



**COMMITTED TO  
SUSTAINABLE GROWTH**

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## **OUR VISION**

To be a leader in building construction services in Singapore and a sizeable investor in property development in the region.

## **OUR MISSION**

We are committed to contributing social and economic benefits to our society through the provision of high quality and cost-effective services in construction and niche property development activities in the region.

We provide innovative solutions in an efficient and professional manner to meet our customers' requirements in building and property businesses by bringing together the best available resources and continually improving our processes to deliver excellence.

As we achieve the above, we will also generate fair and satisfying economic value for our shareholders.



## CORPORATE PROFILE

KSH Holdings Limited ("KSH" or the "Group") ("金成兴控股有限公司") is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979 and has been listed on the Mainboard of the SGX-ST since 8 February 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector construction projects of unlimited value, and is a main contractor for both the public and private sectors in Singapore. The Group also has an A2 grade under BCA's CW02 category for civil engineering, allowing KSH to tender for Public Sector projects for values of up to S\$85 million.

KSH has an established track record of handling construction projects across a broad spectrum of industries, and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. KSH won several BCA Construction Excellence Awards including that for Fullerton Bay Hotel and NUS University Town's Education Resource Centre in 2013, Madison Residences in 2014, as well as Mount Alvernia Hospital in 2016, amongst others. In 2019, KSH received the BCA Construction Excellence Award (Excellence) for NUS University Sports Centre and Construction Excellence Award (Merit) for Heartbeat@Bedok.

Through strategic alliances and joint ventures, KSH's property development and investment presence spans across various real estate sectors including residential, commercial, hospitality, and mixed-use developments. Apart from having successfully executed residential and mixed-use development projects in Singapore and the People's Republic of China (the "PRC"), the Group has jointly acquired properties in other geographies including the United Kingdom, Australia, Malaysia and Japan. It will continue to explore opportunities in new geographies with favourable real estate cycles with a focus on Southeast Asia.

On the Property Investment front, the Group invests in yield-accretive assets that generate a sustainable stream of income with potential capital gains. This includes a 36-Storey retail and office complex, Tianjin Tianxing Riverfront Square, in the heart of the business district of Tianjin, the PRC.

The Group seeks to continue broadening its businesses and projects, and explore opportunities in new markets while striving towards sustainable growth to enhance shareholder value.









# ONGOING PROJECTS

## Construction Projects

1. Construction of a 6-Storey Building with 2-Basement
2. Additions & Alteration Term Contract for Facilities for a Period of Four Years
3. Additions & Alterations to Existing Building and New Annex Building
4. Civil, Building and Ancillary Works
5. Erection of a Block of 2-Storey Building with 3 Basements, Canteen, Roof Garden and Additions & Alterations to Existing Building
6. Riverfront Residences
7. 4-Storey Building with Basement Carpark
8. Erection of 5-Storey Integrated Development with a Basement Car Park

## Property Development Projects

1. Rezi 24
2. Park Colonial
3. Riverfront Residences
4. Affinity @Serangoon
5. Rezi 35



# GROUP STRUCTURE

## KSH HOLDINGS LIMITED



Group Structure as at 31 March 2020 on subsidiaries.

\* Associates and joint ventures Note 7 and Note 8 on pages 95 to 106 of this Annual Report.



# MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR



“We are pleased to deliver a credible set of results with good growth momentum despite economic disruptions which had impacted business operations. We continue to be supported by a construction order book of approximately S\$550.0 million and a robust pipeline of more than S\$466.0 million of attributable share of progress billings to be recognised as sales revenue for our property development projects, which have been fully or substantially sold to-date.”

mainly attributable to an increase in the Group’s core construction business, partially mitigated by a decrease in rental income from the investment property in Tianjin, the PRC.

More significantly, the Group attained a turnaround in share of results of associates and joint ventures, which achieved a profit of S\$7.8 million in FY2020. This was compared to a loss of S\$9.4 million in FY2019, which was negatively impacted due to the adoption of new accounting standards. This was lifted by the contribution from the sales and progress in construction from residential development projects in Singapore – Affinity @Serangoon, Riverfront Residences and Park Colonial.

Correspondingly, the Group’s net profit attributable to Owners of the Company increased by a substantial 107.9% to \$15.8 million in FY2020, as compared to S\$7.6 million in FY2019.

Our balance sheet and working capital position continue to remain strong, with fixed deposits, cash and bank balances of more than S\$130.3 million as at 31 March 2020.

## RESILIENT CORE CONSTRUCTION BUSINESS

Our core construction business remains our largest revenue driver, constituting 97.7% of our total revenue at S\$220.8 million in FY2020.

As a BCA A1-graded contractor, our strong fundamentals, established track record and close relationships with strategic customers have allowed us to leverage on our competitive advantage to tender for construction projects. Having secured a number of new projects in the second half of FY2020, our order book stood strong at more than S\$472.0 million as at 31 March 2020. With a recently awarded public contract in August 2020, the order book has increased to approximately S\$550.0 million, consisting a good mix of private and public sector projects at approximately 35.5% and 64.5% respectively.

Due to the onset of COVID-19, the Singapore government implemented the Circuit Breaker period from 7 April to 1 June

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended 31 March 2020 (“**FY2020**”).

The world economy continues to be profoundly impacted by the COVID-19 pandemic that started in late 2019, which was described as the “worst economic crisis” since the Great Depression in 1930s by the International Monetary Fund (IMF). Taking into account the significant deterioration in the external economic environment, the deterioration in the external demand outlook for Singapore as well as the expected economic impact of the Circuit Breaker measures, the MTI has downgraded its gross domestic product (GDP) growth forecast for the Singapore economy to “-7.0% to 5.0%” in August 2020, from May’s forecast of “-7.0% to -4.0%” in 2020<sup>1</sup>.

Amid the difficult times, we are pleased to deliver a credible set of results with good growth momentum despite economic disruptions which had impacted business operations. We continue to be supported by a construction order book of approximately S\$550.0 million and a robust pipeline of more than S\$466.0 million of attributable share of progress billings to be recognised as sales revenue for our property development projects, which have been fully or substantially sold to-date.

## FINANCIAL HIGHLIGHTS

We are pleased to achieve a steady topline growth in FY2020 with a 13.1% increase in total revenue to S\$226.1 million from S\$200.0 million reported a year ago in the financial year ended 31 March 2019 (“**FY2019**”). The revenue growth was



2020 to counter the pandemic, resulting in the suspension of non-essential services and closure of most workplace premises. As a result, the Group's construction activities came to an abrupt halt due to the closure of construction sites and suspension of construction activities during this period.

Phased re-opening has since begun as we start to gradually recover from the impact on construction due to the Circuit Breaker measures. We are pleased to update that all of our construction sites have received approval to restart work, and some of the Group's construction projects have commenced small scale physical works on-site. We expect to be able to commence work immediately once all workers are given the necessary clearance to work on-site.

Due to the evolving nature of the COVID-19 situation, we expect disruption in supplies and manpower to continue, along with the increase in operating costs. We will focus on ensuring the smooth operational progress of our projects and tighten cost controls through the utilisation of government grants and assistance, such as the S\$1.36 billion Construction Support Package by Building and Construction Authority ("**BCA**"). The Group will utilise these aids as much as possible to defray costs incurred due to the COVID-19 pandemic.

At the same time, we will continue to stay competitive and enhance productivity through skills upgrading and the adoption of innovation and technology to enhance our efficiency. This has yielded results, as we were accorded the BCA Construction Excellence Award (Excellence) for the NUS University Sports Centre and the Construction Excellence Award (Merit) for Heartbeat@Bedok in FY2020. This is a strong testament to our high standards of management, technical expertise, and stellar workmanship in construction by the local industry.

## SOLID PROPERTY DEVELOPMENT BUSINESS

### Singapore

During the year, we have continued to work closely with our JV partners and associates to continuously push the sales and progress in construction since the launch of our four residential projects – Affinity @Serangoon, Riverfront Residences, Park Colonial and Rezi 24.

As at 31 March 2020, we have launched a total of 19 property development projects, including the above mentioned four newly-launched residential properties in the past year. Most of the property developments launched prior to the current financial year have been either fully or substantially sold, translating into more than S\$466.0 million of attributable share of progress billings to be progressively recognised.

Notwithstanding the headwinds in the local economy, all four newly-launched projects were well-received by the market, having sold more than 2,700 units with positive margins based on options issued out of the total 3,450 units across all four residential developments, as at 31 March 2020. Of the Group's attributable share of units launched, we have sold approximately 81.1% across all four developments.

Latest statistics from the Urban Redevelopment Authority ("**URA**") showed that prices of private residential properties increased by 0.3% in the second quarter of 2020 ("**2Q2020**"), compared with the 1.0% decrease in the previous quarter. The number of private new homes sold in Singapore in 2Q2020 fell 20.3% to 1,713 units from 2,149 units in the previous quarter. Overall, total sales volume fell by 37.6% in 2Q2020 to 2,664 units, marking the third consecutive quarterly decline since third quarter 2019 ("**3Q2019**") when 5,763 units were sold<sup>2</sup>.

Amid the effects from the COVID-19 pandemic, construction and development works are expected to be affected in Singapore. To mitigate the impact on the property sector, the Ministry of National Development announced temporary relief measures for property developers affected by disruptions to construction timelines and sales of housing units resulting from the COVID-19 pandemic.



<sup>1</sup> Ministry of Trade and Industry, 11 August 2020 – MTI Narrows 2020 GDP Growth Forecast to “-7.0 to -5.0” Per Cent

<sup>2</sup> Urban Redevelopment Authority, 24 July 2020 – Release of 2nd Quarter 2020 real estate statistics

# MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

## Overseas

Overseas in China, our 22.5%-owned Gaobeidian township project is in progress. We have since launched 812 units of Phase 1 of Stage 1 of our residential project Sino-Singapore Health City (中新健康城) in Gaobeidian, the PRC which has been well-received by the market. To-date, we have sold approximately 296 units with an average selling price expected to earn a positive profit margin.

The project is expected to contribute positively to the Group's performance upon its completion.

Looking forward, we will monitor market sentiments and conditions closely as we continue to actively push sales for our property development projects. At the same time, with the right opportunities, we will work closely with our experienced JV partners to prudently seek well-located sites for development to replenish our land bank for sustainable growth.

## STEADY PROPERTY INVESTMENT BUSINESS

On the property investment front, the Group continues to maintain good occupancy and generate recurring income for our investment properties in Singapore and overseas.

In China, our 69%-owned investment property in the PRC, Tianjin Tianxing Riverfront Square continues to contribute positively to the Group with a resilient occupancy of approximately 71%.

As part of our strategy, we have grown substantially in our investment in hotel properties, through partnership with our reputable and experienced JV partners. Currently, the Group

has a total of 13 investments of hotel property overseas, of which nine are in operation and generating recurring income.

Conveniently located at the city centres with favourable market cycles, near major transportation nodes suitable for both tourist and business travels, our hotels are invested in calculated stake as part of risk management and syndication to take on larger projects.

While international travel restrictions have impacted hotel occupancy rates, our hotel investments in UK are in operation with recovering occupancy. We will continue to monitor the situation closely and maintain financial prudence.

## PROPOSED DIVIDENDS

Despite the unfavorable economic outlook, we are committed to reward shareholders in appreciation of your support over the years. As such, we will be proposing a final cash dividend of 1.20 Singapore cents per ordinary share.

In addition to the interim cash dividend of 1.00 Singapore cent per share distributed earlier in the financial year, this brings the total dividend declared for FY2020 to 2.20 Singapore cents per share.

## APPRECIATION

The Group's resilience amidst the economic challenges would not be possible without my dedicated and hardworking team of management and staff of engineers, quantity surveyors and site co-ordinators. I would like to take this opportunity to extend my heartfelt appreciation for their commitment to the Group's business.

My appreciation also goes to our Board of Directors who have provided valuable guidance and advice. I would also like to thank our shareholders, customers, suppliers, sub-contractors, partners, and stakeholders, for your confidence in us as we brace for uncertainties and strive to bring the Group forward.

**CHOO CHEE ONN**

Executive Chairman and Managing Director  
7 September 2020





# 执行主席兼董事经理 致詞



尊敬的股东们，

我很荣幸地代表董事会呈现截至2020年3月31日的2020财政年度报告（“2020财年”）。

2019年底新型冠状病毒肺炎的爆发使得全球经济萎靡不振，被国际货币基金(IMF)喻为自1930年代‘大萧条’后的最严重经济危机。考虑到外部经济环境显著衰退，新加坡的外部需求前景恶化，以及阻断措施对经济的影响，贸工部(MTI)已将新加坡经济的2020年国内生产总值(GDP)增长预期从5月的“-7.0%至-4.0%”，在2020年8月下调至“-7.0%至-5.0%”。

尽管经营环境艰苦，我们仍然能在经济干扰业务运营的情况下使本财年有良好的成绩与稳健的增长。除了现有的5亿5,000万新元的建筑订单外，我们的房地产发展项目继续强劲发展，集团应拥有份额的逐步确认进度账单有超过4亿6,600万新元可以在将来让各项目收录为确认销售额，而各项目至今也已经全部或大部分被售出。

### 财务亮点

我们的业绩在2020财年稳步增长，总收入由去年同期（“2019财年”）的2亿新元增至2020财年的2亿2,610万新元，上涨了13.1%。收入的增长主要归因于建筑业务上涨，虽然部分的涨幅稍微被中国天津的房地产投资项目租金下调所抵消。

值得一提的是，在2020财年，本集团在联营公司和合资企业业绩中所拥有份额扭亏为盈，相较于2019财年因集团采用了新订的会计准则所致的940万新元的份额亏损，本财年录得780万新元的盈利。这增长是由新加坡的住宅发展项目 - Affinity @ Serangoon, Riverfront Residences 与（英雅苑）Park Colonial的销售及建筑工程进度所贡献的。

相应的，集团在2020财年的股东应拥有溢利净额为1,580万新元，相较于2019财年的760万新元，大幅度上升了107.9%。

截至2020年3月31日，我们保持强稳的资产负债表及营运资本，持有超过1亿3,030万新元的定期存款、现金和银行存款余额。

### 稳健的核心建筑业务

在2020财年，建筑业务仍然是我们最主要的收入来源，占总收入的97.7%，即2亿2,080万新元。

作为建设局A1认证的承包商，我们凭借其强稳的业务基础、卓越的行业记录以及与战略顾客保持着密切关系等优势，帮助我们成功投得建筑项目。集团在2020财年下半年赢得了数个新项目，截至2020年3月31日，建筑订单销量依然强劲，总额超过4亿7,200万新元。在最近2020年8月，集团在成功获得一项政府合同后，建筑订单因此上涨至约5亿5,000万新元，私人项目与政府项目的比例维持在约35.5%与64.5%的良好水平。

为了遏止新型冠状病毒肺炎的散播，新加坡政府宣布由2020年4月7日至6月1日实施‘阻断措施’的抗疫举措，暂停非必要服务与关闭大部分的工作场所。因此，集团的建筑工地必须关闭，所有的建筑工程也骤然停止运作。

如今，我们已经逐步分阶段解封，也可逐渐修复‘阻断措施’对建筑业所造成的影响。我们欣然宣布集团内所有的建筑工程已获得批准重新动工。当中，一些建筑项目已经开始小规模工程，让部分的员工到工地工作。当全员员工取得相关的批准到工地现场工作后，我们预计就能够全速复工。

鉴于目前变幻莫测的新型冠状病毒肺炎情况，我们预计物资和人力资源将受到阻扰，连带运营成本随即上升。我们会专注于确保工程运营过程顺利进行，并善用政府提供的赠款和援助，如由建设局提供的13.6亿新元的建筑援助配套，以控制成本。集团会尽量运用这些补助来支付由新型冠状病毒肺炎所引致的费用。

