the market value of the 221 residential units based on the sale of similar substitute properties while the market values of the 4 ground floor retail units and 14 office units within Golden City Business Centre were determined using the income capitalisation approach by taking into account the rental rate achievable in the current market, with a capitalisation rate of 10%.

As at 31 December 2018

The investment properties within the Golden City Project comprised (i) 205 residential units with an average size of 114.6 square metres per unit, with an aggregated total area of 23,496 square metres, located between the 1st and 32nd floors of Block 1-6 of the project, and they are currently leased to local and China corporations for a lease term of 1 year; (ii) ground floor retail space located in Block 3 and 4 of the project, which is currently leased to 2 lessees for a lease term of 1-3 years; and (iii) 23 office units within the Golden City Business Centre with an aggregated total area of 4,885 square metres, which is currently leased to 5 lessees for a lease term of 1-2 years.

CIM used the market approach to determine the market values of the 58 residential units based on the sale of similar substitute properties while the market values of the 2 ground floor retail units and 23 office units within Golden City Business Centre were determined using the income capitalisation approach by taking into account the rental rate achievable in the current market, with a capitalisation rate of 10%.

The following amounts are recognised in profit or loss:

The Group	2019 $'000	2018 $'000
Rental income from investment properties (Note 18)	4,791	3,038
Direct operating expenses arising from investment properties that generated rental income	(3,016)	(200)

Direct operating expenses comprised mainly commercial tax of 5% applied on the rental income earned by the Myanmar subsidiary by the local tax authority and finance costs incurred on investment properties pledged to secure borrowings.

7 Development properties

The Group	2019 $'000	2018 $'000 (Revised)*
Land held for development, at cost	**30,560**	30,960
Completed properties held for sale, at cost	**131,794**	155,245
	162,354	186,205
Borrowing costs capitalised during the year	**-**	2,764

Movement in development properties during the financial year is as follows:

The Group	2019 $'000 (Revised)*	2018 $'000 (Revised)*
At 1 January	**186,205**	208,521
Additions	**-**	58,839
Transfer to investment properties (Note 6)	**(6,620)**	(42,158)
Transfer from investment properties (Note 6)	**10,608**	499
Units sold and recognised in profit or loss	**(25,569)**	(42,017)
Disposal of subsidiaries	**-**	(1,721)
Exchange difference on translation	**(2,270)**	4,242
At 31 December	**162,354**	186,205

* Refer to Note 33 to the revised financial statements

The completed properties held for sale are as follows:

Location	Description	Net floor area (square metres)	The Group's effective interest
2019			
Golden City Project No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	316 residential units, 12 retail units and 13 office units	51,274	49%
2018			
Golden City Project No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	354 residential units, 12 retail units and 4 office units	53,133	49%

The carrying amount of development properties pledged to secure borrowings is $1,186,000 (2018: $10,739,000).

Land held for development relates to Phases 3 and 4 of the Golden City Project, with an aggregate gross land area of 3,408 square metres.

As at 31 December 2019, 93 out of 316 residential units, 8 out of 12 retail units and 6 out of 13 office units have been contracted for, with advances amounting to US$14,252,000 ($19,179,000) received from buyers.

As at 31 December 2018, 144 out of 354 residential units, 7 out of 12 retail units and 3 out of 4 office units have been contracted for, with advances amounting to US$20,917,000 ($28,514,000) received from buyers.

8 Trade and other receivables

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-current	**8,787**	9,390	**-**	-
- Current	**8,966**	10,084	**-**	-
	17,753	19,474	**-**	-
Amount due from subsidiaries (non-trade)	**-**	-	**35,080**	35,600
Amounts due from shareholders of a subsidiary (non-trade)	**3,940**	4,002	**-**	-
Advances to staff	**-**	335	**-**	-
Other deposits	**29**	29	**29**	29
	3,969	4,366	**35,109**	35,629
	21,722	23,840	**35,109**	35,629
Comprising				
- Non-current	**8,787**	9,390	**-**	-
- Current	**12,935**	14,450	**35,109**	35,629
	21,722	23,840	**35,109**	35,629

Trade receivables mainly comprise outstanding receivables from buyers of property units under instalment plans. Trade receivables which are not past due are those which are within the instalment payment schedules.

The non-trade amounts due from subsidiaries, comprising advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand.

The non-trade amounts due from shareholders of a subsidiary, which relate to advances extended by the subsidiary to its non-controlling interests in prior years, are unsecured, interest-free and repayable on demand.

The ageing analysis of trade and other receivables at the end of the reporting period is as follows:

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
No credit terms (repayable on demand)	**3,969**	4,366	**35,109**	35,629
Not past due	**12,870**	16,471	**-**	-
Past due but not impaired				
- Less than 12 months	**1,137**	1,938	**-**	-
- More than 12 months	**3,746**	1,065	**-**	-
	21,722	23,840	**35,109**	35,629

9 Cash and bank balances

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash on hand	**286**	813	**-**	-
Cash at banks	**2,936**	2,213	**166**	850
	3,222	3,026	**166**	850

At the end of the reporting period, the weighted-average interest rate of bank balances is 0.20% (2018: 0.79%) per annum.

10 Share capital

The Group and the Company	**2019** Number of ordinary shares	2018	**2019** **$'000**	2018 $'000
Issued and fully paid, with no par value				
At 1 January	**962,167**	962,167	**43,126**	43,126
Issuance of ordinary shares under performance share plan	**8,765**	-	**228**	-
At 31 December	**970,932**	962,167	**43,354**	43,126

On 27 February 2019, the Company allotted 8,765,000 new ordinary shares in the capital of the Company to eligible employees at $0.026 per share, in accordance with the terms of the Performance Share Plan 2016.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

11 Reserves

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000 (Revised)*	**$'000**	$'000
Capital reduction reserve	**15,998**	15,998	**15,998**	15,998
Capital reserve	**24,695**	24,695	**10,987**	10,987
Revaluation reserve	**299**	299	**-**	-
Share option reserve	**730**	730	**730**	730
Equity component of convertible loan reserve	**13,317**	13,150	**13,317**	13,150
Foreign currency translation reserve	**(3,321)**	(1,251)	**-**	-
Accumulated profits/(losses)	**21,711**	20,924	**(14,862)**	(13,274)
	73,429	74,545	**26,170**	27,591

* Refer to Note 33 to the revised financial statements

11 Reserves (cont'd)

Capital reduction reserve
Capital reduction reserve relates to the reduction in the par value of each ordinary share in the share capital of the Company which was approved by the Court of Singapore and became effective on 9 February 2004.