# 执行主席兼董事经理 致詞

与此同时，我们会保持竞争力并提升技能来提高生产力。这方面的努力为我们取得了实际的成果，在2020财年，我们的新加坡国立大学体育中心 (NUS University Sports Centre) 获颁建设局 (BCA) 建筑卓越 (优秀) 奖 (Construction Excellence Award (Excellence))，勿洛心动大厦 (Heartbeat@Bedok) 则获得建设局建筑卓越 (优异) 奖 (Construction Excellence Award (Merit)) 的肯定。这些奖项有力地证明了集团一贯秉持高标准的管理系统、专业的技术知识、优异的建筑工程质量的优势。

## 坚实房地产开发业务

### 新加坡

今年，我们继续和合资伙伴和联营公司密切合作，继四个住宅项目 – Affinity @Serangoon、Riverfront Residences、英雅苑 (Park Colonial) 和 Rezi 24 推出后，积极推动其销量和工程进度。

截至2020年3月31日，我们总共推出了19个房地产发展项目，其中包括上述的四项一年前新推出的住宅项目。大部分在上一个财年所推出的房地产项目已全数或大部分被售出，转化成逐步确认进度账单，归本集团的应拥有份额超过4亿6,600万新元。

尽管本地经济面临诸多困境，但所推出的四项住宅项目非常受市场欢迎，截至2020年3月31日，根据所发出的期权，我们所推出的3,450个单位中，已经有以有利润的价格售出超过2,700个单位。我们应拥有份额的已推出项目单位，也已经出售了约81.1%。

根据市区重建局 (URA) 的最新统计数据显示，2020年第二季度私人住宅物业价格上升了0.3%，相比上一季度的价格下降了0.1%。在2020年第二季度，一共售出1,713套新加坡私人住宅，相比上一季度共售出的2,149套私人住宅，下降了20.3%。总的来说，2020年第二季度的总销量为2,664单位，与2019年第三季度所售出的5,763单位相比，下降了37.6%，标志着连续第三个季度的销量下降<sup>2</sup>。

在新型冠状病毒肺炎持续笼罩全球的压力下，新加坡的建筑及发展工程预计将受到波及。为了缓解疫情对房地产业造成的冲击，新加坡国家发展部宣布推出临时援助措施，帮助受到疫情影响导致工程进度和房屋销售中断的房地产发展商度过难关。

### 海外

我们在中国拥有22.5%权益的高碑店乡镇发展项目继续进行着。集团在中国高碑店第一阶段推出的住宅项目，中新健康城，深受市场欢迎，至今已推出了812单位。到目前为止，我们已经出售了约296单位，平均售价预计会为集团提供稳健的利润。

该项目预计将在完工后，对集团业绩作出积极贡献。

展望未来，我们会密切留意市场气氛及情况，继续积极推进地产发展项目的销量。与此同时，我们会把握良机，与经验丰富的合资伙伴谨慎地寻找优良的发展土地，以扩充土地储备，促进集团的持续增长。

## 稳步发展的房地产投资业务

在房地产投资方面，新加坡和海外的投资性房地产继续保持良好的入住率，继续为集团提供良好的经常性收益。

我们在中国天津拥有69%权益的天星河畔广场持续享有约71%的稳定入住率，并继续为集团提供积极稳健的收入。

作为我们战略的举措，我们通过和信誉良好、经验丰富的合资伙伴，在酒店物业投资方面取得了长足的发展。目前，本集团共投资13家酒店物业，其中九家酒店正在运营并产生经常性收入。

这些酒店位于市中心，市场周期良好，靠近主要交通节点，适合旅游和商务旅行。我们的酒店在战略上投资于计算出的股份，作为风险管理以联合性促成更大的项目。

尽管国际旅行限制负面影响酒店入住率，我们在英国投资的酒店正在运营，入住率也逐渐复苏。我们会继续密切关注疫情情况，审慎理财。

## 拟派股息

虽然经济前景严峻，但是为表集团对股东多年支持的谢意，我们提议分发每股新币1.20分的末期现金股息。

连同上次分发每股新币1.00分的中期现金股息，2020财年合计总股息分派为新币2.20分。

## 致谢

如果没有管理团队辛勤的努力和无私的奉献，金成兴控股有限公司将不会取得今日的稳健业绩。我想借此机会对管理团队和员工的辛勤工作和承诺表示衷心的感谢。

我们也非常荣幸能让董事会为本集团提供宝贵的指导。当然也包括股东们、客户、供应商、分包商、合作伙伴以及利益相关者，感谢你们对集团的信任，让我们共同迎接改变，努力使集团的业绩蒸蒸日上。

朱峙安

执行董事兼董事总经理

2020年9月7日

<sup>1</sup> Ministry of Trade and Industry, 11 August 2020 – MTI Narrows 2020 GDP Growth Forecast to “-7.0 to -5.0” Per Cent

<sup>2</sup> Urban Redevelopment Authority, 24 July 2020 – Release of 2nd Quarter 2020 real estate statistics



## FINANCIAL AND OPERATIONS REVIEW

The Group reported topline growth of 13.1% to S\$226.1 million for FY2020 revenue, as compared to S\$200.0 million in FY2019.

The revenue increase was mainly due to a rise in contribution from the Group's main revenue driver – the core construction business – by S\$26.5 million from S\$194.3 million in FY2019 to S\$220.8 million in FY2020. The increase was partially offset by a decrease in rental income mainly from investment properties in Tianjin, the PRC.

Other income decreased by S\$0.8 million to S\$11.5 million in FY2020, mainly due to the decrease in gain on fair value adjustments of investment properties of S\$1.2 million.

In FY2020, the Group achieved a turnaround in its share of results of associates and joint ventures, having achieved a profit of S\$7.8 million in FY2020 as compared to a loss of S\$9.4 million in FY2019. This was mainly due to the contribution by the sales and progress in construction from the residential development projects in Singapore – Affinity @Serangoon, Riverfront Residences and Park Colonial.

Correspondingly, the Group achieved a significant 107.9% increase in net profit attributable to Owners of the Company to S\$15.8 million in FY2020, as compared to S\$7.6 million in FY2019.

Due to the Group's prudent capital management, its balance sheet remains strong, along with its healthy working capital position, with fixed deposits, cash and bank balances of more than S\$130.3 million as at 31 March 2020, up from S\$111.2 million a year ago. Shareholders' equity grew to S\$328.6 million as at 31 March 2020 from S\$327.8 million a year ago.

Based on an issued share capital of 564,862,245 shares as at 31 March 2020, the Group's fully-diluted earnings per share increased to 2.78 Singapore cents, from 1.34 Singapore cents a year ago. Net asset value per share increased to 58.18 Singapore cents from 57.53 Singapore cents across the comparative periods.



### SHAREHOLDERS' EQUITY

FY2019

S\$327.8<sub>M</sub>

FY2020

S\$328.6<sub>M</sub>



### PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

FY2019

S\$7.6<sub>M</sub>

FY2020

S\$15.8<sub>M</sub>



# FINANCIAL AND OPERATIONS REVIEW

## CONSTRUCTION

**Table 1.1**

List of current ongoing projects  
As at 31 August 2020

No.	Project Name	Contract Value (\$'m)	Project Type	Sector
1	Construction of a 6-Storey Building with 2 Basements	95.0	Institutional	Public
2	A&A Term Contract for Facilities for a Period of Four Years	40.7	Institutional	Public
3	A&A to Existing Building and New Annex Building	70.0	Institutional	Public
4	Civil, Building and Ancillary Works	72.4	Infrastructure	Public
5	Erection of a block of 2-Storey Building and A&A to Existing Building	55.4	Institutional	Public
6	Riverfront Residences	262.5	Residential	Private
7	4-Storey Building with Basement Car Park	28.0	Institutional	Public
8	Erection of a 5-Storey Integrated Development with a Basement Car Park	53.8	Institutional	Public

Having built a strong brand recognition and a successful track record across various sectors over the last four decades, the Group maintains a robust order book of more than S\$472.0 million as at 31 March 2020. This consists of a good mix of private and public sector projects at approximately 42.7% and 57.3% respectively, ranging from residential, institutional and infrastructure projects.

During the year, KSH secured a total of three contracts for the construction of institutional and infrastructure projects, namely:

- 1) S\$70.0 million contract to build a New Annex Building and Additions and Alterations to an Existing Building

- 2) S\$72.4 million contract for Civil, Building and Ancillary Works
- 3) S\$40.7 million Additions and Alteration Term Contract for Facilities for a Period of Four Years

With a recently awarded public contract in August 2020, the order book has increased to approximately S\$550.0 million with a good mix of private and public sectors projects at approximately 35.5% and 64.5% respectively.

The Circuit Breaker measures in Singapore impacted its construction sector, with the closure of construction sites and stoppage of most construction activities from 7 April to 1 June 2020. There was also manpower disruption caused by movement restrictions due to increased COVID-19 infections amongst foreign workers and in dormitories, along with an increase in operating costs and disruption in raw material supplies.

As a result, construction demand contracted by 59.3% year-on-year in the second quarter of 2020, a significant drop from the 1.2% decline in the previous quarter, according to statistics from the Ministry of Trade and Industry<sup>1</sup>.





Construction works have gradually resumed with the Phase 2 reopening of the Singapore economy from 19 June 2020. As of to-date, all construction sites for the Group's ongoing projects, other than the recently awarded public project, have received approval to restart work. Some of the Group's construction projects in Singapore have commenced small scale physical works on-site. Most sites are expected to commence work immediately after all workers are given the necessary clearance to work on-site.

In FY2020, the Group is pleased to be accorded the BCA Construction Excellence Award (Excellence) for the NUS University Sports Centre and the Construction Excellence Award (Merit) for Heartbeat@Bedok. This is a firm affirmation of the Group's steady performance despite the challenging operating environment, and a strong testament to the Group's high standards of management, technical expertise, and stellar workmanship in construction.

## PROPERTY DEVELOPMENT

### SINGAPORE

**Table 2.1**

*Sales Status Overview*  
As at 31 March 2020

No.	Project Name	Group Stake (%)	Type of Development	Revenue Recognition Method	Units Sold (%)
1	Affinity @Serangoon	7.5	Residential with shop units	Percentage of Completion	67.1
2	Riverfront Residences	35.0	Residential with shop units	Percentage of Completion	85.3
3	Park Colonial	20.0	Residential	Percentage of Completion	85.1
4	Rezi 24	48.0	Residential	Percentage of Completion	49.0

The Group continues to actively push sales for its four residential projects launched in FY2019 – Affinity @Serangoon, Riverfront Residences, Park Colonial and Rezi 24. Despite challenging market sentiments, the properties were well-received by market, having sold more than 2,700 units with positive margins based on options issued to-date. Most of the property developments launched prior to the current financial year FY2020 have been either fully or substantially sold.

Latest statistics from the URA showed that prices of private residential properties increased by 0.3% in 2Q2020, compared with the 1.0% decrease in the previous quarter. The number of private new homes sold in Singapore in 2Q2020 fell 20.3% to 1,713 units from 2,149 units in the previous quarter. Overall, total sales volume fell by 37.6% in 2Q2020 to 2,664 units, marking the third consecutive quarterly decline since 3Q2019 when 5,763 units were sold<sup>2</sup>.

### OVERSEAS

The Group has widened its geographical footprint over the years, together with its strategic joint venture partners in growing

Moving forward, in view of the ongoing uncertainty revolving around COVID-19's development, the Group will continue to focus on ensuring the smooth progression of its construction projects. To cope with COVID-19's impact, the Group will ensure proper planning and coordination with suppliers and subcontractors on commencement of work on-site, along with safe distancing measures to meet sectoral requirements.

At the same time, the Group will continue to tighten cost control, utilising government's assistance to defray costs. This includes the S\$1.36 billion Construction Support Package from the BCA, as well as the extension of advance payment for public sector projects, subsidies for COVID-19 tests and foreign worker levy rebate.

a strong network in varied markets, maximising returns on its financial resources.

During the year, KSH has launched the Phase 1 sales for its 22.5%-owned Gaobeidian residential development project – Sino-Singapore Health City (中新健康城) in Gaobeidian, the PRC. The sales and construction of Phase 1 of Stage 1 of the residential development project (comprising 812 residential units) is currently in progress. The launch has been well-received by the market, having sold approximately 296 units to-date with an average selling price expected to earn a positive profit margin.

As at 31 March 2020, the Group's attributable share of progress billings amounted to more than S\$466.0 million, to be recognised as sales revenue for property development projects held by its associates and joint ventures.

In the coming financial year, the Group will remain focused on driving sales for the existing projects, while keeping a close watch on market conditions to navigate through cyclical challenges.

# FINANCIAL AND OPERATIONS REVIEW

## PROPERTY INVESTMENT

**Table 3.1**

Property Investments – Hotel Properties  
As at 31 March 2020

No.	Hotels	Location	Group's Stake (%)	Status
1	LUMA Concept Hotel	Glenthorne Road, London, England, UK	10.0	In operation & generating recurring income*
2	IBIS Gloucester Hotel	Gloucester, Gloucestershire, England, UK	15.0	
3	IBIS Bradford Hotel	Bradford, West Yorkshire, England, UK	15.0	
4	Holiday Inn Express Manchester City Centre	Manchester City, England, UK	30.0	
5	Hotel Indigo Glasgow	Glasgow, Scotland, UK	20.0	
6	Crowne Plaza London Kensington	London, England, UK	20.0	
7	Hampton by Hilton Leeds	Leeds, England, UK	17.5	
8	Smile Hotel Asakusa	Tokyo, Japan	30.0	
9	Super Hotel Sapporo – Susukino	Chuo, Hokkaido, Japan	10.0	
10	Day Inns Liverpool	Liverpool, England, UK	20.0	In Progress
11	Dry Bar Boutique Hotel	Manchester City, England, UK	25.0	
12	Hotel Resort at Paro	Paro district, Bhutan	10.0	
13	Hotel at Gaobeidian	Gaobeidian, People's Republic of China	10.7	

\* Hotels in UK are in operation with recovering occupancy

In line with the Group's strategy to strengthen its recurring income streams, the Group has tactically invested in overseas assets that are revenue-accretive or primed for high yields upon development.

Alongside its reputable and strategic partners who possess rich network and experience in the respective markets, the Group has jointly established a wide network of operating hotel assets in the UK, Japan, Bhutan as well as a Hotel at Gaobeidian. These hotels are located in the city centres with favourable market cycles, as well as convenient transportation access.

As of FY2020, the Group has a total of 13 hotel investments overseas, of which nine are in operation and generating recurring income. The hotels in UK are in operation with recovering occupancy.

Meanwhile, KSH's investment in the 69%-owned Tianjin Tianxing Riverfront Square in Tianjin, the PRC, continues to record resilient occupancy of about 71%, and contributes positive recurring income to the Group. The Group has plans to further increase its investments and geographical footprint in hotel properties.

The Group continues to maintain good occupancy rates for its property investments in Singapore and overseas, generating recurring income.

In view of the on-going pandemic and barring unforeseen circumstances, the Group remains cautious on the outlook of its performance for the financial year ending 31 March 2021.