Capital reserve
Capital reserve represents (i) the difference between the fair value at inception and the carrying amount of the convertible loan, recorded in capital reserve as a common control transaction, (ii) the difference between the price purchase consideration paid and the carrying amount of the non-controlling interest at the date of additional acquisition of 25.025% interest in DAS Group, and (iii) the gain on disposal of subsidiaries to a former controlling shareholder of the Company.

Revaluation reserve
Revaluation reserve relates to the gain arising from the re-measurement of owner-occupied properties transferred to investment properties at fair value upon the change in use of the properties.

Share option reserve
Share option reserve represents equity-settled share options granted to directors and employees of the Group. The reserve is made up of the cumulative value of services received from the directors and employees recorded on the grant of the equity-settled share options.

Equity component of convertible loan
Equity component of convertible loan relates to the equity conversion feature of the convertible loan extended by a former controlling shareholder of the Company amounting to US$29;125,000 (equivalent to $42,120,000), net of the amount that has already been converted, which can be repaid in cash or settled through the issuance of ordinary shares in the Company, at the Company's discretion.

A second addendum deed was entered on 1 March 2019 between the Company and the former controlling shareholder, pursuant to which the Company and the former controlling shareholder agreed to extend the maturity date of the convertible loan by an additional 12 months, from 25 April 2019 to 25 April 2020.

Foreign currency translation reserve
Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

12 Deferred tax liabilities

The Group	2019 $'000	2018 $'000 (Revised)*
At 1 January	**30,354**	31,447
Recognised in profit or loss	**(895)**	4,709
Disposal of subsidiaries	**-**	(6,330)
Exchange difference on translation	**(420)**	528
At 31 December	**29,039**	30,354
To be settled after one year	**29,039**	30,354

* Refer to Note 33 to the revised financial statements

The balance comprises tax on the following temporary differences:

The Group	Property, plant and equipment $'000	Investment properties $'000	Development properties $'000	Total $'000
At 1 January 2018	455	9,846	21,146	31,447
Recognised in profit or loss (Note 22)	-	6,694	(1,985)	4,709
Disposal of subsidiaries	-	(6,330)	-	(6,330)
Exchange difference on translation	7	192	329	528
At 31 December 2018	462	10,402	19,490	30,354
Recognised in profit or loss (Note 22)	**-**	**3,725**	**(4,620)**	**(895)**
Exchange difference on translation	**(8)**	**(154)**	**(258)**	**(420)**
At 31 December 2019	**454**	**13,973**	**14,612**	**29,039**

Temporary differences on development properties arise from fair value adjustments on development properties acquired in a business combination in previous years.

13 Borrowings

	The Group		The Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Non-current				
Bank loans (Notes (i) and (ii))	**-**	19,004	**-**	-
Amount due to a third party (non-trade) (Note (iv))	**11,825**	16,001	**-**	-
	11,825	35,005	**-**	-
Current				
Bank loans (Notes (i) and (ii))	**21,527**	5,794	**-**	-
Loans from shareholders of a subsidiary (Note (iii))	**2,773**	3,224	**-**	-
Amount due to a third party (non-trade) (Note (iv))	**7,267**	4,090	**-**	-
Other loan	**-**	80	**-**	80
	31,567	13,188	**-**	80
	43,392	48,193	**-**	80

13 Borrowings (cont'd)

Borrowings comprise the following:

(i) Bank loan 1 - Maybank

On 3 July 2017, GLRE entered into a facility agreement of US$7,500,000 with Malayan Banking Berhad (Yangon Branch) ("Maybank Facility"). The proceeds of the Maybank Facility are used for the development of Golden City Project Phase 2 and the interest rate is based on Maybank's cost of funds plus a margin equals to 200 basis points. Under the Maybank Facility, GLRE will make repayment every six months, in tranches of US$100,000, US$100,000, US$1,800,000, US$2,500,000 and US$1,500,000, with the final repayment of US$1,500,000 by 29 June 2020. The loan is secured by bankers' guarantees, a corporate guarantee provided by the Company, and the Group's investment properties and development properties with a total carrying amount of $14,673,000 (2018: $17,314,000) as at 31 December 2019. The guarantee fees charged by the Company to the subsidiary are consistent with those charged by financial institutions.

(ii) Bank loan 2 - Esun

On 14 July 2017, GLRE entered into a facility agreement of US$15,000,000 with E.SUN Commercial Bank, Ltd. ("Esun Facility"). The proceeds of the Esun Facility are used for the development of Golden City Project Phases 2 and 3 and the interest rate is based on three-month LIBOR plus a margin equal to 230 basis point. Under the Esun Facility, the Group will make annual repayment of US$250,000 each by 30 June 2018 and 30 June 2019, with the final repayment of US$14,500,000 by 13 July 2020. The loan is secured by bankers' guarantees, a corporate guarantee provided by the Company, and the Group's investment properties and development properties with a total carrying amount of $9,611,000 (2018: $15,719,000) as at 31 December 2019. The guarantee fees charged by the Company to the subsidiary are consistent with those charged by financial institutions.

GLRE also separately entered into an agreement with Kanbawza Bank and Ayeyarwady Bank Limited, such that the respective banks will give banker's guarantee to Esun for any default or non-payment for any amounts due to Esun under the Esun Facility. A guarantee fee of US$225,000 and US$300,000 was paid to Kanbawza Bank and Ayeyarwady Bank, respectively, for the issuance of such banker's guarantee. The Company also provided a corporate guarantee to Esun in respect of the Esun Facility, and charged GLRE a guarantee fee of US$450,000 for the issuance of corporate guarantee.