7 September 2020

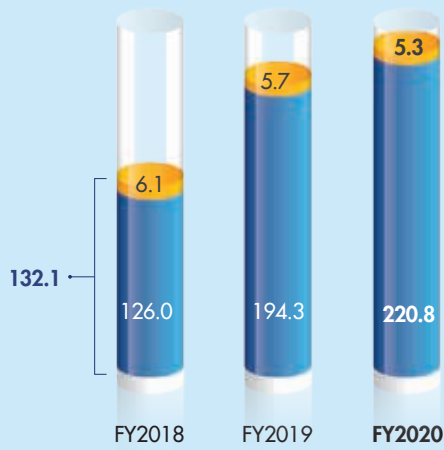
<sup>1</sup> Ministry of Trade and Industry Singapore, 11 August 2020 – MTI Narrows 2020 GDP Growth Forecast to "07.0 to -5.0" Per Cent

<sup>2</sup> Urban Redevelopment Authority, 24 July 2020 – Release of 2nd Quarter 2020 real estate statistics



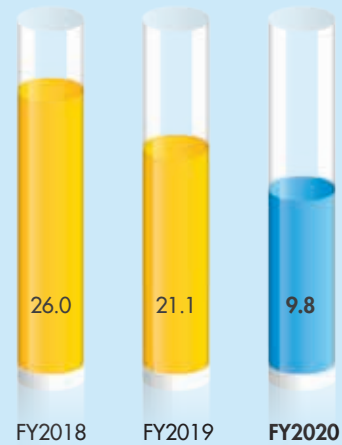
# FINANCIAL HIGHLIGHTS

Revenue (S\$'m)

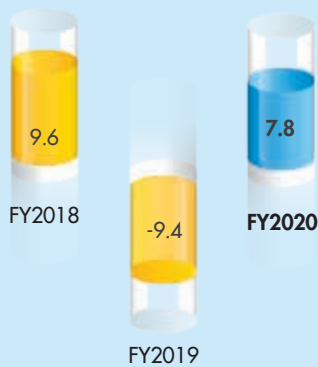


- Project Revenue
- Rental Income from Investment Properties

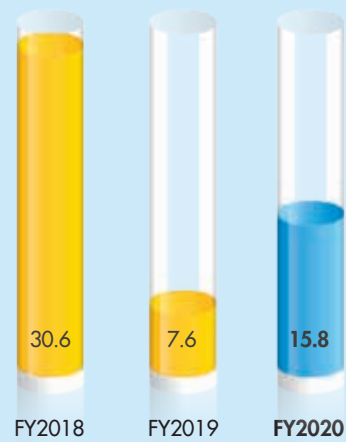
Profit from Operations Before Share of Results of Associates and Joint Ventures (S\$'m)



Share of Results of Associates and Joint Ventures (S\$'m)

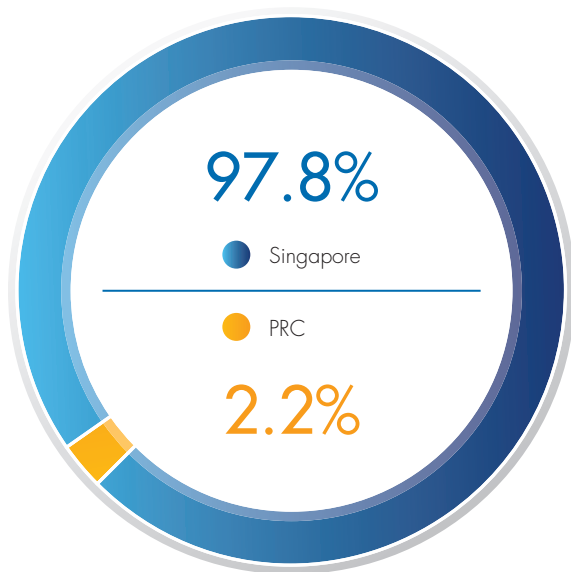


Profit Attributable to Shareholders (S\$'m)

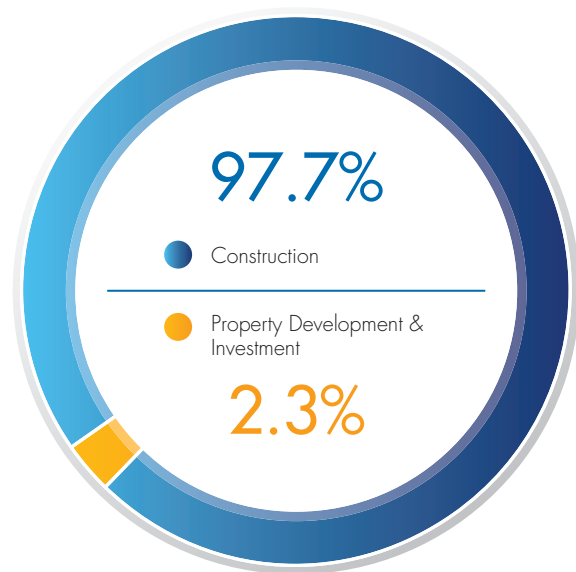


# FINANCIAL HIGHLIGHTS

## Revenue by Geographical Segment



## Revenue by Business Segment



S\$'m	FY2018	FY2019	FY2020
<b>Balance Sheet Highlights</b>			
Shareholders' Equity	335.3	327.8	<b>328.6</b>
Net Current Assets	22.4	31.4	<b>67.5</b>
Net Tangible Assets	358.7	351.3	<b>351.6</b>
<b>Efficiency</b>			
Return on Asset (%)	5.4	1.4	<b>2.5</b>
Return on Equity (%)	8.7	2.4	<b>4.4</b>
<b>Healthy Debt Coverage</b>			
*Net Cash/(Net Debt) to Equity (x)	(0.13)	(0.13)	<b>(0.07)</b>
Interest Cover (x)	19.6	3.8	<b>5.2</b>

\* Debt comprises bank borrowings and lease liabilities arising from finance lease arrangement



## BOARD OF DIRECTORS



**MR. CHOO CHEE ONN**, Executive Chairman and Managing Director, is one of the founders of the Group. Mr. Choo was appointed to the Board on 9 March 2006 and plays a vital role in charting the corporate direction of the Group. He was last re-elected on 26 July 2019. He is responsible for the overall management, strategic planning and business development of the Group, and oversees all key aspects of the Group's operations, including the tendering process of the Group's construction projects. He is also responsible for identifying and securing new projects for the Group. In addition, Mr. Choo also oversees the Group's overseas investments and operations, particularly the Group's property development industries in the PRC. Mr. Choo has over 40 years of experience in the construction and property development industries. As one of the Group's founders, Mr. Choo was instrumental in laying the Group's early foundations and has been pivotal in the development of the Group and its expansion into the PRC. Mr. Choo is a full member of the Singapore Institute of Directors.



**MR. LIM KEE SENG**, Executive Director and Chief Operating Officer, is one of the founders of the Group. Mr. Lim was appointed to the Board on 22 March 2006, and was last re-elected on 28 July 2017. Currently, he oversees the entire construction function and business operations of the Group. Since 1974 when he founded a construction business together with the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Tok Cheng Hoe, Mr. Lim has accumulated over 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Lim is a full member of the Singapore Institute of Directors.



**MR. TOK CHENG HOE**, Executive Director, Project Director and QEHS Director, is one of the founders of the Group. Mr. Tok was appointed to the Board on 22 March 2006 and was last re-elected on 26 July 2019. As a Project Director, Mr. Tok is responsible for the management and execution of construction projects. Mr. Tok also oversees the functions of QEHS (Quality Environment Health & Safety) of the construction projects carried out by the Group. Since 1974 when he founded a construction business together with the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Lim Kee Seng, Mr. Tok has accumulated over 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Tok is a full member of the Singapore Institute of Directors.

## BOARD OF DIRECTORS



**MR. KWOK NGAT KHOW**, Executive Director and QAQC Director, was appointed to the Board on 22 March 2006, and was last re-elected on 27 July 2018. As a Project Director, Mr. Kwok is responsible for the management and execution of construction projects. Mr. Kwok is assisting in the functions of tendering for construction projects and also oversees the functions of QAQC (Quality Assurance and Quality Control) of the construction projects carried out by the Group. Mr. Kwok has more than 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Kwok is a full member of the Singapore Institute of Directors.



**MR. LIM YEOW HUA @ LIM YOU QIN**, Lead Independent Director, was appointed to the Board on 18 December 2006, and was last re-elected on 27 July 2018. Mr. Lim is a chartered accountant and has more than 30 years of experience in the tax, financial services and investment banking industries. He has held several management positions in various organisations including managing director with Asia Pacific Business Consultants Pte Ltd, senior regional tax manager with British Petroleum (BP), director (Structured Finance) at UOB Asia Ltd, senior tax manager at KPMG, senior vice president (Structured Finance) at Macquarie Investment Pte. Ltd., senior tax manager at Price Waterhouse and deputy director at the Inland Revenue Authority of Singapore. Mr. Lim holds a Bachelor's Degree in Accountancy and a Master's Degree in Business Administration from the National University of Singapore. He is a fellow member of the Institute of Singapore Chartered Accountants and an Accredited Tax Advisor of the Singapore Chartered Tax Professionals. He is also a full member of the Singapore Institute of Directors.



**MR. KHUA KIAN KHENG IVAN**, Independent Director, was appointed to the Board on 18 December 2006 and was last re-elected on 26 July 2019. He is the Executive Director of Hock Leong Enterprises Pte. Ltd., an oil and gas related servicing company where his responsibilities include overseeing the company's financial, administrative, human resource and business development aspects. From 2000 to 2001, he was a Research Officer at Rider Hunt Levett & Bailey, where he was involved in the research of various aspects of quantity surveying and the cost management of the company's quantity surveying services. From 2001 to 2004, he was a Manager with RHLB Terotech Pte. Ltd., where he provided property and infrastructure asset management consultancy services. Mr. Khua holds a Diploma in Building (with Merit) from Singapore Polytechnic and a Bachelor's Degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia. He is a member of the Singapore Institute of Arbitrators, and an associate of the Singapore Institute of Building. He is a full member of the Singapore Institute of Directors. Mr. Khua was awarded the prestigious Pingat Bakti Masyarakat, or The Public Service Medal in 2016.



## MANAGEMENT

### MR. TANG HAY MING TONY

Chief Operating Officer

**MR. TANG HAY MING TONY**, Chief Financial Officer, was promoted to his current post in December 2006. He is responsible for the Group's finance, accounting and reporting functions as well as the overall financial risk management of the Group. He has several years of experience in auditing, accounting, taxation and financial management before he joined the Group in August 1999. Mr. Tang holds a Bachelor's Degree in Accountancy from the Nanyang Technological University, a Graduate Diploma in Business Administration from the Singapore Institute of Management and a Master's Degree in Business Administration from the University of Adelaide, Australia. He is a fellow member of the Institute of Singapore Chartered Accountants.



**MR. KO CHUAN AUN**, Independent Director, was appointed to the Board on 5 August 2013 and was last re-elected on 28 July 2017. He holds chairmanships and directorships in various private and public companies. Mr. Ko was appointed as an Independent Director of Koon Holdings Ltd, Lian Beng Group Limited and Pavillon Holdings Ltd. Mr. Ko has more than 15 years of working experience with the then Trade Development Board of Singapore ("TDB") (now known as Enterprise Singapore or ESG). His last appointment with the then TDB was Head of China Operations. In the past 30 years, Mr. Ko has been very actively involved in business investments in the PRC market. He was previously appointed as a Member of the Steering Committee of the Network China. In addition, he served as the Chairman of the Tourism Sub-Committee under the Singapore-Sichuan Trade and Investment Committee as well as Investment Advisor to the Fushun Foreign Trade & Economic Co-operation Bureau, PRC respectively. Mr Ko is currently holding an appointment as Vice President of the ESG Society as well as Council Member of the Singapore-China Business Association. Mr Ko was awarded the Service to Education (Pewter) by the Ministry of Education in 2016. Mr. Ko holds a Diploma in Export Marketing, which is equivalent to the Danish Niels Brock International Business Degree Program.



# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS:

Choo Chee Onn  
(Executive Chairman and Managing Director)

Lim Kee Seng  
Tok Cheng Hoe  
Kwok Ngat Khow

### INDEPENDENT DIRECTORS:

Lim Yeow Hua @ Lim You Qin  
(Lead Independent Director)

Khua Kian Kheng Ivan  
Ko Chuan Aun

### AUDIT & RISK COMMITTEE

Lim Yeow Hua @ Lim You Qin (CHAIRMAN)  
Khua Kian Kheng Ivan  
Ko Chuan Aun

### NOMINATING COMMITTEE

Khua Kian Kheng Ivan (CHAIRMAN)  
Lim Yeow Hua @ Lim You Qin  
Ko Chuan Aun

### REMUNERATION COMMITTEE

Ko Chuan Aun (CHAIRMAN)  
Lim Yeow Hua @ Lim You Qin  
Khua Kian Kheng Ivan

### AUDITOR

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Partner in charge: Low Yen Mei  
(Date of appointment:  
since financial year ended  
31 March 2017)

## JOINT COMPANY SECRETARIES

Tang Hay Ming Tony  
Ong Beng Hong (LLB (Hons))

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.  
(a member of Boardroom Limited)  
50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

## PRINCIPAL BANKERS

Bank of China  
CIMB Bank Berhad  
Citibank, N.A.  
CTBC Bank Co., Ltd  
Development Bank of Singapore  
HL Bank  
Malayan Banking Berhad  
Oversea-Chinese Banking Corporation Limited  
RHB Bank Berhad  
Standard Chartered Bank  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation  
United Overseas Bank Limited

## REGISTERED OFFICE

36 Senoko Road  
Singapore 758108

## INVESTOR RELATIONS

Citigate Dewe Rogerson Singapore Pte Ltd  
105 Cecil Street  
#09-01 The Octagon  
Singapore 069534  
Email : dolores.phua@citigatedewerogerson.com/  
samantha.koh@citigatedewerogerson.com  
KSH contact : mainoffice@kimsengheng.com.sg



# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

KSH Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to achieving a high standard of corporate governance in line with the principles set out in the Code of Corporate Governance 2018 (“the **Code**”). Good corporate governance establishes and maintains a legal and ethical environment, which helps to preserve and enhance the interests of all shareholders.

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code. The Company believes that it has largely complied with the spirit and intent of the Code and in areas where the Company’s practices have deviated from provisions of the Code, rationale for the same is provided herein.

## (A) BOARD MATTERS

### The Board’s Conduct of its Affairs

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

### ***Role of the Board of Directors (the “Board”)***

The primary role of the Board is to protect and enhance long-term shareholders’ value. It sets the corporate strategies of the Group, and sets directions and goals for the Management. It supervises the Management and monitors the performance of these goals to enhance shareholders’ value. The Board is responsible for the overall corporate governance of the Group.

Regular meetings are held to deliberate the strategic policies of the Company, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The principal duties of the Board include the following:

- (i) protecting and enhancing long-term value and return to the Company’s shareholders (“**Shareholders**”);
- (ii) establishing, reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group;
- (iii) ensuring the effectiveness and integrity of Management;
- (iv) chartering the corporate strategy and direction of the Group and setting goals for the Management;
- (v) supervising and monitoring the Management’s achievement of these goals;
- (vi) conducting periodic reviews of the Group’s financial performance, internal controls and reporting compliance;
- (vii) approving nominations to the Board and appointment of key personnel;
- (viii) ensuring the Group’s compliance with all relevant and applicable laws and regulations;
- (ix) assuming responsibility for the corporate governance of the Group;



# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

- (x) setting the values and standards for the Group, and ensure that obligations to Shareholders and others are understood and met; and
- (xi) establishing a framework of prudent and effective controls which enables risks to be assessed and managed.

The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board has in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture and ensures proper accountability within the Company. Any Director facing conflicts of interest will recuse himself from discussions and decisions involving the issues of conflict.

Provision 1.1  
of the Code

The Board has formed a number of Board Committees, namely the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee, to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Board Committees function within clearly defined written terms of references and operating procedures, setting out their compositions, authorities and duties, including reporting back to the Board. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters lies with the entire Board.

Provision 1.4  
of the Code

The Executive Directors also supervise the management of the business and affairs of the Company and reduce the administrative time, inconvenience and the expenses associated with the convening of meetings of the Board and circulation of resolutions in writing of the Board, without compromising the Group's corporate objectives and adversely affecting the day-to-day operations of the Company.

However, the Board decides on matters that require its approval and clearly communicates this to Management in writing. Meetings of the Board are still held and/or resolutions in writing of the Board are circulated for matters which require the Board's approval, including, but are not limited to the following:

Provision 1.3  
of the Code

- (i) review of the annual budget and the performance of the Group;
- (ii) review of the key activities and business strategies;
- (iii) approval of the corporate strategy and direction of the Group;
- (iv) approval of transactions involving a conflict of interest for a substantial Shareholder or a Director or interested person transactions;
- (v) material acquisitions and disposals;
- (vi) corporate or financial restructuring and share issuances;
- (vii) declaration of dividends and other returns to Shareholders; and
- (viii) appointments of new Directors or key personnel.

A formal document setting out the guidelines and matters (including the matters set out above) which are to be reserved for the Board's decision has been adopted by the Board.