(iii) Loans from shareholders of a subsidiary

On 19 October 2016, GLRE entered into a loan agreement with the non-controlling interests of UGP, pursuant to which the non-controlling interests agreed to grant GLRE unsecured loans at a fixed interest rate of 6% per annum for the development of the Golden City Project. The loans are repayable on demand.

13 Borrowings (cont'd)

(iv) Amount due to a third party (non-trade)

On 20 November 2018, GLRE entered into a financing arrangement with a third party. Pursuant to the terms of the agreement, the third party agreed to grant GLRE an amount of US$15,000,000 at a financing rate of 13% per annum for the development of the Golden City Project. The amount is repayable in separate tranches with US$6,000,000 due within a year and US$9,000,000 due on 20 November 2021. The amount is collateralised against the Group's investment properties and development properties with a total carrying amount of $52,522,000 (2018: $50,154,000) as at 31 December 2019.

The carrying amounts and fair values of borrowings at the end of the reporting period are as follows:

	Carrying amount		Fair value	
	2019	2018	**2019**	2018
The Group	**$'000**	$'000	**$'000**	$'000
Bank loans (Notes (i) and (ii))	**21,527**	24,798	**21,527**	22,212
Loans from shareholders of a subsidiary (Note (iii))	**2,773**	3,224	**2,773**	3,224
Amount due to a third party (non-trade) (Note (iv))	**19,092**	20,091	**19,296**	20,163
Other loan	**-**	80	**-**	80
	43,392	48,193	**43,596**	45,679

The fair values are derived from the discounted cash flow analyses, using the discount rate based on the Group's incremental borrowing rate which the directors expect would be available to the Group at the end of the reporting period. The fair value hierarchy is Level 2.

14 Accrued land lease premium

The Group	**2019 $'000**	2018 $'000
At 1 January	**28,762**	28,871
Accreted interest (Note 20)	**3,840**	3,801
Payment of land lease premium	**-**	(4,481)
Exchange difference on translation	**(417)**	571
At 31 December	**32,185**	28,762
Represented by:		
- Non-current	**21,486**	24,920
- Current	**10,699**	3,842
	32,185	28,762

This relates to the leasehold land which is a right-of-use asset included in property, plant and equipment.

15 Lease liabilities

The Group and the Company	Office premise and equipment $'000
At 1 January 2018 and 31 December 2018	-
Adjustment on application of SFRS(I) 16	248
At 1 January 2019 (adjusted)	**248**
Addition	9
Accreted interest (Note 20)	9
Payment of lease liabilities	(105)
At 31 December 2019	**161**
Represented by:	
- Non-current	57
- Current	104
	161

The lease liabilities relate to the corporate office premise and equipment which are leased by the Company.

The Group's and the Company's lease liabilities are secured by the lessor's title to the leased assets.

16 Trade and other payables

	The Group		The Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Trade payables	33,689	53,427	-	-
Accrued operating expenses	4,788	4,006	870	596
Accrued interest	1,095	538	-	-
Amount due to a subsidiary (non-trade)	-	-	75	-
Rental deposits received	636	644	-	-
Other payables	841	1,190	131	156
	41,049	59,805	1,076	752
Business and other tax payable	10,462	8,590	-	-
Intragroup financial guarantees	-	-	158	467
	51,511	68,395	1,234	1,219

The non-trade amount due to a subsidiary, comprising advances from and payments on behalf by the subsidiary, is unsecured, interest-free and repayable on demand.

As disclosed in Note 13 to the financial statements, the Company has provided corporate guarantees in respect of the bank loans of a subsidiary, and has charged that subsidiary guarantee fees consistent with those charged by financial institutions.

17 Advance consideration received from customers

The Group	**2019 $'000**	2018 $'000
Advance consideration received from customers	19,633	29,989
Represented by:		
- Non-current	1,877	3,549
- Current	17,756	26,440
	19,633	29,989

17 Advance consideration received from customers (cont'd)

Advance consideration received from customers represents amounts of consideration billed to buyers of development properties prior to completion of the performance obligation.

Revenue recognised during the financial year ended 31 December 2019 that was included in advance consideration received from customers at the beginning of the year was $16,791,000 (2018: $52,186,000).

18 Revenue

The Group	2019 $'000	2018 $'000
Revenue from contracts with customers		
- Sale of development properties	36,595	59,218
Rental income from investment properties (Note 6)	4,791	3,038
Other rental income	-	42
	41,386	62,298
Timing of transfer of goods and services in respect of revenue from contracts with customers		
- At a point in time	36,595	59,218

19 Other income

The Group	2019 $'000 (Revised)*	2018 $'000 (Revised)*
Fair value gain on investment properties (Note 6)	1,734	26,778
Financing income on payments from customers	2,513	945
Foreign exchange gain, net	40	9
Gain on disposal of property, plant and equipment	6	-
Interest income on bank balances	5	15
Penalty on late payment from customers	650	-
Others	1,069	21
	6,017	27,768

* Refer to Note 33 to the revised financial statements

20 Finance costs

The Group	2019 $'000	2018 $'000
Accreted interest on accrued land lease premium (Note 14)	3,840	3,801
Accreted interest on lease liabilities (Note 15)	9	-
Financing expense on payments from customers	732	-
Interest expense on borrowings	4,216	1,898
Interest expense on convertible loan	167	201
Others	389	363
	9,353	6,263

21 Profit before taxation

The Group	Note	2019 $'000	2018 $'000
Profit before taxation has been arrived at after charging:			
Depreciation of property, plant and equipment	3	**475**	333
Depreciation of right-of-use assets	4	**104**	-
Operating lease expenses		**-**	226
Staff costs			
Directors of the Company:			
Directors' fees		**145**	169
Directors' remuneration other than fees			
- salaries and other related costs		**481**	612
- contributions to defined contribution plan		**12**	17
- equity-settled share-based payment transactions		**-**	57
		493	686
Directors of a subsidiary:			
- directors' fees		**223**	-
- directors' salaries		**379**	433
- equity-settled share-based payment transactions		**53**	-
		655	433
Key management personnel (other than directors):			
- salaries and other related costs		**601**	525
- contributions to defined contribution plan		**30**	17
- equity-settled share-based payment transactions		**121**	18
		752	560
Other than directors and key management personnel:			
- salaries and other related costs		**1,948**	1,927
- contributions to defined contribution plan		**22**	29
- equity-settled share-based payment transactions		**54**	23
		2,024	1,979
		4,069	3,827

22 Taxation

The Group	2019 $'000 (Revised)*	2018 $'000 (Revised)*
Current taxation	**-**	8
Deferred taxation (Note 12)	**(895)**	4,709
	(895)	4,717

* Refer to Note 33 to the revised financial statements

The Company and Futura Asset Holdings Pte. Ltd. ("Futura"), which are incorporated and established in Singapore, are subject to Singapore income tax at 17% (2018: 17%). Trechance Holdings Limited ("Trechance"), which is incorporated and established in Hong Kong, is subject to Hong Kong income tax at 16.5% (2018: 16.5%). No provisions for Singapore and Hong Kong taxes have been made as the respective group entities do not have assessable profits subject to Singapore and Hong Kong taxes.

22 Taxation (cont'd)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable tax rate on profit before tax as a result of the following:

The Group	2019 $'000 (Revised)*	2018 $'000 (Revised)*
Profit before taxation	1,780	27,016
Tax at Singapore tax rate of 17% (2018: 17%)	303	4,593
Effect of different tax rates in foreign jurisdictions	187	2,395
Tax effect on non-deductible expenses	222	498
Tax effect on non-taxable income	(1,607)	(2,769)
	(895)	4,717

* Refer to Note 33 to the revised financial statements

Expenses not deductible for tax mainly include the operating expenses incurred by the Company, Futura and Trechance that have no taxable income.

GLRE has obtained a five-year corporate tax exemption from the Myanmar Investment Commission and Inland Revenue of Myanmar up to 30 November 2021. Consequently, non-taxable income mainly arises from GLRE.

At the end of the reporting period, the Company has unused tax losses of $2,191,000 (2018: $2,191,000) allowed to be carried forward and used to offset against future taxable profits of the Company. The unused tax losses are subject to agreement by the Inland Revenue Authority of Singapore. Deferred tax assets have not been recognised in respect of the tax losses because there is no reasonable certainty that future taxable profits will be available against which the Company can utilise the benefits. The unused tax losses have no expiry date.

23 Earnings per share

Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders of $786,000 (2018: $9,352,000), and a weighted average number of ordinary shares outstanding of 969,563,000 (2018: 962,167,000), calculated as follows:

Weighted average number of ordinary shares

The Group	2019 '000	2018 '000
Issued ordinary shares at beginning of year (Note 10)	962,167	962,167
Effect of ordinary shares issued during the year	7,396	-
Weighted average number of ordinary shares	969,563	962,167

23 Earnings per share (cont'd)

Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to ordinary shareholders of $786,000 (2018: $9,352,000), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,163,185,000 (2018: 1,153,937,000), calculated as follows:

Weighted average number of ordinary shares

The Group	**2019 '000**	2018 '000
Weighted average number of ordinary shares (basic)	**969,563**	962,167
Effect of convertible loan	**193,622**	191,770
Weighted average number of ordinary shares (diluted)	**1,163,185**	1,153,937

At the end of the reporting period, the 15,000,000 share options outstanding do not have a dilutive effect because the average market price of the Company's ordinary shares for the financial years ended 31 December 2019 and 2018 does not exceed the exercise price.

24 Significant related party transactions

During the financial year, in addition to the related party information disclosed elsewhere in the financial statements, the Company entered into the following transactions with related parties:

The Group	**2019 $'000**	2018 $'000
Rental income	**-**	42
Property management fees expense	**(517)**	(586)

The related parties are companies which are owned by certain directors and key management personnel of the Company.

25 Leases

Operating lease

Where the Group and the Company are the lessee,

As at 31 December 2018, the Group and the Company were committed to making the following minimum lease payments in respect of non-cancellable operating lease of office premise with an original term of more than one year:

The Group and the Company	2018 $'000
Not later than one year	105
Later than one year and not later than five years	167
	272

25 Leases (cont'd)

The lease on the Company's office premise on which rentals are payable will expire on 7 August 2021. There are no externally imposed covenants on the lease arrangement.

Where the Group is the lessor,

The following table sets out a maturity analysis of lease payments in respect of the Group's investment properties, showing the undiscounted lease payments to be received after the end of the reporting period.

	The Group
	$'000
2019	
Year One	2,397
Year Two	221
Year Three	94
	2,712
2018	
Not later than one year	4,186
Later than one year and not later than five years	5,771
	9,957

26 Share-based payment transactions

The Company has the following employee share option scheme and performance share plan for granting share options and share awards to employees and directors of the Company and its subsidiaries:

(a) the Emerging Towns & Cities Singapore Ltd. Employee Share Option Scheme 2016 (the "2016 Scheme") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016; and

(b) the Emerging Towns & Cities Singapore Ltd. Performance Share Plan 2016 (the "Plan") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016.

The 2016 Scheme and the Plan are administered by the Company's Remuneration Committee whose members are all independent or non-executive directors of the Company.

Under the 2016 Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and performance of the Group. Under the Plan, the Company may grant share awards to employees and directors of the Company and its subsidiaries to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. The 2016 Scheme and the Plan align the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

The total number of new shares over which options or awards may be granted pursuant to the 2016 Scheme and the Plan respectively, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

26 Share-based payment transactions (cont'd)

Under the 2016 Scheme, options granted with exercise prices equal to the market price may be exercised after the first anniversary of the date of grant and will expire after ten years from the date of grant. Options with exercise prices which represent a discount to the market price may be exercised after the second anniversary of the date of grant and will expire after ten years from the date of grant.