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

Board Meetings are conducted regularly at least twice a year and ad-hoc meetings (including but not limited to the meetings of the Board Committees) are convened whenever a Director deems it necessary to address any issue of significance that may arise. Pursuant to Article 97 of the Company's Constitution, Directors may participate in Board Meetings by means of a conference telephone, video conferencing, audio visual or other similar communications equipment by means of which all persons participating in the Board Meetings can hear each other.

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Provision 1.6 of the Code

All Directors are from time to time furnished with information concerning the Company, including board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and internal financial statements, to enable them to be fully cognisant of the decisions and actions of the Company's executive management. In respect of budgets, in the event that there are any material variances between the projections and actual results, these are disclosed and explained to the Board by Management. The Board has unrestricted access to the Company's records and information.

Senior management personnel are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board Meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Joint Company Secretaries, external advisers (where necessary) and to other senior management personnel of the Company and of the Group at all times at the Company's expense in carrying out their duties. One Joint Company Secretary attends or is represented at all Board Meetings and meetings of the Board Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board and Board Committees meetings are circulated to the Board and the Board Committees. The appointment and removal of the Joint Company Secretaries is a matter for the Board as a whole. Provision 1.7 of the Code

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

In addition to holding meetings, important matters concerning the Group are also put to the Board for its decision by way of written resolutions.

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

Directors attend and actively contribute and participate in Board and Board Committee meetings. The following table discloses the number of meetings held for the Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2020: Provision 1.5 of the Code

	BOARD MEETING	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Number of meetings held	3	3	1	1
Choo Chee Onn	3	–	–	–
Tok Cheng Hoe	3	–	–	–
Lim Kee Seng	3	–	–	–
Kwok Ngat Khow	3	–	–	–
Lim Yeow Hua @ Lim You Qin	3	3	1	1
Khua Kian Kheng Ivan	3	3	1	1
Ko Chuan Aun	3	3	1	1

While the Board considers Directors' attendance at Board Meetings to be important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group and ensures that Directors with multiple board representations give sufficient time and attention to the affairs of the Group. Provision 1.5 of the Code

Generally, a newly-appointed Director will be given an orientation to familiarise him/her with the Group's business and governance practices and he/she will also be briefed on the duties and obligations of a director of a listed company. The Company will also provide the newly-appointed Director with a formal letter setting out his/her duties and obligations. In addition, first-time Directors who have no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") will also undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 210(5)(a) of the Listing Rules of the SGX-ST ("**SGX-ST Listing Manual**"). Provision 1.2 of the Code

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. The professional advisors to the Company conduct briefings and presentations to update the Directors in this regard. The Directors are encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as directors to the Company. The Directors may also attend appropriate courses and seminars to develop and maintain their skills and knowledge at the Company's expense. In FY2020, the Directors attended a briefing on the changes to the Code and the SGX-ST Listing Manual conducted by a law firm. Provision 1.2 of the Code



# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

## **Board Composition and Guidance**

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

As at the date of this Annual Report, the Board comprises seven (7) Directors, of whom four (4) are Executive Directors and three (3) are Independent Directors. The list of Directors is as follows:

Mr Choo Chee Onn	(Executive Chairman and Managing Director)
Mr Kwok Ngat Khow	(Executive Director)
Mr Tok Cheng Hoe	(Executive Director)
Mr Lim Kee Seng	(Executive Director)
Mr Lim Yeow Hua @ Lim You Qin	(Lead Independent Director)
Mr Khua Kian Kheng Ivan	(Independent Director)
Mr Ko Chuan Aun	(Independent Director)

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge of the Company and attributes provide for effective direction for the Group. To maintain or enhance the Board's balance and diversity, the existing attributes and core competencies of the Board are reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The Board, through the Nominating Committee, has examined the Board's size and is satisfied that it is appropriate for effective decision-making, taking into account the nature and scope of the Company's operations, and is of the view that the Board has a good balance of Directors who come from diverse backgrounds and have extensive industry knowledge, skills and/or business, financial, accounting and management experience, so as to avoid groupthink and foster constructive debate.

Provision 2.4  
of the Code

The criterion for independence is based on the definition given in the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. The Board considers an "Independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies, its Substantial Shareholders or Officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual, the Board has identified each of the Company's Independent Directors to be independent, after determining, taking into account the views of the Nominating Committee, whether the Director is independent in conduct, character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

Provision 2.1  
of the Code

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

Notwithstanding Provision 2.3 of the Code which recommends that non-executive directors should make up a majority of the Board, the Board and the NC is of the view that the non-executive Independent Directors on the Board, which make up three (3) out of seven (7) of the Board, are able to exercise their powers objectively and independently from the Management and ensure that appropriate checks and balances are in place. The non-executive Independent Directors constructively challenge and help develop proposals on strategy, assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance.

Deviated from  
Provision 2.3  
of the Code

The Independent Directors, led by the Lead Independent Director, meet at least once annually without the presence of the other Directors and the Management and, where necessary, the Lead Independent Director provides feedback to Board and/or the Executive Chairman after such meetings.

Provision 2.5  
of the Code

Key information regarding the Directors is given in the "Board of Directors" section of this Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report on pages 17 to 19 of this Annual Report.

## **Executive Chairman and Group Managing Director**

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

The Executive Chairman and the Group Managing Director is Mr Choo Chee Onn ("**Mr Choo**"). In view of Mr Choo's concurrent appointment as the Executive Chairman and Group Managing Director, the Board has appointed Mr Lim Yeow Hua @ Lim You Qin as the Lead Independent Director to provide leadership when the Executive Chairman is conflicted, in accordance with Provision 3.3 of the Code. In accordance with the recommendations in the said Provision 3.3, the Lead Independent Director is available to Shareholders where they have concerns for which contact through the normal channels of communication with the Executive Chairman and Group Managing Director or Chief Financial Officer has failed to resolve or for which such contact is inappropriate or inadequate.

Deviated from  
Provision 3.1  
of the Code

Provision 3.3  
of the Code

The Company is of the view that it maintains a satisfactory independent element on the Board as at least one-third of the Board comprises Independent Directors and the Company believes the Board is able to exercise independent judgment on corporate affairs. Provision 2.2 of the Code, however, recommends that independent directors make up a majority of the Board where the Chairman is not independent.

# STATEMENT OF CORPORATE GOVERNANCE

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The NC and Board are of the view that although the Independent Directors do not currently make up majority of the Board, all of the Directors have debated vigorously on the subject matters tabled at the Board meetings held in FY2020, regardless of whether they were independent or not. All decisions of the Board are based on collective decision without any individual or small group of individuals influencing or dominating the decision-making process. In addition, the NC and the Board believe that Mr Choo, as one of the founders of the Group and the Managing Director since the Company's listing, is in the best position to lead the Board as Executive Chairman.

Deviated from  
Provision 2.2  
of the Code

As the Executive Chairman, Mr Choo bears the following responsibilities:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations within the Board and between the Board and Management;
- (g) facilitating the effective contribution of Independent Directors towards the Company; and
- (h) together with the Audit and Risk Committee, promoting high standards of corporate governance.

As the Group Managing Director, Mr Choo bears overall daily operational responsibility for the Group's business.

Provision 3.2  
of the Code

All major decisions made by the Executive Chairman and Group Managing Director are under the purview of review by the Audit and Risk Committee. His performance and appointment to the Board are also reviewed periodically by the Nominating Committee while his remuneration package is reviewed periodically by the Remuneration Committee. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

The Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by the Independent Directors.



# STATEMENT OF CORPORATE GOVERNANCE

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## **Board Membership**

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

As at the date of this Annual Report, the Nominating Committee ("**NC**") comprises the following three (3) Independent Non-Executive Directors:

Provision 1.4 and 4.2 of the Code

Mr Khua Kian Kheng Ivan (Chairman)  
Mr Lim Yeow Hua @ Lim You Qin (Member)  
Mr Ko Chuan Aun (Member)

The NC functions under the terms of reference which sets out its responsibilities:

Provision 1.4 and 4.1 of the Code

- (a) To review the succession plans for directors, in particular the appointment and/or replacement of the Chairman, the Managing Director and key management personnel;
- (b) To recommend to the Board on all Board appointments, re-appointments and re-nominations;
- (c) To ensure that Independent Directors meet the Singapore Exchange Security Trading Limited's (the "**SGX-ST**") guidelines and criteria;
- (d) To review the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- (e) To assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board;
- (f) To review the training and professional development programmes for the Board and its directors.

In the event that there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC would also review the change to be implemented and make recommendations to the Board accordingly. For the appointment of new Directors, the NC would, in consultation with the Board, examine the existing Board's strengths, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. Further to the above, the NC will take into account the future needs of the Group and, together with the Board, it will seek candidates who are able to contribute to the Group. The NC seeks candidates widely and beyond persons directly known to the existing Directors. Résumés of suitable candidates are reviewed and background checks are conducted before interviews are conducted again for the short-listed candidates. The NC shall then recommend suitable candidates to the Board.

Provision 4.3 of the Code

The NC ensures that new directors are aware of their duties and obligations. The NC is also tasked with deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations, and to assess the maximum number of listed entity board representations which any one of the Directors may hold. As a guide, Directors of the Company should not have more than six (6) listed company board representations and other principal commitments. After conducting reviews, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

Provision 4.5 of the Code

# STATEMENT OF CORPORATE GOVERNANCE

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There are no alternate directors appointed to the Board as at the date of this Annual Report. The Board will generally avoid approving the appointment of alternate directors unless alternate directors are appointed for limited periods in exceptional cases such as when a director has a medical emergency.

The NC examines the Board's size to satisfy that it is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

Details of the appointment of Directors including their respective dates of initial appointment and dates of last re-election, directorships in other listed companies, both current and for the preceding three years, and principal commitments are set out below:

Provision 4.5  
of the Code

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies and Principal Commitments
Mr Choo Chee Onn	69	9 March 2006	26 July 2019	<b>Present Directorships</b> – <b>Past Directorships</b> – <b>Principal Commitments</b> –
Mr Kwok Ngat Khow	72	22 March 2006	27 July 2018	<b>Present Directorships</b> – <b>Past Directorships</b> – <b>Principal Commitments</b> –
Mr Tok Cheng Hoe	70	22 March 2006	26 July 2019	<b>Present Directorships</b> – <b>Past Directorships</b> – <b>Principal Commitments</b> –
Mr Lim Kee Seng	69	22 March 2006	28 July 2017	<b>Present Directorships</b> – <b>Past Directorships</b> – <b>Principal Commitments</b> –

# STATEMENT OF CORPORATE GOVERNANCE

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Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies and Principal Commitments
Mr Lim Yeow Hua @ Lim You Qin	58	18 December 2006	27 July 2018	<p><b>Present Directorships</b> Accrelist Limited NauticAWT Limited Oxley Holdings Limited</p> <p><b>Past Directorships</b> Advanced Integrated Manufacturing Corp. Ltd China Minzhong Food Corporation Limited Eratat Lifestyle Limited (in liquidation) KTL Global Limited Ying Li International Real Estate Limited</p> <p><b>Principal Commitments</b> –</p>
Mr Khua Kian Kheng Ivan	45	18 December 2006	26 July 2019	<p><b>Present Directorships</b> Moneymax Financial Services Ltd No Signboard Holdings Ltd.</p> <p><b>Past Directorships</b> –</p> <p><b>Principal Commitments</b> Hock Leong Enterprises Pte. Ltd.</p>
Mr Ko Chuan Aun	62	5 August 2013	28 July 2017	<p><b>Present Directorships</b> Koon Holdings Limited Lian Beng Group Limited Pavillon Holdings Ltd.</p> <p><b>Past Directorships</b> KOP Limited San Teh Ltd Super Group Ltd</p> <p><b>Principal Commitments</b> –</p>



# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

Further to the above, the NC determines annually, and as and when circumstances require, the independence of each of the Independent Directors, having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. As part of their review process, the NC requires the Independent Directors to complete and execute declaration forms to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. These declaration forms are drawn up based on the guidelines in the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. The NC reviews declaration forms executed by the Independent Directors as well as any declaration they may make to determine their respective independence. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the Company will disclose the relationships and its reasons in its annual report. Pursuant to its review, the NC is of the view that Mr Lim Yeow Hua @ Lim You Qin, Mr Khua Kian Kheng Ivan and Mr Ko Chuan Aun are independent of the Group and the Management.

Provision 4.4  
of the Code

Each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has served on the Board for a continuous period of more than nine (9) years. Each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has demonstrated independent mindedness and conduct at the Board and Board Committees meetings. After a rigorous review on their contributions and independence by the NC, the NC is satisfied that each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has remained independent in character and judgment in discharging their duties as Directors of the Company.

The Constitution of the Company requires one-third of the Directors to retire from office at each Annual General Meeting ("**AGM**"), except that the Managing Director is not subject to retirement by rotation and not taken into account in determining the number of Directors to retire. However, with effect from 1 January 2019, all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years pursuant to Rule 720(5) of the SGX-ST Listing Manual. Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. After assessing each of their contributions and performance, the NC has recommended the re-elections of Mr Lim Kee Seng, Mr Ko Chuan Aun and Mr Lim Yeow Hua @ Lim You Qin in accordance with Article 89 of the Company's Constitution, at the forthcoming AGM.

Mr Lim Yeow Hua @ Mr Lim You Qin, an Independent Director who has served as a Board member for more than nine years from the date of his appointment will be retiring and seeking re-election at the forthcoming AGM. He will also be seeking approval as an Independent Director via separate resolution to be voted upon by Shareholders pursuant to Rule 210(5)(d)(iii) of the Listing Manual which will come into effect on 1 January 2022.

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

## Board Performance

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

The NC has established a process for assessing the effectiveness of the Board as a whole, each Board Committee separately and for assessing the contribution of the Executive Chairman and each individual Director to the effectiveness of the Board. This assessment is conducted by the NC at least once a year by way of a Board evaluation where the NC completes a questionnaire seeking their views on various aspects of Board performance, such as Board composition, information, process and accountability. The Chairman of the NC will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.

Provision 5.1  
of the Code

Provision 5.2  
of the Code

Reviews of each individual Director's contribution to the effectiveness of the Board, and the effectiveness of the Board as a whole and the Board Committees are also undertaken on a continuous basis by the NC.

No external facilitator has been appointed by the Company.

To assess the effectiveness of the Board as a whole, the factors evaluated by the NC include but are not limited to:

- (i) the size and composition of the Board;
- (ii) the individual Directors' contributions to the Board, including without limitation their participation at Board meetings and ability to contribute to the discussion conducted by the Board;
- (iii) the discussion and decision-making processes of the Board (including the conduct of meetings by the Board);
- (iv) the Board's access to information;
- (v) the accountability of the Board to the Shareholders; and
- (vi) the performance of the Board (including the Board's performance in relation to the discharge of its principal responsibilities in terms of the financial indicators set out in the Code).

The Board and the NC have endeavoured to ensure that the Directors possess the experience, knowledge and expertise critical to the Group's business.

Based on the NC's review, the NC considers the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board to be satisfactory and is of the view that the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

# STATEMENT OF CORPORATE GOVERNANCE

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## (B) REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: There should be a formal and transparent procedure for developing policy on director and executive remuneration, and for fixing the remuneration packages of individual directors. No director is involved in deciding his or her own remuneration.**

As at the date of this Annual Report, the Remuneration Committee ("RC") comprises the following three (3) Independent Non-Executive Directors: Provision 1.4 and 6.2 of the Code

Mr Ko Chuan Aun (Chairman)  
Mr Khua Kian Kheng Ivan (Member)  
Mr Lim Yeow Hua @ Lim You Qin (Member)

The RC recommends to the Board a framework of remuneration for the Board and key management personnel, and determines the specific remuneration packages for each Director as well as for the key management personnel. The recommendations are submitted for endorsement by the Board. Provision 6.1 of the Code

The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, and termination terms to ensure that they are fair. Each RC member abstains from voting on any resolution in respect of his remuneration package. Provision 6.3 of the Code

The RC functions under the terms of reference which sets out its responsibilities: Provision 1.4 of the Code

- (a) To recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company;
- (b) To determine a specific remuneration package for each Executive Director;
- (c) To review the appropriateness of compensation for Non-Executive Directors; and
- (d) To review the remuneration of employees occupying managerial positions who are related to the Directors and Substantial Shareholders.

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services is borne by the Company. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. For FY2020, the RC has not consulted any external remuneration consultants as there is no required remuneration matters that rendered the appointment of any remuneration consultants. None of the executive directors' service agreements or independent directors' fees were revised during FY2020. Provision 6.4 of the Code



# STATEMENT OF CORPORATE GOVERNANCE

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## Level and Mix of Remuneration

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

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies as well as the performance of the Group as a whole and the performance of each individual director. The remuneration of Directors is reviewed to ensure that remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. The remuneration of Non-Executive Directors is also reviewed to ensure that the remuneration is appropriate and commensurate with the level of contribution, taking into account factors such as effort, time spent, and responsibilities of the Directors.

Provision 7.3  
of the Code

Provision 7.2  
of the Code

The Directors' fees are reviewed annually and the Company submits the quantum of Directors' fees of each year to the Shareholders for approval at each AGM.

The Executive Chairman and Managing Director, Mr Choo, and the three (3) Executive Directors have service agreements. Such service agreements cover the terms of employment, salaries and other benefits. The terms of the service agreements are reviewed by the RC on an annual basis. Based on the RC's review, the RC is of the view that the service agreements include fair and reasonable termination clauses which are not overly generous. A significant and appropriate portion of the Executive Chairman and Managing Director's, Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. Non-Executive Directors have no service agreements.

Provision 7.1  
of the Code

The Company currently has no employee share option scheme or other long-term incentive scheme in place for its Executive Directors and key management personnel.

The Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as effort and/or time spent, the responsibilities of the Independent Directors and the need to pay competitive fees to attract, retain and motivate the Independent Directors. The Independent Directors are not over-compensated to the extent their independence may be compromised.

The Company is of the view that there is no requirement to institute specific contractual provisions to allow the Company to reclaim incentive components of the Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of a breach of fiduciary duties.

# STATEMENT OF CORPORATE GOVERNANCE

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## Disclosure on Remuneration

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

The details of the remuneration of Directors of the Group disclosed in bands of S\$250,000 for services rendered during the financial year ended 31 March 2020 are as follows:

	<b>Number of Directors</b>
S\$500,000 to S\$749,999	1
S\$250,000 to S\$499,999	3
Below S\$250,000	3
<b>Total</b>	<b>7</b>

As at the date of this Annual Report, the Company has seven (7) Directors. Of the seven (7) Directors, four (4) are Executive Directors who together with the Company's Chief Financial Officer comprise the five (5) key management personnel of the Company. There were no other key management personnel within the Group except for the abovementioned persons for the financial year ended 31 March 2020.

The Board is of the view that it is not necessary to present detailed disclosure on the Company's remuneration policy as the remuneration policy for Executive Directors and key management personnel is a management decision that the Board is generally entitled to make.

Taking note of the competitive pressures in the labour market, the Board has, on review, decided not to fully disclose the remuneration of the Company's Directors and key management personnel. As such, the Company does not disclose the remuneration of the Company's Directors and key management personnel to the nearest thousand but in bands of S\$250,000. Details (in percentage terms) of the remuneration paid to the Directors and to the key management personnel (who is not also a Director) in bands of S\$250,000 for the financial year ended 31 March 2020 are set out below:

Deviated from  
Provision 8.1(a);  
Provision 8.3 of  
the Code  
  
Provision 8.1(b)  
of the Code

	<b>Salary %</b>	<b>Bonus %</b>	<b>Directors' Fees %</b>	<b>Allowances and Other Benefits %</b>	<b>Total Compensation %</b>
<b>Directors</b>					
<b>S\$500,000 to S\$749,999</b>					
Choo Chee Onn	71	22	–	7	100
<b>S\$250,000 to S\$499,999</b>					
Lim Kee Seng	70	21	–	9	100
Kwok Ngat Khow	68	21	–	11	100
Tok Cheng Hoe	69	21	–	10	100

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	<b>Salary %</b>	<b>Bonus %</b>	<b>Directors' Fees %</b>	<b>Allowances and Other Benefits %</b>	<b>Total Compensation %</b>
<b>Directors Below S\$249,999</b>					
Lim Yeow Hua	–	–	100	–	100
@ Lim You Qin	–	–	100	–	100
Khua Kian Kheng Ivan	–	–	100	–	100
Ko Chuan Aun	–	–	100	–	100
<b>Key Executive of the Group<sup>(1)</sup> S\$250,000 to S\$499,999</b>					
Tang Hay Ming Tony	74	20	–	6	100

**Note:**

(1) For the financial year ended 31 March 2020, Mr Tang Hay Ming Tony was the only key management personnel who is not also a director. The other key management personnel of the Group are the Executive Directors, Mr Choo Chee Onn, Mr Lim Kee Seng, Mr Tok Cheng Hoe, and Mr Kwok Ngat Khow.

The total aggregate remuneration of the key management personnel is not disclosed in this annual report as the Board is of the opinion that such disclosure would be prejudicial to the Company's business interests, given the highly competitive conditions in the industry and the fact that the top five (5) key management personnel (excluding the Directors) consists of only one individual. Deviated from Provision 8.1(b) of the Code

There are no termination, retirement and post-employment benefits that may be granted to the Company's Directors and key management personnel. As mentioned in Principle 7 above, the Company does not have any employee share option scheme. Provision 8.3 of the Code

## Immediate Family Member of Directors or Substantial Shareholders

No employee of the Company and its subsidiaries is, or is an immediate family member of a Director, the Executive Chairman and Managing Director and/or a Substantial Shareholder, and whose remuneration exceeded S\$100,000 during the financial year ended 31 March 2020. Provision 8.2 of the Code

## (C) ACCOUNTABILITY AND AUDIT

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the SGX-ST Listing Manual. The Management closely monitors the Company's compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual, and where appropriate, will propose the adoption of written policies to the Board.



# STATEMENT OF CORPORATE GOVERNANCE

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The Board is mindful that one of its principal duties is to protect and enhance the long-term value and returns to the Shareholders. This accountability to the Shareholders is demonstrated through the presentation of its periodic financial statements as well as the timely announcements and news releases of significant corporate developments and activities so that the Shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

Price sensitive information is publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods.

The Management provides the Board with quarterly reports of the Group's financial performance, as well as progress reports on the achievements of the Management's goals and objectives determined by the Board. The Management also maintains close contact and communication with the Board by various means, including but not limited to holding meetings with the Board or via email in which documents are circulated to the Board for their review or for their information. The abovementioned arrangement allows the Directors to monitor the Group's performance as well as the Management's achievements of the goals and objectives determined and set by the Board.

## **Risk Management and Internal Controls**

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

The Board acknowledges that it is responsible for the overall internal control framework, including the determination of the Company's levels of risk tolerance and risk policies, but recognises that all internal control systems contain inherent limitations and that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Audit and Risk Committee ("**ARC**") conducts regular reviews of the adequacy and effectiveness of the Group's internal controls and risk management system, including financial, operational and compliance controls and internal controls in relation to information technology risks. In addition, the ARC, on behalf of the Board, determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

Provision 9.1  
of the Code

The ARC ensures that a review of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management, is conducted annually. In this respect, the ARC reviews the audit plans, and the findings of the Internal and External Auditors and ensures that the Company follows up on the Internal and External Auditors' recommendations raised, if any, during the audit process.

The ARC has, on behalf of the Board, reviewed the adequacy and effectiveness of the various systems put in place by the Management and it is satisfied that there are adequate and effective internal controls and risk management systems in the Company to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets.

# STATEMENT OF CORPORATE GOVERNANCE

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The Group has in place a system of internal controls and risk management for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding Shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the ARC.

The Board has also received assurances from the Managing Director and other key management personnel responsible on the integrity of the financial statements of the Group and the adequacy and effectiveness of the Company's risk management and internal control systems. In particular, the Board has been assured by the Managing Director and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view, in all material respects, of the Group's operations, finances, performance and financial position as at 31 March 2020.

Provision 9.2  
of the Code

The Internal Auditors review policies and procedures as well as key controls and highlight any issues to the Directors and the ARC. Separately, in performing the audit of the financial statements of the Group, the External Auditors perform tests over operating effectiveness of certain controls that they intend to rely on that are relevant to the preparation of its financial statements. The External Auditors also report any significant deficiencies in such internal controls to the Directors and the ARC.

Action plans to manage risks are continuously being monitored and refined by Management and the Board. Any material non-compliance in internal controls together with corrective measures are reported directly to the Directors and the ARC.

Based on the internal controls and risk management systems established and maintained by the Group, reviews conducted by the External and Internal Auditors and assurance from Management, the Board with the concurrence of the ARC, is of the opinion that the Group's system of internal controls, addressing financial, operational, compliance and information technology risks, and its risk management policies and systems (notably those systems that monitor and manage financial, operating, compliance, information technology and other risks) were adequate and effective as at 31 March 2020 in its current business environment.

The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal control and/or risk management could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

## **Audit and Risk Committee**

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

The ARC comprises the following three (3) Independent Non-Executive Directors:

Mr Lim Yeow Hua @ Lim You Qin (Chairman)  
Mr Khua Kian Kheng Ivan (Member)  
Mr Ko Chuan Aun (Member)

Provision 1.4  
and 10.2 of  
the Code

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

The ARC meets periodically at least two times a year to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained within the Group. At least two members, including the ARC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The ARC's main objective is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls and risk management, overseeing the external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters. To achieve this, the Board ensures that the ARC's members have the appropriate qualifications to provide independent, objective and effective supervision.

The ARC functions under the terms of reference. The duties of the ARC are follows:

Provision 1.4  
and 10.1 of  
the Code

- (a) To review the audit plans of both the Internal and External Auditors;
- (b) To review the Auditors' Reports and their evaluation of the Company's and the Group's system of internal controls and risk management policies and systems;
- (c) To review the effectiveness, adequacy, independence, scope and results of the external audit and the internal audit function which is outsourced to a professional firm;
- (d) To review the co-operation given by the Company's Officers to the Internal and External Auditors;
- (e) To review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and the Group and any announcements relating to the Group's financial performance before submission to the Board;
- (f) To nominate and review appointment of Internal and External Auditors and make recommendations to the Board on (i) the proposals to the shareholders on the appointment and removal of External Auditors and (ii) the remuneration and terms of engagement of the External Auditors;
- (g) To review with Auditors and Management on the general internal control procedures;
- (h) To review the independence of the Internal and External Auditors;
- (i) To review interested person transactions, if any;
- (j) To review the assurance from the Managing Director and the Chief Financial Officer on the financial records and financial statements of the Company; and
- (k) To review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

The ARC has the power to conduct or authorise investigations into any matters within the ARC's scope of responsibility including without limitation internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on the Company's or Group's operating results and/or financial position. The ARC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. All of the members of the ARC are Independent Directors. Each member of the ARC abstains from voting on any resolutions in respect of matters he is interested in.

The ARC meets from time to time with the Group's External Auditors and the Executive Management to review accounting, auditing and financial reporting matters so as to provide the necessary checks and balances to ensure that an effective control environment is maintained in the Group. The ARC also studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the ARC advises the Board regarding the adequacy of the Group's internal controls and risk management systems and the contents and presentation of its interim and annual reports. Based on the information provided to the ARC, nothing has come to the ARC's attention to indicate that the system of internal controls and risk management is inadequate.

The ARC has full access to and co-operation of the Management and has full discretion to invite any Director or Executive Officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The ARC meets with both the Internal and External Auditors without the presence of the Management at least once a year, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the Internal and External Auditors. Provision 10.5 of the Code

The ARC reviews the independence of the External Auditors, Ernst & Young LLP, annually. The ARC had assessed the External Auditors based on the factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group. None of the members of the ARC (i) are a partner or director of or a former partner or director of Ernst & Young LLP who had ceased to be a partner or director within the last two years, or (ii) have any financial interest in Ernst & Young LLP. Provision 10.3 of the Code

The ARC also conducted a review of non-audit services performed by the External Auditors and is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the External Auditors. For the financial year ended 31 March 2020, the audit and non-audit fees paid to the External Auditors of the Company were S\$352,000 and S\$95,000 (excluding disbursements and GST) respectively.

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the ARC are of the opinion that a suitable auditing firm has been appointed to meet the Company's auditing obligations.



# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

The Company engages different audit firms for certain of its subsidiaries or associated companies and the names of these audit firms are disclosed on pages 93 and 100 of this Annual Report. The Board and ARC have reviewed the appointment of these audit firms and are of the view that the appointment of these other audit firms does not compromise the standard and effectiveness of the audit of the Company.

The ARC is satisfied that Rules 712 and 715 of the SGX-ST Listing Manual are complied with and has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as Auditor at the forthcoming AGM.

The Company has in place a whistle-blowing framework to provide a channel where staff of the Company have access to the Human Resource Manager to raise their concerns about possible improprieties for investigation. The procedures for submission of complaints have been explained to all employees of the Group. Following investigation and evaluation of a complaint, the ARC will then decide on recommended disciplinary or remedial action, if any. The action so determined by the ARC to be appropriate shall then be brought to the Board or to the appropriate members of senior Management for authorisation or implementation, respectively.

## **Internal Audit**

The Company has engaged KPMG Services Pte. Ltd. as its Internal Auditors of the Group to perform internal audit work under an internal audit plan. KPMG Services Pte. Ltd. is a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The primary line of reporting of the internal audit function is to the ARC and, specifically, the Internal Auditors report directly to the Chairman of the ARC on all internal audit matters.

Provision 10.4  
of the Code

The role of the Internal Auditors is to support the ARC in ensuring that the Company maintains a sound system of internal controls and risk management by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigation as directed by the ARC. The ARC approves the appointment, termination, evaluation and remuneration of the Internal Auditors. The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and the ARC ensures that the Internal Auditors are adequately resourced and have appropriate standing within the Company.

Provision 10.4  
of the Code

The primary functions of internal audit are to:

- (a) Assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;
- (b) Assess if operations of the business processes under review are conducted efficiently and effectively; and
- (c) Identify and recommend improvement to internal control procedures, where required.

The ARC is satisfied that the current risk management function and system and internal audit function is independent, effective adequately resourced and has appropriate standing in the Group as the internal audit function is outsourced to the Internal Auditors and will assess the same regularly.

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meetings

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

The Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. Written policies and procedures are implemented to ensure that there is adequate disclosure of development in the Group in accordance with the SGX-ST Listing Manual.

The Company provides Shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of Shareholders. Any notice of a general meeting of Shareholders is issued at least 14 days before the scheduled date of such meeting.

Provision 11.1  
of the Code

The Company tables separate resolutions at general meetings of shareholders on substantially separate issues unless the issues are interdependent and linked so as to form on significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

Provision 11.2  
of the Code

The Company's AGMs are the principal forums for dialogue with Shareholders. The Company encourages all Shareholders to attend the AGM to grasp a good understanding of the Group's business and be informed of its strategic goals and objectives. The Board and Management are committed to an open dialogue with the Shareholders at the AGM to address the Shareholders' issues, views and concerns. All Directors, including the Chairmen of the Audit and Risk, Nominating and Remuneration Committees, attend general meetings of Shareholders, and the External Auditors are also present to address Shareholders' queries about the conduct of audit and preparation and content of the auditors' report.

Provision 11.3  
of the Code

The attendance of the Directors of the Company at the Company's general meeting(s) held during FY2020 are reflected in the table below:

Provision 11.3  
of the Code

<b>Name of Director</b>	<b>General Meeting(s)</b>
Number of meeting(s) held:	1
<b>Number of meeting(s) attended:</b>	
Mr Choo Chee Onn	1
Mr Tok Cheng Hoe	1
Mr Lim Kee Seng	1
Mr Kwok Ngat Khow	1
Mr Lim Yeow Hua @ Lim You Qin	1
Mr Khua Kian Kheng Ivan	1
Mr Ko Chuan Aun	1

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

Shareholders are encouraged to attend general meetings to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. The Company's Constitution provides that Shareholders of the Company are allowed to vote at general meetings in person or by way of duly appointed proxies. Notice of any general meeting of the Company is advertised in newspapers and announced on SGXNET.