Under the 2016 Scheme, a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the exercise price in respect of the shares comprised in any option(s) to the extent unexercised; (b) the class and/or number of shares comprised in any option(s) to the extent unexercised and the rights attached thereto; and/or (c) the class and/or number of shares in respect of which additional options may be granted to participants of the 2016 Scheme may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the date of the exercise of an option provided that the record date relating to such variation precedes such date of exercise.

Under the Plan, if a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the class and/or number of shares which are the subject of an award to the extent not yet vested; and/or (b) the class and/or number of shares over which future awards may be granted under the Plan may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the vesting date of an award provided that the record date relating to such variation precedes such date of vesting.

There were no options granted under the 2016 Scheme during the financial year under review. The Employee Share Option Scheme (the "2009 Scheme") approved in 2009 was terminated by the shareholders at an Extraordinary General Meeting of the Company held on 21 November 2016. Options already granted under the 2009 Scheme remain valid and exercisable until the end of the relevant exercise period.

Details of the share options based on (i) the report issued by an independent valuer dated 7 September 2016 and (ii) pre-consolidation of 25 existing issued ordinary shares into 1 ordinary share, completed on 5 December 2016 are as follows:

Weighted average exercise price	Date of grant	Balance at 1.1.2019	Options forfeited/ lapsed	Balance at 31.12.2019	Period exercisable
$0.003	17.5.2016	375,000,000	-	375,000,000	17.5.2018 to 16.5.2026

26 Share-based payment transactions (cont'd)

Fair value of share options and assumptions

The fair value of services received in return for share options granted in 2016 are measured by reference to the fair value of share options granted. The fair value of share options is determined using the Binomial valuation model with the assumptions as set out below:

2018	
Weighted average fair value at measurable date	$0.00194542
Exercise price at date of grant	$0.003
Expected volatility	75.86%
Expected option life	10 years
Risk-free interest rate	1.945%
Expected dividend yield	0%

The exercise price at the grant date is based on the market price of the Company's shares on the valuation date of the options as at grant date.

The expected volatility is measured by the standard deviation of 36 months' average intra-day high and low share prices prior to the grant date.

The risk-free interest rate is based on the yield of the corresponding Singapore Sovereign Curve as at the valuation date.

Expected dividend yield is based on expected dividend pay-out over the one-year volume-weighted average share price prior to the grant date.

There is no market condition associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

27 Operating segments

For management purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units, as follows:

The Group's business is organised into three business segments, namely:

(i) Property development – relates to the development of properties for sale in Myanmar;

(ii) Property investment – relates to the business of investing in properties to earn rentals and for capital appreciation in Myanmar; and

(iii) Corporate – comprises the corporate office in Singapore which incurs general corporate expenses and the inactive entities in the Group.

The Group accounts for inter-segment transactions on terms agreed between parties. Inter-segment transactions comprising advances between segments are eliminated on consolidation.

27 Operating segments (cont'd)

Segment revenue and expenses:
Segment revenue and expenses are the operating revenue and expenses reported in the consolidated statement of profit or loss and other comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:
Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to a segment.

Management monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operates with these industries. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

27 Operating segments (cont'd)

The Group	Property development 2019 $'000	Property development 2018 $'000	Property investment 2019 $'000 (Revised)*	Property investment 2018 $'000 (Revised)*	Corporate 2019 $'000	Corporate 2018 $'000	Eliminations 2019 $'000	Eliminations 2018 $'000	Total 2019 $'000 (Revised)*	Total 2018 $'000 (Revised)*
Segment revenue	**36,595**	59,218	**4,791**	3,038	**-**	42	**-**	-	**41,386**	62,298
Results										
Segment (loss)/profit	**(4,029)**	(502)	**1,775**	2,838	**(2,037)**	(3,088)	**54**	-	**(4,237)**	(752)
Other income	**4,071**	986	**1,734**	26,778	**575**	307	**(363)**	(303)	**6,017**	27,768
Profit/(Loss) before taxation	**42**	484	**3,509**	29,616	**(1,462)**	(2,781)	**(309)**	(303)	**1,780**	27,016
Taxation	**4,620**	1,977	**(3,725)**	(6,694)	**-**	-	**-**	-	**895**	(4,717)
Profit/(Loss) for the year	**4,662**	2,461	**(216)**	22,922	**(1,462)**	(2,781)	**(309)**	(303)	**2,675**	22,299
Attributable to:										
Owners of the Company	**2,391**	1,204	**166**	11,232	**(1,462)**	(2,781)	**(309)**	(303)	**786**	9,352
Non-controlling interests	**2,271**	1,257	**(382)**	11,690	**-**	-	**-**	-	**1,889**	12,947
	4,662	2,461	**(216)**	22,922	**(1,462)**	(2,781)	**(309)**	(303)	**2,675**	22,299
Assets and liabilities										
Segment assets	**192,331**	218,849	**113,087**	114,926	**608**	1,046	**(648)**	(467)	**305,378**	334,354
Segment liabilities	**125,786**	184,143	**48,131**	20,379	**1,379**	728	**648**	467	**175,944**	205,716
Capital expenditure and significant non-cash items										
Capital expenditure on property, plant and equipment	**206**	404	**-**	-	**-**	160	**-**	-	**206**	564
Depreciation of property, plant and equipment	**424**	275	**-**	-	**51**	58	**-**	-	**475**	333
Depreciation of right-of-use assets	**-**	-	**-**	-	**104**	-	**-**	-	**104**	-

* Refer to Note 33 to the revised financial statements

27 Operating segments (cont'd)

Geographical segments

The Group	Myanmar $'000	China $'000	Singapore $'000	Total $'000
2019				
Revenue	**41,386**	**-**	**-**	**41,386**
Non-current assets *	**117,249**	**-**	**247**	**117,496**
2018				
Revenue	59,231	3,025	42	62,298
Non-current assets (revised) *	119,724	-	144	119,868

* Excluding non-current trade receivables

Geographically, the non-current assets and operations of the Group are primarily located in Myanmar for the financial years ended 31 December 2019 and 31 December 2018.