Provision 11.4  
of the Code

The Joint Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from the Shareholders relating to the agenda of the meeting, and responses from the Board and Management, and such minutes are published on the Company's corporate website as soon as practicable. Results of each general meeting are also released as an announcement via SGXNET.

Provision 11.5  
of the Code

In compliance with Rule 730A(2) of the Listing Manual of the SGX-ST, resolutions tabled at general meetings of Shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings. The Company prefers non-electronic poll voting as it saves costs and still gives an acceptable turnaround time to generate poll results.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the foregoing, the Company has been declaring dividends on a bi-annual basis and any pay-out of dividends is clearly communicated to Shareholders via announcements released on SGXNET.

Deviated from  
Provision 11.6  
of the Code

## **Engagement with Shareholders**

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

The Company is committed to keeping Shareholders regularly and timely informed of material developments in the Group, in accordance with the continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act. In line with continuous obligations of the Company pursuant to the SGX-ST Listing Manual, the Board's policy is that all Shareholders be informed of all major developments that impact the Group.

Price-sensitive information is released to all parties such as Shareholders, stakeholders and the public simultaneously to ensure a level playing field. Any material information or respective quarterly, half-yearly and full year results (all issued within the mandatory period) is disseminated through SGXNET. In disclosing information, the Company strives to be as descriptive, detailed and forthcoming as possible, and to avoid boilerplate disclosures.

Information is disseminated to the Shareholders on a timely basis through:

Provision 12.1  
of the Code

- (a) SGXNET announcements and news releases;
- (b) Annual Report prepared and issued to all Shareholders;
- (c) Press releases on major developments of the Group;

# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

- (d) Notices of and explanatory memoranda for AGM and extraordinary general meetings (“EGM”); and
- (e) Company’s website at <http://www.kimsengheng.com> at which Shareholders can access information on the Group.

The Board also views the AGM as a forum for dialogue with shareholders, being an opportunity for Shareholders to raise issues and ask the Directors or the Management questions regarding the Company and its operations, as well as for the Company to understand the views from the shareholders. Separately, queries, feedback and concerns from the Shareholders outside of general meetings are handled by the Executive Chairman and Managing Director and the Chief Financial Officer in consultation with the Board if required.

Provision 12.1  
of the Code

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to Shareholders. Nonetheless, feedback and concerns from Shareholders may be submitted to the Company via their investors relations email at [ir@kimsengheng.com.sg](mailto:ir@kimsengheng.com.sg) which allows for an ongoing exchange of views and actively engages and promotes regular, effective and fair communications with Shareholders.

Deviated from  
Provisions 12.2  
and 12.3 of the  
Code

## (E) MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Stakeholders

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

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. Through regular stakeholder engagement, the Company identifies and reviews material issues that are most relevant and significant to the Company and its stakeholders. For external stakeholders, priority is given to issues important to the society and applicable to the Company. The Company ensures that there are regular and up-to-date communication about the Company’s Corporate Social Responsibility (“CSR”) policies and activities to its stakeholders and there are appropriate feedback mechanisms to monitor and evaluate how the Company is doing and explore new possibilities stimulated by stakeholder responses. The Company views its sustainability report as being a critical component of this continuous cycle of communication and evaluation.

Provision 13.1  
of the Code

Stakeholders of the Company include, but are not limited to, the future generation, employees, customers, suppliers and the community. The Company’s strategy and key areas of focus in relation to the management of stakeholder relationships during the year are set out in the Company’s sustainability report which has been published on SGXNET on 11 August 2020.

Provision 13.2  
of the Code

The Company maintains a current corporate website (<http://www.kimsengheng.com>) to communicate and engage with stakeholders.

Provision 13.3  
of the Code



# STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2020

## ADDITIONAL INFORMATION

### 1. Dealing in Securities

The Company has in place a policy in accordance with Rule 1207(19) of the SGX-ST Listing Manual prohibiting share dealings by Directors, executives and employees of the Company. Prior to 7 February 2020, pursuant to Rule 1207(19)(c), Directors, executives and employees are reminded that dealings in the shares of the Company are strictly prohibited during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. With effect from 7 February 2020, as the Company is not required to comply with Rule 705(2) of the SGX-ST Listing Manual, it will only announce its half year financial results and full year financial results. Accordingly, with effect from 7 February 2020, pursuant to Rule 1207(19)(c), Directors, executives and employees are reminded that dealings in the shares of the Company are strictly prohibited during the period commencing one month before the announcement of the Company's half year financial results and full year financial statements. Directors, executives and employees are also prohibited to deal in the Company's securities on short-term considerations, and are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

### 2. Interested Person Transactions Policy

The Company adopts an internal policy in respect of any transactions with interested person and establishes procedures for review and approval of the interested person transactions entered into by the Group. The ARC reviews the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Shareholders.

During the financial year ended 31 March 2020, the Company did not enter into any interested person transaction of a value amounting to S\$100,000.

The Board confirms that for the financial year ended 31 March 2020, the Company has complied with Listing Rule 1207(18).

### 3. Material Contracts

Save as previously disclosed on SGXNET, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Managing Director, any Director, or Controlling Shareholder for the financial year ended 31 March 2020.

### 4. Sustainability Reporting

The Company has prepared a sustainability report in relation to the Group's sustainability practices and such report outlines the following: (a) material environmental, social and governance factors; (b) policies, practices and performance; (c) targets; and (d) sustainability reporting framework. The Company's sustainability report was released via SGXNET on 11 August 2020.

# DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of KSH Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 March 2020.

## OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## DIRECTORS

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

Choo Chee Onn	Executive Chairman and Managing Director
Lim Kee Seng	Executive Director
Tok Cheng Hoe	Executive Director
Kwok Ngat Khow	Executive Director
Lim Yeow Hua @ Lim You Qin	Independent Director
Khua Kian Kheng Ivan	Independent Director
Ko Chuan Aun	Independent Director

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

## DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Direct interest	
	At the beginning of financial year	At the end of financial year
<b>The Company</b>		
<b>Ordinary shares</b>		
Choo Chee Onn	108,843,298	108,843,298
Lim Kee Seng	68,237,360	68,237,360
Tok Cheng Hoe	81,255,273	81,255,273
Kwok Ngat Khow	81,255,273	81,255,273
Lim Yeow Hua @ Lim You Qin	302,500	302,500
Khua Kian Kheng Ivan	302,500	302,500

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

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

## SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the Internal and External Auditors of the Group and the Company, and reviewed the Internal Auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's Management to External and Internal Auditors;
- Reviewed the quarterly and annual financial statements and the Auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed the effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the Internal Auditor;
- Met with the External and Internal Auditors, other committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

# DIRECTORS' STATEMENT

## AUDIT AND RISK COMMITTEE (CONTINUED)

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness, independence and objectivity of the External Auditor;
- Reviewed the nature and extent of non-audit services provided by the External Auditor;
- Recommended to the Board of Directors that the External Auditor be nominated for re-appointment, approved the compensation of the External Auditor and reviewed the scope and results of the audit;
- Reported actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

The ARC, having reviewed all non-audit services provided by the External Auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the External Auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened four meetings during the financial year. The ARC has also met with Internal and External Auditors, without the presence of the Company's Management, at least once a year.

Further details regarding the ARC are disclosed in the Statement on Corporate Governance.

## AUDITOR

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

On behalf of the Board of Directors,

Choo Chee Onn  
Managing Director

Lim Kee Seng  
Executive Director

Singapore  
7 September 2020



# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KSH HOLDINGS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of KSH Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2020, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company, and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### Basis for Opinion

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

#### Key Audit Matters

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

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## Key Audit Matters (continued)

### Accounting for construction contracts

The Group is engaged to provide building and construction services for which it recognised revenue using the cost-based input method that reflects the over-time transfer of control to its customers. The amount of revenue recognised is dependent on the stage of completion of the projects, which is measured based on the proportion of actual contract costs incurred to date to the total estimated contract costs for each contract.

The determination of the total estimated contract costs and costs to complete require significant management judgement and estimates, which have an impact on the amount of construction contract revenue and profits recognised during the year. In addition, there was an increase in the level of estimation uncertainty in determining the total estimated contract costs for ongoing contracts as at 31 March 2020 arising from the volatility in market and economic conditions brought on by the COVID-19 pandemic. Accordingly, we identified this as a key audit matter.

As part of our audit procedures, we reviewed contractual terms for major contracts with customers and checked project revenues and costs incurred against underlying supporting documents on a sampling basis. We perused customers and subcontractor correspondences to look out for potential project risks in view of the current environment. We discussed the status and the impact of COVID-19 pandemic on the projects with project managers to understand the basis for the key assumptions used in forming the revised project completion timelines and the revised estimated contract costs. We discussed with project personnel and management on the rationale for revisions made to budgeted costs and checked such revision to supporting documentation. We assessed the reasonableness of the total estimated contract costs and costs to complete, taking into consideration past performance with further consideration of the current market condition due to COVID-19, by comparing them to Singapore's construction industry information on market outlook and the expected recovery scenarios of construction industry. We checked the mathematical accuracy of the revenue recognised based on the input method calculations. For projects which are expected to be loss-making, we reviewed management's assessment and assessed the reasonableness of the provision for onerous contracts provided by management.

Information regarding the Group's construction contract revenue and contract assets and contract liabilities is disclosed in Note 31 to the financial statements.

### Accounting for interests in associates and joint ventures

The Group's interests in associates and joint ventures comprise the investments in as well as loans and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development in Singapore and China. The recoverability of the Group's interests in these associates and joint ventures are dependent on the success of the relevant property development projects. The contributions from the development projects are dependent on the economy, government policies, demand and supply of the properties in their respective markets. Consequently, there is a risk of downward valuation of the development projects. Management conducted an impairment assessment of the interests in associates and joint ventures during the year.

We identified this as a key audit matter because the interests in associates and joint ventures and the share of their results are material to the Group's balance sheet and profit and loss respectively, and the impairment assessment involves significant management judgement. In addition, there was an increase in the level of estimation uncertainty in determining the success of the development projects as at 31 March 2020 arising from the volatility in market and economic conditions brought on by the COVID-19 pandemic.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## Key Audit Matters (continued)

### Accounting for interests in associates and joint ventures (continued)

We carried out procedures to understand the Group's process for identifying impairment triggers and considered management's assessment of impairment of interests in associates and joint ventures. We tested the adequacy of expected credit loss ("ECL") allowance at year end, including assessing whether management's approach is consistent with SFRS(I) 9 requirements. In assessing management's estimate of the ECL allowance, we considered the Group's historical credit loss experience and forward-looking macroeconomic information that may affect the recoverability of amounts due from associates and joint ventures. We also evaluated management's assessment of whether the credit risk of these receivables has increased significantly since initial recognition. We inquired and discussed with management and the component auditors of the significant associates and joint ventures to understand the status and the impact of COVID-19 pandemic on the current property development projects and the future business plans of the associates and joint ventures. We also reviewed the component auditors' work papers and deliverables and evaluated the audit evidence obtained as a basis for forming our opinion on the consolidated financial statements as a whole. This includes reviewing the component auditors' assessment of the reasonableness of the estimated selling prices of the completed development properties and the total estimated contract costs for properties under construction. We assessed the reasonableness of the estimated selling prices of the development properties by comparing to recent transacted prices for the same project or comparable properties in the vicinity of the properties, taking into consideration the prevailing market trends and the selling plans for these properties. We assessed the reasonableness of the total estimated contract costs for properties under construction by making enquiries with management and understanding the basis of key assumptions used in forming the revised project completion timelines and the revised estimated contract costs after taking into consideration current market condition. In addition, we reviewed the application of the equity method and elimination of unrealised gains and losses resulting from transactions between the Group and the associates and joint ventures during the financial year. We also evaluated the significant accounting policies of the associates and joint ventures to ensure alignment with the Group's accounting policies.

Information regarding the Group's interests in associates and joint ventures is disclosed in Notes 7 and 8 to the financial statements respectively.

### Valuation of investment properties

The Group owns a portfolio of investment properties, comprising residential properties and a commercial property located in Singapore and China respectively. The Group records investment properties at their fair values. Management engages independent professional valuers in the countries in which the investment properties are located to determine the fair values of these properties. The independent valuers determine the fair values of the investment properties using market comparable approach and discounted cash flow approach. The valuation of investment properties is a key audit matter because it involves the use of a range of estimates made by management and the independent valuers. In addition, there was an increase in the level of estimation uncertainty in determining the valuation of investment properties as at 31 March 2020 arising from the volatility in market and economic conditions brought on by the COVID-19 pandemic.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## Key Audit Matters (continued)

### Valuation of investment properties (continued)

As part of our audit procedures, we considered the objectivity, independence and expertise of the valuers engaged by management. We discussed with management and independent valuers to obtain explanations to support the selection of the valuation methodologies as well as the key assumptions used to establish the valuations such as asking price per square metre, forecasted occupancy rates and forecasted market rent per square metre. We assessed the appropriateness of the valuation methodologies by considering the valuation methodologies adopted for similar property types. We assessed the reasonableness of asking price per square metre used in the valuations by comparing them against recent transacted prices of comparable properties. We assessed the reasonableness of the forecasted occupancy rates and forecasted market rent per square metre used in the valuations by comparing them against available industry data, taking into consideration comparability and prevailing market conditions. We also compared the projected cash flows with recent actual financial performance of the properties to determine their reasonableness. We inquired and obtained explanations from management and the independent valuers of the valuation adjustments made to the key assumptions in response to the heightened level of estimation uncertainty. We also performed sensitivity analysis on certain key assumptions used in the valuations of the investment properties after considering the current market and economic conditions. We assessed the reasonableness of the movements in fair value of the investment properties based on available industry data and current property market outlook.

Information regarding the Group's investment properties is disclosed in Note 10 to the financial statements.

### Other Information

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

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

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

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

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

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

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



# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Low Yen Mei.