There is no revenue from transactions with a single external customer that amounts to 10 per cent or more of the Group's revenue.

28 Financial risk management objectives and policies

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and their risk management philosophy. The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

There has been no change to the Group's and the Company's exposure to financial risks or the manner in which they manage and measure the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

28.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

28 Financial risk management objectives and policies (cont'd)

28.1 Credit risk (cont'd)

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

There are no significant concentrations of credit risk through exposure to individual customers. Nonetheless, the Group is exposed to the real estate sector in Myanmar.

The Group applies the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables.

Exposure to credit risk

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. The ECL on trade receivables are estimated by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

For sale of residential properties, as the Group is contractually entitled to retain all instalments payments received from the customer and repossess the sold property for resale in the event of default payments, the credit loss risk in respect of outstanding progress billings to the customer is mitigated by these financial safeguards. Credit risk in respect of trade receivables related to property leasing is deemed to be low due to security deposits received from tenants.

Other receivables

Loss allowance for other receivables is measured at an amount equal to 12-month expected credit losses. The expected credit losses on other receivables is estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the end of the reporting period, no loss allowance for other receivables was required.

28 Financial risk management objectives and policies (cont'd)

28.1 Credit risk (cont'd)

Amounts due from related parties

The amounts due from subsidiaries are considered to have low credit risk as the Company has control or significant influence over the operating, investing and financing activities of these entities. The use of advances to assist with the related subsidiaries' cash flow management is in line with the Group capital management. Amounts due from shareholders of a subsidiary are recoverable from the undistributed profits of that subsidiary. There has been no significant increase in the credit risk of the amounts due from subsidiaries and shareholders of a subsidiary since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the related parties, and a forward-looking analysis of the financial performance of investments and projects undertaken by the related parties.

Management has assessed that the Group and the Company are not exposed to significant credit loss in respect of the amounts due from the related parties.

At the end of the reporting period, the Company has issued corporate guarantees to banks for the borrowings undertaken by a subsidiary (Note 13). These borrowings amounted to $21,527,000 (2018: $24,798,000) at the end of the reporting period. The credit risk, being the principal risk to which the Company is exposed, represents the loss that would be recognised upon a default by the subsidiary.

At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the corporate guarantees, as the Company has assessed.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intragroup financing purposes and given by the Company on behalf of its subsidiaries.

The Group's and the Company's major classes of financial assets are bank deposits and trade receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 8.

28.2 Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

28 Financial risk management objectives and policies (cont'd)

28.2 Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

The Group	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
2019					
Non-derivative financial liabilities					
Borrowings (Note 13)	**43,392**	**46,944**	**33,218**	**13,726**	**-**
Accrued land lease premium (Note 14)	**32,185**	**245,818**	**10,699**	**15,169**	**219,950**
Lease liabilities (Note 15)	**161**	**178**	**118**	**60**	**-**
Trade and other payables (Note 16)	**41,049**	**41,049**	**41,049**	**-**	**-**
	116,787	**333,989**	**85,084**	**28,955**	**219,950**
2018					
Non-derivative financial liabilities					
Borrowings (Note 13)	48,193	56,166	13,544	42,622	-
Accrued land lease premium (Note 14)	28,762	249,026	3,842	15,366	229,818
Trade and other payables (Note 16)	59,805	59,805	59,805	-	-
	136,760	364,997	77,191	57,988	229,818
The Company					
2019					
Non-derivative financial liabilities					
Lease liabilities (Note 15)	**161**	**178**	**108**	**70**	**-**
Trade and other payables (Note 16)	**1,076**	**1,076**	**1,076**	**-**	**-**
Intragroup financial guarantees (Note 16)	**158**	**21,527**	**21,527**	**-**	**-**
	1,395	**22,781**	**22,711**	**70**	**-**
2018					
Non-derivative financial liabilities					
Borrowings (Note 13)	80	80	80	-	-
Trade and other payables (Note 16)	752	752	752	-	-
Intragroup financial guarantees (Note 16)	467	24,798	9,097	15,701	-
	1,299	25,630	9,929	15,701	-

Except for the Company's cash flows arising from its intra-group corporate guarantees (Note 28.1), it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the intra-group corporate guarantees.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and bank balances and have available adequate amount of committed credit facilities from financial institutions to meet their working capital requirements. The Group also relies on short-term funding from shareholders, non-controlling interests, other related parties or individuals, where necessary.

28 Financial risk management objectives and policies (cont'd)

28.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank loans and bank balances at floating rates. Loans from shareholders of a subsidiary, non-trade amount due to a third party and other loan bear interest at fixed rates. All other financial assets and liabilities are interest-free.

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Fixed rate instruments				
Financial liabilities				
- loans from shareholders of a subsidiary	**(2,773)**	(3,224)	**-**	-
- amount due to a third party (non-trade)	**(19,092)**	(20,091)	**-**	-
- other loan	**-**	(80)	**-**	(80)
	(21,865)	(23,395)	**-**	(80)
Variable rate instruments				
Financial assets				
- bank balances	**2,936**	2,213	**166**	850
Financial liabilities				
- bank loans	**(21,527)**	(24,798)	**-**	-
	(18,591)	(22,585)	**166**	850

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the end of the reporting period, if interest rates had been 100 (2018: 100) basis points higher/lower with all other variables held constant, the Group's profit net of tax and equity would have been $186,000 (2018: $226,000) lower/higher, arising mainly as a result of higher/lower interest expenses on floating rate bank loans, offset by higher/lower interest income from floating rate bank balances.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing their interest rate exposure.