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

7 September 2020

## BALANCE SHEETS

AS AT 31 MARCH 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	4	21,128	18,499	-	-
Investments in subsidiaries	6	-	-	16,791	16,791
Interests in associates	7	198,820	184,111	-	-
Interests in joint ventures	8	76,538	89,663	-	-
Investment securities	9	2,910	1,248	2,910	-
Investment properties	10	117,604	121,380	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	11	2,221	2,231	-	-
Deferred tax assets	36	599	587	110	112
Club membership	12	29	32	-	-
Other receivables	13	-	1,246	-	-
Amounts due from subsidiaries (non-trade)	17	-	-	189,313	187,348
Structured deposits	14	-	3,065	-	-
		<b>419,849</b>	<b>422,062</b>	<b>209,124</b>	<b>204,251</b>
<b>Current assets</b>					
Trade receivables	15	16,897	25,459	-	-
Other receivables and deposits	16	13,785	2,072	230	170
Prepayments		485	430	19	19
Amounts due from associates (non-trade)	18	10	4,950	-	-
Contract assets	31	32,659	33,129	-	-
Structured deposits	14	3,078	4,700	-	-
Fixed deposits	19	92,872	65,823	61,543	39,267
Cash and bank balances	20	37,468	45,392	5,401	13,939
		<b>197,254</b>	<b>181,955</b>	<b>67,193</b>	<b>53,395</b>
<b>Total assets</b>		<b>617,103</b>	<b>604,017</b>	<b>276,317</b>	<b>257,646</b>
<b>Current liabilities</b>					
Trade payables	21	16,281	15,020	-	-
Other payables and accruals	22	45,125	57,721	1,212	1,026
Deferred income		745	217	33	-
Lease liabilities	5(b)	823	611	-	-
Provision for income tax		2,948	2,767	430	835
Contract liabilities	31	23,266	1,927	-	-
Bank term loans, secured	23	27,857	38,699	24,657	26,602
Bills payable to banks, secured	24	10,720	32,721	-	-
Provision for onerous contract	31	-	916	-	-
		<b>127,765</b>	<b>150,599</b>	<b>26,332</b>	<b>28,463</b>

# BALANCE SHEETS

AS AT 31 MARCH 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current liabilities</b>					
Amounts due to subsidiaries (non-trade)	17	-	-	<b>73,097</b>	75,491
Other payables and accruals	22	<b>209</b>	192	-	-
Lease liabilities	5(b)	<b>5,158</b>	1,639	-	-
Bank term loans, secured	23	<b>114,643</b>	81,793	<b>114,643</b>	78,050
Deferred tax liabilities	36	<b>17,709</b>	18,534	-	-
		<b>137,719</b>	102,158	<b>187,740</b>	153,541
<b>Total liabilities</b>		<b>265,484</b>	252,757	<b>214,072</b>	182,004
<b>Net assets</b>		<b>351,619</b>	351,260	<b>62,245</b>	75,642
<b>Equity attributable to owners of the Company</b>					
Share capital	25	<b>50,915</b>	50,915	<b>50,915</b>	50,915
Treasury shares	26	<b>(1,645)</b>	-	<b>(1,645)</b>	-
Translation reserve	27	<b>(1,202)</b>	(344)	-	-
Accumulated profits		<b>274,889</b>	271,622	<b>10,346</b>	22,098
Asset revaluation reserve	28	<b>219</b>	219	-	-
Fair value adjustment reserve	29	-	1,248	-	-
Other reserves	30	<b>5,466</b>	4,119	<b>2,629</b>	2,629
		<b>328,642</b>	327,779	<b>62,245</b>	75,642
Non-controlling interests		<b>22,977</b>	23,481	-	-
<b>Total equity</b>		<b>351,619</b>	351,260	<b>62,245</b>	75,642
<b>Net asset value per share (cents per share)</b>	38	<b>58.18</b>	57.53		

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

# INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Revenue</b>					
Project revenue	31	<b>220,835</b>	194,296	-	-
Rental income from investment properties		<b>5,290</b>	5,705	-	-
		<b>226,125</b>	200,001	-	-
Other income	32	<b>11,492</b>	12,299	<b>7,489</b>	19,901
Cost of construction		<b>(201,308)</b>	(168,052)	-	-
Personnel expenses	33	<b>(8,911)</b>	(10,498)	<b>(2,450)</b>	(2,094)
Depreciation of property, plant and equipment	4	<b>(2,373)</b>	(2,067)	-	-
Finance costs	34	<b>(4,281)</b>	(4,414)	<b>(3,278)</b>	(2,626)
Other operating expenses	35	<b>(9,056)</b>	(5,908)	<b>(604)</b>	(541)
Impairment losses on financial assets	35	<b>(1,866)</b>	(303)	-	-
		<b>(227,795)</b>	(191,242)	<b>(6,332)</b>	(5,261)
<b>Profit from operations before share of results of associates and joint ventures</b>		<b>9,822</b>	21,058	<b>1,157</b>	14,640
Share of results of associates		<b>3,555</b>	(13,646)	-	-
Share of results of joint ventures		<b>4,288</b>	4,215	-	-
<b>Profit before taxation</b>		<b>17,665</b>	11,627	<b>1,157</b>	14,640
Income tax expense	36	<b>(2,235)</b>	(3,169)	<b>(410)</b>	(722)
<b>Profit for the year</b>		<b>15,430</b>	8,458	<b>747</b>	13,918
<b>Attributable to:</b>					
Owners of the Company		<b>15,823</b>	7,627	<b>747</b>	13,918
Non-controlling interests		<b>(393)</b>	831	-	-
		<b>15,430</b>	8,458	<b>747</b>	13,918
<b>Earnings per share (cents per share)</b>					
- Basic and diluted	37	<b>2.78</b>	1.34		

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



# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Profit for the year</b>	<b>15,430</b>	8,458	<b>747</b>	13,918
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Fair value gain on equity instruments at fair value through other comprehensive income	42	33	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	(969)	(4,628)	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>(927)</b>	(4,595)	-	-
<b>Total comprehensive income for the year</b>	<b>14,503</b>	3,863	<b>747</b>	13,918
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	15,007	3,841	747	13,918
Non-controlling interests	(504)	22	-	-
	<b>14,503</b>	3,863	<b>747</b>	13,918

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Group	Attributable to owners of the Company							Total equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Translation reserve \$'000	Accumulated profits \$'000	Asset revaluation reserve \$'000	Fair value adjustment reserve \$'000	Other reserves \$'000	Total equity \$'000			
<b>At 1 April 2018 (FRS framework)</b>	50,915	3,475	280,187	219	-	3,961	338,757	23,459	362,216	
Cumulative effects of adopting SFRS(I)	-	-	(3,500)	-	1,215	-	(2,285)	-	(2,285)	
<b>At 1 April 2018 (SFRS(I) framework)</b>	50,915	3,475	276,687	219	1,215	3,961	336,472	23,459	359,931	
<b>Profit for the year</b>	-	-	7,627	-	-	-	7,627	831	8,458	
Other comprehensive income	-	-	-	-	-	-	-	(809)	(809)	
Fair value gain on equity instruments at FVOCI	-	-	-	-	33	-	33	-	33	
Foreign currency translation	-	(3,819)	-	-	-	-	(3,819)	(809)	(4,628)	
Other comprehensive income for the year	-	(3,819)	-	-	33	-	(3,786)	(809)	(4,595)	
<b>Total comprehensive income for the year</b>	-	(3,819)	7,627	-	33	-	3,841	22	3,863	
Contributions by and distributions to owners	-	-	(12,534)	-	-	-	(12,534)	-	(12,534)	
Interim and final tax-exempt dividends on ordinary shares	-	-	(158)	-	-	158	-	-	-	
Transfer to other reserves	-	-	-	-	-	-	-	-	-	
<b>Total contributions by and distributions to owners</b>	-	-	(12,692)	-	-	158	(12,534)	-	(12,534)	
<b>At 31 March 2019</b>	50,915	(344)	271,622	219	1,248	4,119	327,779	23,481	351,260	

Note

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# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Group	Attributable to owners of the Company									
	Share capital \$'000	Treasury shares \$'000	Translation reserve \$'000	Accumulated profits \$'000	Asset revaluation reserve \$'000	Fair value adjustment reserve \$'000	Other reserves \$'000	Total equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1 April 2019</b>	50,915	-	(344)	271,622	219	1,248	4,119	327,779	23,481	351,260
<b>Profit/(loss) for the year</b>	-	-	-	15,823	-	-	-	15,823	(393)	15,403
Other comprehensive income	-	-	-	-	-	42	-	42	-	42
Fair value gain on equity instruments at FVOCI	-	-	(858)	-	-	-	-	(858)	(111)	(969)
Foreign currency translation	-	-	(858)	-	-	-	-	(858)	(111)	(969)
Other comprehensive income for the year	-	-	(858)	-	-	42	-	(816)	(111)	(927)
<b>Total comprehensive income for the year</b>	-	-	(858)	15,823	-	42	-	15,007	(504)	14,503
Contributions by and distributions to owners	-	(1,645)	-	-	-	-	-	(1,645)	-	(1,645)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(12,499)	-	-	-	(12,499)	-	(12,499)
Transfer to other reserves	-	-	-	(57)	-	(1,290)	1,347	-	-	-
<b>Total contributions by and distributions to owners</b>	-	(1,645)	-	(12,556)	-	(1,290)	1,347	(14,144)	-	(14,144)
<b>At 31 March 2020</b>	<b>50,915</b>	<b>(1,645)</b>	<b>(1,202)</b>	<b>274,889</b>	<b>219</b>	<b>-</b>	<b>5,466</b>	<b>328,642</b>	<b>22,977</b>	<b>351,619</b>

Note

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# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves \$'000	Total equity \$'000
<b>Company</b>						
<b>At 1 April 2018</b>		50,915	–	20,714	2,629	74,258
Profit for the year		–	–	13,918	–	13,918
Total comprehensive income for the year		–	–	13,918	–	13,918
<u>Contributions by and distributions to owners</u>						
Interim and final tax-exempt dividends on ordinary shares	39	–	–	(12,534)	–	(12,534)
<b>At 31 March 2019</b>		<u>50,915</u>	<u>–</u>	<u>22,098</u>	<u>2,629</u>	<u>75,642</u>
<b>At 1 April 2019</b>		<u>50,915</u>	<u>–</u>	<u>22,098</u>	<u>2,629</u>	<u>75,642</u>
Profit for the year		–	–	747	–	747
Total comprehensive income for the year		–	–	747	–	747
<u>Contributions by and distributions to owners</u>						
Purchase of treasury shares		–	(1,645)	–	–	(1,645)
Interim and final tax-exempt dividends on ordinary shares	39	–	–	(12,499)	–	(12,499)
<b>At 31 March 2020</b>		<u><b>50,915</b></u>	<u><b>(1,645)</b></u>	<u><b>10,346</b></u>	<u><b>2,629</b></u>	<u><b>62,245</b></u>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 \$'000	2019 \$'000
<b>Operating activities</b>			
Profit before taxation		<b>17,665</b>	11,627
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	4	<b>2,373</b>	2,067
Amortisation of club membership	12	<b>3</b>	3
(Gain)/loss on disposal of plant and equipment, net		<b>(9)</b>	6
Loss/(gain) on fair value adjustments of investment properties, net	10	<b>3,242</b>	(1,234)
Fair value gain on structured deposits	32	<b>(13)</b>	(11)
Fair value loss on quoted debt instruments (investment securities)		<b>90</b>	–
Impairment losses on financial assets	35	<b>1,866</b>	303
Provision for onerous contract		<b>–</b>	916
Interest expense	34	<b>4,203</b>	4,164
Interest income	32	<b>(8,368)</b>	(7,413)
Share of results of associates		<b>(3,555)</b>	13,646
Share of results of joint ventures		<b>(4,288)</b>	(4,215)
		<b>13,209</b>	19,859
<b>Operating cash flows before changes in working capital</b>			
<u>Changes in working capital:</u>			
Increase in:			
Trade and other receivables, deposits and prepayments		<b>(3,228)</b>	(7,727)
Contract assets		<b>470</b>	(13,984)
Increase/(decrease) in:			
Trade and other payables and accruals		<b>(11,831)</b>	2,096
Deferred income		<b>528</b>	145
Contract liabilities		<b>21,339</b>	609
		<b>20,487</b>	998
<b>Cash flows from operations</b>			
Income taxes paid		<b>(3,028)</b>	(3,877)
Interest income received		<b>8,368</b>	7,413
Exchange differences		<b>1,964</b>	1,003
		<b>27,791</b>	5,537
<b>Net cash flows from operating activities</b>			
<b>Investing activities</b>			
Purchase of plant and equipment	4	<b>(546)</b>	(3,036)
Proceeds from disposal of plant and equipment		<b>32</b>	3
Increase in investments in associates	7	<b>(1,330)</b>	(450)
Payment for cancellation of shares in associates on capital reduction	7	<b>570</b>	800
Purchase of quoted debt instrument (investment securities)		<b>(3,000)</b>	–
Increase in loans and amounts due from associates, net		<b>(7,403)</b>	(56,276)
(Increase)/decrease in loans and amounts due from joint ventures, net		<b>(5,432)</b>	26,241
Dividends received from associates		<b>503</b>	50,585
Dividends received from joint ventures		<b>22,332</b>	–
		<b>5,726</b>	17,867
<b>Net cash flows from investing activities</b>			



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 \$'000	2019 \$'000
<b>Financing activities</b>			
Dividends paid		(12,499)	(12,534)
Purchase of treasury shares		(1,645)	-
Proceeds from bank term loans		78,100	75,200
Repayment of bank term loans		(56,086)	(40,129)
Proceeds from bills payable to banks		-	2,630
Repayment of bills payable to banks		(22,001)	-
Payment of principal portion of lease liabilities		(748)	-
Repayment of finance lease obligations		-	(520)
Interest paid		(4,203)	(4,164)
Increase in pledged fixed deposits		(22,076)	(6,986)
Increase in structured deposits		-	(2,011)
<b>Net cash flows (used in)/from financing activities</b>		<b>(41,158)</b>	11,486
Net (decrease)/increase in cash and cash equivalents		(7,641)	34,890
Effect of exchange rate changes on cash and cash equivalents		(10)	(121)
Cash and cash equivalents at beginning of year		73,749	38,980
<b>Cash and cash equivalents at end of year</b>	20	<b>66,098</b>	73,749

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 1. CORPORATION INFORMATION

### 1.1 The Company

KSH Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore. The ordinary shares of the Company were admitted to the official list of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 8 February 2007.

The registered office and principal place of business of the Company is located at 36 Senoko Road, Singapore 758108.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 6 to 8 to the financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

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

The financial statements are presented in Singapore Dollar ("SGD" or "\$") and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

### 2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and SFRS(I) Interpretations ("SFRS(I) INT") that are effective for annual financial periods beginning on or after 1 January 2019. Except for SFRS(I) 16 *Leases*, the adoption of these standards and interpretations did not have a material effect on the financial performance or position of the Group and the Company.

#### SFRS(I) 16 *Leases*

SFRS(I) 16 *Leases* supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under SFRS(I) is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 did not have an impact for leases where the Group is the lessor.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Change in accounting policies (continued)

#### *SFRS(I) 16 Leases (continued)*

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

The effect of adopting SFRS(I) 16 as at 1 April 2019 was, as follows:

	<b>Group Increase \$'000</b>	<b>Company Increase \$'000</b>
<b>Assets</b>		
Property, plant and equipment	4,329	–
<b>Liabilities</b>		
Lease liabilities	4,329	–

The Group has lease contracts for various items of property, plant and equipment. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.21.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.21. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

#### *Leases previously classified as finance leases*

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under SFRS(I) 1-17). The requirements of SFRS(I) 16 were applied to these leases from 1 April 2019.

#### *Leases previously accounted for as operating leases*

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities adjusted for any related prepaid and accrued lease payment previously recognised, if any. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Change in accounting policies (continued)

#### SFRS(I) 16 Leases (continued)

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- Right-of-use assets of \$7,166,000 were recognised and presented within property, plant and equipment in the statement of financial position. This includes the lease assets recognised previously under finance lease arrangement of \$2,837,000; and
- Lease liabilities of \$6,579,000 were recognised in the statement of financial position. This includes the lease obligation recognised previously under finance leases of \$2,250,000 that were reclassified from finance lease obligations.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as at 31 March 2019, as follows:

	<b>Group \$'000</b>
Operating lease commitments as at 31 March 2019	7,616
Less: Commitments relating to short-term leases and leases of low-value assets	(7)
	<u>7,609</u>
Weighted average incremental borrowing rate as at 1 April 2019	3.61%
Discounted operating lease commitments as at 1 April 2019	4,329
Add: Commitments relating to leases previously classified as finance leases	2,250
Lease liabilities as at 1 April 2019	<u><u>6,579</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: <i>Definition of a Business</i>	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: <i>Definition of Material</i>	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to <i>References to the Conceptual Framework in SFRS(I) Standards</i>	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from 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 within subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

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

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Basis of consolidation and business combinations (continued)

(a) Basis of consolidation (continued)

- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

### 2.6 Foreign currency

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

#### (a) *Transactions and balances*

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operations.

#### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Foreign currency (continued)

#### (b) Consolidated financial statements (continued)

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

### 2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold factory building	–	50 years
Furniture and fittings and air-conditioners	–	5 to 15 years
Office equipment	–	5 to 8 years
Computers	–	3 years
Motor vehicles	–	5 to 10 years
Loose tools	–	5 years
Plant and machinery	–	6 to 15 years
Renovations	–	5 years

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Property, plant and equipment (continued)

Construction in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

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

### 2.8 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

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

### 2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Intangible assets (continued)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

#### *Club membership*

The club membership was acquired separately and is amortised on a straight-line basis over its finite useful life of 25 years.

### 2.10 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

### 2.11 Subsidiaries

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interests in joint ventures as investments and accounts for these investments using the equity method. The accounting policy for investments in joint ventures is set out in Note 2.13.