28 Financial risk management objectives and policies (cont'd)

28.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

The Group and the Company have transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of the group entities. The foreign currencies in which these transactions are denominated are primarily Singapore dollar ("SGD"), Myanmar kyat ("MMK"), Renminbi ("RMB") and United States dollar ("USD"). The Group's and the Company's receivable and payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and bank balances denominated in Singapore dollar, Myanmar kyat and United States dollar for working capital purposes.

Consequently, the Group and the Company are exposed to movements in foreign currency exchange rates. The Group and the Company do not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The Group's and the Company's exposures in financial instruments to the various foreign currencies are mainly as follows:

The Group	Singapore dollar $'000	Myanmar kyat $'000	Renminbi $'000	United States dollar $'000
2019				
Trade and other receivables	**1**	**-**	**-**	**289**
Cash and bank balances	**147**	**2,542**	**-**	**5**
Trade and other payables	**(33)**	**(73)**	**(61)**	**(723)**
Net exposure	**115**	**2,469**	**(61)**	**(429)**
2018				
Trade and other receivables	-	-	18	920
Cash and bank balances	1,036	1,625	-	-
Trade and other payables	(752)	(370)	(213)	(467)
Net exposure	284	1,255	(195)	453
The Company				
2019				
Trade and other receivables				**289**
Trade and other payables				**(723)**
Net exposure				**(434)**
2018				
Trade and other receivables				920
Trade and other payables				(467)
Net exposure				453

28 Financial risk management objectives and policies (cont'd)

28.4 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates below against the functional currencies of the respective group entities, on the Group's profit net of tax.

The Group		**2019 $'000**	2018 $'000
SGD	- strengthened 5% (2018: 5%)	**6**	14
	- weakened 5% (2018: 5%)	**(6)**	(14)
MMK	- strengthened 5% (2018: 5%)	**123**	63
	- weakened 5% (2018: 5%)	**(123)**	(63)
RMB	- strengthened 5% (2018: 5%)	**(3)**	(10)
	- weakened 5% (2018: 5%)	**3**	10
USD	- strengthened 5% (2018: 5%)	**(21)**	23
	- weakened 5% (2018: 5%)	**21**	(23)
The Company			
USD	- strengthened 5% (2018: 5%)	**(22)**	23
	- weakened 5% (2018: 5%)	**22**	(23)

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effect.

28.5 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, hence, are not exposed to any movement in market prices.

29 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	Amortised cost $'000	Other financial liabilities (at amortised cost) $'000	Total carrying amount $'000
2019			
Financial assets			
Trade and other receivables (Note 8)	**21,722**	**-**	**21,722**
Cash and bank balances (Note 9)	**3,222**	**-**	**3,222**
	24,944	**-**	**24,944**
Financial liabilities			
Borrowings (Note 13)	**-**	**(43,392)**	**(43,392)**
Accrued land lease premium (Note 14)	**-**	**(32,185)**	**(32,185)**
Lease liabilities (Note 15)	**-**	**(161)**	**(161)**
Trade and other payables (Note 16)	**-**	**(41,049)**	**(41,049)**
	-	**(116,787)**	**(116,787)**
2018			
Financial assets			
Trade and other receivables (Note 8)	23,840	-	23,840
Cash and bank balances (Note 9)	3,026	-	3,026
	26,866	-	26,866
Financial liabilities			
Borrowings (Note 13)	-	(48,193)	(48,193)
Accrued land lease premium (Note 14)	-	(28,762)	(28,762)
Trade and other payables (Note 16)	-	(59,805)	(59,805)
	-	(136,760)	(136,760)
The Company			
2019			
Financial assets			
Trade and other receivables (Note 8)	**35,109**	**-**	**35,109**
Cash and bank balances (Note 9)	**166**	**-**	**166**
	35,275	**-**	**35,275**
Financial liabilities			
Lease liabilities (Note 15)	**-**	**(161)**	**(161)**
Trade and other payables (Note 16)	**-**	**(1,076)**	**(1,076)**
	-	**(1,237)**	**(1,237)**
2018			
Financial assets			
Trade and other receivables (Note 8)	35,629	-	35,629
Cash and bank balances (Note 9)	850	-	850
	36,479	-	36,479
Financial liabilities			
Borrowings (Note 13)	-	(80)	(80)
Trade and other payables (Note 16)	-	(752)	(752)
	-	(832)	(832)

30 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as going concern;
(b) To support the Group's and the Company's stability and growth;
(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings, accrued land lease premium, lease liability and trade and other payables, less cash and bank balances. Total capital represents equity attributable to owners of the Company.

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000 (Revised)*	**$'000**	$'000
Borrowings (Note 13)	**43,392**	48,193	**-**	80
Accrued land lease premium (Note 14)	**32,185**	28,762	**-**	-
Lease liabilities (Note 15)	**161**	-	**161**	-
Trade and other payables (Note 16)	**51,511**	68,395	**1,234**	1,219
Total debt	**127,249**	145,350	**1,395**	1,299
Less: Cash and bank balances (Note 9)	**(3,222)**	(3,026)	**(166)**	(850)
Net debt	**124,027**	142,324	**1,229**	449
Equity attributable to the owners of the Company	**116,783**	117,671	**69,524**	70,717
Total capital	**116,783**	117,671	**69,524**	70,717
Total capital and net debt	**240,810**	259,995	**70,753**	71,166
Gearing ratio	**52%**	55%	**2%**	1%

31 Fair value measurement

Definition of fair value
SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy
Financial assets and financial liabilities measured or disclosed at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, certain borrowings, and trade and other payables) or those which reprice regularly approximate their fair values because of the short period to maturity or repricing. The fair value of non-current financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Financial assets and liabilities not measured at fair value but for which fair values are disclosed *

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2019				
Bank loans	**-**	**21,527**	**-**	**21,527**
Loans from shareholders of a subsidiary	**-**	**2,773**	**-**	**2,773**
Amount due to a third party (non-trade)	**-**	**19,296**	**-**	**19,296**
	-	**43,596**	**-**	**43,596**
2018				
Bank loans	-	22,212	-	22,212
Loans from shareholders of a subsidiary	-	3,224	-	3,224
Amount due to a third party (non-trade)	-	20,163	-	20,163
Other loan	-	80	-	80
	-	45,679	-	45,679

* Exclude financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term or repayable on demand nature and where the effect of discounting is immaterial.

31 Fair value measurement (cont'd)

Fair value measurement of non-financial instruments

The following table shows the levels within the fair value hierarchy of non-financial instruments measured at fair value on a recurring basis.

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2019				
Non-financial assets				
Investment properties (Note 6)	-	-	**113,087**	**113,087**
2018				
Non-financial assets				
Investment properties (Note 6)	-	-	114,926	114,926

The following table shows the Group's valuation technique used in measuring the fair value of the investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct comparison method - Residential units	• Average price per square metre	The estimated fair value would increase/decrease if: • Average price per square metre was higher/lower
Income capitalisation method - Retail units and office units	• Capitalisation rate • Expected rental growth • Expected vacancy period	The estimated fair value would increase/decrease if: • Capitalisation rate was lower/higher; • Expected growth rate was higher/lower; and • Expected vacancy rate was shorter/longer

32 Subsequent events

On 27 February 2020, the Company allotted 7,122,000 new ordinary shares in the capital of the capital of the Company to eligible group employees, in accordance with the terms of the Performance Share Plan 2016.

On 19 March 2020, the Group obtained a committed term sheet from a bank, pursuant to which the bank agreed to provide a term loan facility of US$50 million to the Group. The term sheet was approved by the Board of Directors of the Company on 20 March 2020.

With respect to the outbreak of COVID-19 (Coronavirus Disease 2019), the Group has assessed and preliminarily concluded that the full impact could not be quantified reliably. At the date of the original financial statements, the outbreak has spread to various regions around the world. The Group's performance subsequent to the end of the reporting period is likely to be impacted as a result of the global economic downturn. The Group is actively monitoring the situation, putting in place measures to minimise the impact to its business, and will react actively to minimise the impact on the operations and financial position of the Group arising from the evolving situation.

33 Basis for revision

Revising and re-filing of financial statements for the financial year ended 31 December 2019
As announced by the Company on SGXNet on 5 November 2021, pursuant to ACRA's Financial Reporting Surveillance Programme, ACRA had issued a letter dated 5 November 2021 ("ACRA's Letter") under Section 202A of the Act to the Company in relation to the Group's financial statements for the financial year ended 31 December 2019 ("FY2019 FS").

The original directors who authorised the FY2019 FS comprised the following:

Ang Mong Seng
Tan Thiam Hee
Zhu Xiaolin
Lim Jun Xiong Steven (Resigned on 5 April 2021)
Teo Cheng Kwee

ACRA's Letter indicated that in its view, the FY2019 FS had not complied with paragraph 57(d) of SFRS(I) 1-40 *Investment Property*. This is because the Group had recognised the transfer of development properties to investment properties, together with the corresponding fair value gain on investment properties, in the financial year ended 31 December 2019. This is despite the evidence of a change in use in the financial year ended 31 December 2018, following the inception of lease and a lease agreement being signed between the Group and Huawei Technologies (Yangon) Co., Ltd. ("Huawei") on 12 October 2018, though fitting-out works were carried out only in 2019 and the lease commenced on 1 August 2019, subsequent to the amendment lease agreement being signed between the Group and Huawei on 29 May 2019.

As at the date of these revised financial statements, the directors comprise the following:

Ang Mong Seng
Tan Thiam Hee
Zhu Xiaolin
Teo Cheng Kwee

33 Basis for revision (cont'd)

Revising and re-filing of financial statements for the financial year ended 31 December 2019 (cont'd)
In view of the Regulations, the current directors have voluntarily revised the FY2019 FS in accordance with Section 202A of the Act. On this basis, the revised financial statements have been remediated pursuant to ACRA's findings from the review of the FY2019 FS.

Effects of revisions
The effects of the revisions on the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the financial years ended 31 December 2019 and 31 December 2018 are summarised below.

Revisions and comparative figures

The Group	Previously stated $'000	Adjustments $'000	Revised $'000
2019			
Consolidated statement of profit or loss and other comprehensive income			
Other income	**22,134**	**(16,117)**	**6,017**
Profit before taxation	**17,897**	**(16,117)**	**1,780**
Taxation	**(3,134)**	**4,029**	**895**
Profit for the year	**14,763**	**(12,088)**	**2,675**
Total comprehensive income for the year	**12,616**	**(12,216)**	**400**
Consolidated statement of cash flows			
Profit before taxation	**17,897**	**(16,117)**	**1,780**
Fair value gain on investment properties	**(17,851)**	**16,117**	**(1,734)**
2018			
Consolidated statement of financial position			
Investment properties	65,228	49,698	114,926
Development properties	219,616	(33,411)	186,205
Reserves	68,559	5,986	74,545
Non-controlling interests	4,737	6,230	10,967
Deferred tax liabilities	26,283	4,071	30,354
Consolidated statement of profit or loss and other comprehensive income			
Other income	11,651	16,117	27,768
Profit before taxation	10,899	16,117	27,016
Taxation	(688)	(4,029)	(4,717)
Profit for the year	10,211	12,088	22,299
Total comprehensive income for the year	12,698	12,216	24,914
Consolidated statement of cash flows			
Profit before taxation	10,899	16,117	27,016
Fair value gain on investment properties	(10,661)	(16,117)	(26,778)

There is no effect of the revisions on the consolidated statement of financial position as at 31 December 2019, and the statement of financial position of the Company as at 31 December 2019 and 31 December 2018.

There is no effect of the revisions on the statements of financial position of the Group and the Company as at 1 January 2018. Accordingly, a third statement of financial position is not presented for the Group and the Company as at the beginning of the preceding period.