### 2.13 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Joint ventures and associates (continued)

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

As the dates of the associates' and joint ventures' audited financial statements used are not co-terminous with that of the Group, the Group's share of results is arrived at based on the latest available audited financial statements and subsequent un-audited management financial statements up to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

### 2.14 Financial instruments

#### (a) Financial assets

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Financial instruments (continued)

#### (a) Financial assets (continued)

*Initial recognition and measurement (continued)*

##### Investments in debt instruments

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

##### *Amortised cost*

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

##### *Fair value through profit or loss*

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

##### Investments in equity instruments

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

##### *De-recognition*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Financial instruments (continued)

#### (b) Financial liabilities

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

##### *De-recognition*

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

### 2.15 Impairment of financial assets

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.15 Impairment of financial assets (continued)

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

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

### 2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand, fixed deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.17 Construction contracts

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised over time by measuring the progress towards complete satisfaction of performance obligations. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The Group is restricted contractually from directing the assets for another use as they are being constructed, and has enforceable rights to payment for performance completed to date. The revenue is recognised over time, based on the construction costs incurred to date as a proportion of estimated total construction costs to be incurred.

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

The contract assets relate to unbilled work-in-progress and have substantially the same characteristics as the trade receivables for the same type of contracts. The impairment policy as explained in Note 2.15 also applies to contract assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Construction contracts (continued)

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

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

### 2.18 Provisions

#### **General**

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

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

#### **Onerous Contract**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

### 2.19 Borrowing costs

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.20 Employee benefits

(a) *Defined contribution plans*

The companies in the Group participate in the following national pension schemes as defined by the laws of the countries in which they have operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related services are performed.

(i) Republic of Singapore ("Singapore")

The Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme.

(ii) The People's Republic of China ("PRC")

Subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to its employees under existing PRC legislations. Pension contributions are made at rates stipulated by PRC legislations to a pension fund managed by government agencies, who are responsible for administering these amounts for the subsidiaries' employees.

(b) *Employee leave entitlement*

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

### 2.21 Leases

#### Policy applicable from 1 April 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Leases (continued)

#### Policy applicable from 1 April 2019 (continued)

(a) *As lessee (continued)*

(i) *Right-of-use assets (continued)*

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10. The Group's right-of-use assets are presented within property, plant and equipment in Note 5.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Leases (continued)

#### Policy applicable from 1 April 2019 (continued)

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.22(b).

#### Policy applicable before 1 April 2019

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(b).

### 2.22 Revenue

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.22 Revenue (continued)

(a) *Project revenue*

The accounting policy for recognising project revenue is stated in Note 2.17.

(b) *Rental income*

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

### 2.23 Dividend and interest income

Dividend income is recognised in profit or loss when the Group's right to receive payment has been established.

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

### 2.24 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the grant is presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants related to income are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss, under "Other income".

### 2.25 Taxes

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.25 Taxes (continued)

(b) *Deferred tax (continued)*

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.25 Taxes (continued)

(c) *Sales tax*

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

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

### 2.26 Share capital and share issuance expenses

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

### 2.27 Treasury Shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

### 2.28 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.29 Financial guarantee

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 at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

### 2.30 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to Management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

### 3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Construction contracts and revenue recognition*

Construction contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract.

Management has determined that a cost-based input method for these services provides a faithful depiction of the Group's performance in transferring control of the goods and services promised to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contract. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the performance obligation within the contract.

The estimated total contract costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project managers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in the Group's other similar construction contracts for the past 3 to 5 years.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For the financial year ended 31 March 2020, the Group recorded revenue of \$220,835,000 (2019: \$194,296,000) from its construction contracts. The carrying amounts of contract assets and contract liabilities arising from construction contracts at the end of the reporting period are \$32,659,000 and \$23,266,000 respectively (2019: \$33,129,000 and \$1,927,000 respectively).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 3.2 Key sources of estimation uncertainty (continued)

#### (b) *Revaluation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged real estate valuation experts to assess fair value as at 31 March 2020.

The fair values of investment properties are determined by independent real estate valuation experts using market comparable approach and discounted cash flow approach.

The determination of the fair values of the investment properties require the use of estimates on yield adjustments such as location, size, tenure, age and condition. These estimates are based on local market conditions existing at the end of each reporting date.

The key assumptions used to determine the fair value of the investment properties are further explained in Notes 10 and 43(d)(i). The carrying amount of the Group's investment properties as at 31 March 2020 was \$117,604,000 (2019: \$121,380,000).

#### (c) *Impairment assessment of interest in associates and joint ventures*

The Group has significant interests in associates and joint ventures. The Group's interests in associates and joint ventures comprise the investments and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development. The Group assesses at the end of each reporting period whether there is any objective evidence that the interest is impaired.

The Group applies the general approach to provide for ECLs on amounts due from associates and joint ventures carried at amortised cost. At each reporting date, the Group assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When initial credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The assessment of whether credit risk of a financial asset has increased significantly since initial recognition is a significant estimate. Credit risk assessment is based on both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The carrying amounts of the Group's interests in associates and joint ventures are disclosed in Notes 7 and 8 to the financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 4. PROPERTY, PLANT AND EQUIPMENT

Group	At cost								Construction in Progress \$'000	Total \$'000
	Leasehold building \$'000	Furniture and fittings and air-conditioners \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Loose tools \$'000	Plant and machinery \$'000	Renovations \$'000			
<b>Cost</b>										
As at 1.4.2018	2,818	1,073	1,982	2,657	342	10,097	951	10,191	30,111	
Additions	926	11	274	338	145	3,518	-	-	5,212	
Disposals	-	-	(19)	(70)	(8)	(26)	-	-	(123)	
Transfer from construction in progress	9,262	-	-	-	-	-	-	(9,262)	-	
Translation difference	-	(15)	(3)	(5)	-	-	-	-	(23)	
As at 31.3.2019 and 1.4.2019	13,006	1,069	2,234	2,920	479	13,589	951	929	35,177	
Effect of adopting SFRS(I) 16	4,171	-	158	-	-	-	-	-	4,329	
As at 1.4.2019 (restated)	17,177	1,069	2,392	2,920	479	13,589	951	929	39,506	
Additions	-	69	181	137	92	157	61	-	697	
Disposals	-	(10)	(32)	(161)	(21)	(159)	-	-	(383)	
Transfer from construction in progress	929	-	-	-	-	-	-	(929)	-	
Translation difference	-	(2)	-	(1)	-	-	-	-	(3)	
<b>As at 31.3.2020</b>	<b>18,106</b>	<b>1,126</b>	<b>2,541</b>	<b>2,895</b>	<b>550</b>	<b>13,587</b>	<b>1,012</b>	<b>-</b>	<b>39,817</b>	
<b>Accumulated depreciation</b>										
As at 1.4.2018	768	962	1,419	1,706	234	8,887	769	-	14,745	
Charge for the year	210	39	261	448	53	892	164	-	2,067	
Disposals	-	-	(14)	(68)	(6)	(26)	-	-	(114)	
Translation difference	-	(15)	(2)	(3)	-	-	-	-	(20)	
As at 31.3.2019 and 1.4.2019	978	986	1,664	2,083	281	9,753	933	-	16,678	
Charge for the year	662	41	301	399	68	881	21	-	2,373	
Disposals	-	(8)	(28)	(154)	(14)	(156)	-	-	(360)	
Translation difference	-	(2)	-	-	-	-	-	-	(2)	
<b>As at 31.3.2020</b>	<b>1,640</b>	<b>1,017</b>	<b>1,937</b>	<b>2,328</b>	<b>335</b>	<b>10,478</b>	<b>954</b>	<b>-</b>	<b>18,689</b>	
<b>Net carrying amount</b>										
As at 31.3.2019	12,028	83	570	837	198	3,836	18	929	18,499	
<b>As at 31.3.2020</b>	<b>16,466</b>	<b>109</b>	<b>604</b>	<b>567</b>	<b>215</b>	<b>3,109</b>	<b>58</b>	<b>-</b>	<b>21,128</b>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 5(a).

### Cash outflows on purchase of property, plant and equipment

Cash payments of \$546,000 (2019: \$3,036,000) were made to purchase property, plant and equipment during the year ended 31 March 2020.

### Assets held under finance lease arrangement

During the financial year ended 31 March 2020, the Group acquired property, plant and equipment with an aggregate cost of \$640,000 (2019: \$5,212,000) of which \$94,000 (2019: \$2,176,000) was acquired by means of finance lease arrangement.

The carrying amounts of plant and equipment acquired under finance lease arrangement at the end of the reporting period are as follows:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Motor vehicles	<b>465</b>	728
Plant and machinery	<b>1,673</b>	2,064
Loose tools	<b>34</b>	45
	<u><u>2,172</u></u>	<u><u>3,837</u></u>

Assets acquired under finance lease arrangement were pledged as security for the related lease liabilities.

### Assets pledged as security

In addition to assets held under finance lease arrangement, the leasehold factory building with net carrying amount of \$16,466,000 (2019: \$12,028,000) has been pledged as security for banking facilities granted by the banks (Note 23).

## 5. LEASES

### Group as a lessee

The Group has lease contracts for various items of property, plant and equipment used in its operations. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of office equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 5. LEASES (CONTINUED)

### (a) Right-of-use assets

Information about Right-of-use assets classified within Property, plant and equipment (Note 4) is disclosed as follows:

	Leasehold factory building \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Loose tools \$'000	Plant and machinery \$'000	Total \$'000
<b>Group</b>						
Carrying amounts at 1 April 2019	4,171	158	728	45	2,064	7,166
Additions*	–	30	137	–	–	167
Depreciation	(140)	(49)	(377)	(11)	(391)	(968)
Carrying amounts at 31 March 2020	<b>4,031</b>	<b>139</b>	<b>488</b>	<b>34</b>	<b>1,673</b>	<b>6,365</b>

\* Included in additions amount of \$56,000 and \$111,000 relating to acquisition arising from operating lease and finance lease arrangement respectively.

### (b) Lease liabilities

	<b>Group</b>	
	<b>2020</b> \$'000	2019 \$'000
Finance lease obligations (Note 42(c))	–	2,250
Lease liabilities arising from finance lease arrangement	<b>1,722</b>	–
Lease liabilities arising from operating lease arrangement	<b>4,259</b>	–
Total lease liabilities	<b>5,981</b>	2,250
Represented by:		
Current	<b>823</b>	611
Non-current	<b>5,158</b>	1,639
	<b>5,981</b>	2,250

The movements of lease liabilities during the year are disclosed in Note 23 and the maturity analysis of lease liabilities is disclosed in Note 44.

### (c) Amounts recognised in profit or loss

	<b>Group</b> <b>2020</b> \$'000
Depreciation of right-of-use assets	<b>968</b>
Interest expense on lease liabilities (Note 34)	<b>231</b>
Lease expense not capitalised in lease liabilities:	
– Expenses relating to short-term leases not capitalised in lease liabilities (included in cost of sales)	<b>5</b>
Total amount recognised in profit or loss	<b>1,204</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 5. LEASES (CONTINUED)

### (d) Total cash outflow

The Group had total cash outflows for leases of \$753,000 during the year.

### (e) Variable lease payments

The Group has several lease contracts that contain variable lease payments arising from rent adjustments by Jurong Town Corporation ("JTC"). The rent will be revised to the prevailing JTC-posted rates with a 5.5% escalation cap annually.

## 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020	2019
	\$'000	\$'000
Unquoted equity shares:		
Cost at the beginning and end of the year	<b>16,791</b>	16,791

Details of the subsidiaries are as follows:

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2020 %	2019 %
	<b>Held by the Company</b>			
#	Kim Seng Heng Engineering Construction (Pte) Ltd ("KSHEC") (Republic of Singapore)	Carry on business as builders and contractors	<b>100</b>	100
#	Kim Seng Heng Realty Pte Ltd ("KSHR") (Republic of Singapore)	Property development	<b>100</b>	100
#	KSH Overseas Pte. Ltd. ("KSHO") (Republic of Singapore)	Investment holding	<b>100</b>	100
#	KSH Property Development Pte. Ltd. ("KSHPD") (Republic of Singapore)	Property development	<b>100</b>	100
#	KSH Property Investment Pte. Ltd. ("KSHPI") (Republic of Singapore)	Holding of assets	<b>100</b>	100
#	Ferris Rise Pte. Ltd. ("FERRIS") (Republic of Singapore)	Holding of assets	<b>100</b>	100
*	KSH Asia Investment Pte. Ltd. ("KSHAI") (Republic of Singapore)	Investment holding	<b>100</b>	100

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2020 %	2019 %
	<b><i>Held by the Company (continued)</i></b>			
*	KSH Commercial Investment Pte. Ltd. ("KSHCI") (Republic of Singapore)	Investment holding	<b>100</b>	100
#	KSH Capital Pte. Ltd. ("KSHCA") (Republic of Singapore)	Investment holding	<b>100</b>	100
#	KSH Asia Property Pte. Ltd. ("KSHAP") (Republic of Singapore)	Investment holding	<b>100</b>	100
*	KSH Vietnam Investment Pte. Ltd. ("KSHVI") (Republic of Singapore)	Investment holding	<b>100</b>	100
#	KSH Hotels Investments Pte. Ltd. ("KSHHI") (Republic of Singapore)	Investment holding	<b>100</b>	100
*	KSH Investments Management Pte. Ltd. ("KSHIM") (Republic of Singapore)	Holding of assets for investment	<b>100</b>	100
#	KSH Foreign Investment Pte. Ltd. ("KSHFI") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100
#	KSH International Investment Pte. Ltd. ("KSHII") (Republic of Singapore)	Investment holding	<b>100</b>	100
#	KSH Investments Property Holdings Pte. Ltd. ("KSHIPH") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100
#	KSH Asia Pacific Investments Pte. Ltd. ("KSHAS") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100
#	KSH Hotels Asia Pte. Ltd. ("KSHHA") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100
	<b><i>Held by subsidiaries</i></b>			
^*	Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE") (The People's Republic of China)	Construction, rental, sale of property	<b>69</b>	69
^*	Tianjin Tian Xing Property Management Co., Ltd. ("TTXPM") (The People's Republic of China)	Property management	<b>69</b>	69

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2020 %	2019 %
	<b><i>Held by subsidiaries (continued)</i></b>			
@	Duford Investment (Hong Kong) Limited ("Duford") (Hong Kong Special Administrative Region)	Investment holding	<b>100</b>	100
* <sup>o</sup>	Techpath Construction Sdn Bhd ("Techpath") (Malaysia)	Building construction	<b>100</b>	100
#	KSH Land Development Pte. Ltd. ("KSHLD") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100
#	KSH Global Investment Pte. Ltd. ("KSHGI") (Republic of Singapore)	Property development	<b>100</b>	100
#	KSH Development Pte. Ltd. ("KSHDE") (Republic of Singapore)	Property development	<b>100</b>	100
#	Development 88 Pte. Ltd. ("Dev88") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100
*	KSH Premier Investment Pte. Ltd. ("KSHPR") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100
#	KSH Engineering Builders Pte. Ltd. ("KSHEB") (Republic of Singapore)	Carry on business as builders and contractors	<b>100</b>	100
#	KSH Residential Pte. Ltd. ("KSHPR") (Republic of Singapore)	Property development and holding of assets for investment	<b>100</b>	100

# Audited by Ernst & Young LLP, Singapore.

^ Audited by Tianjin Dongsheng C.P.A., the People's Republic of China, in 2020 and audited by CAC CPA Limited Liability Partnership, the People's Republic of China in 2019.

\* Reviewed by Ernst & Young LLP, Singapore, for consolidation purposes only.

@ Audited by C K Yau & Partners CPA Limited, Certified Public Accountants (Practising), Hong Kong.

<sup>o</sup> Not considered a significant subsidiary.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Interests in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	(Loss)/Profit allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000	Dividends paid to NCI \$'000
<b>31 March 2020:</b>					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	31%	(437)	22,668	-
<b>31 March 2019:</b>					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	31%	818	23,361	-

### Summarised financial information of subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests is as follows:

#### Summarised balance sheet

	TTXRE	
	2020 \$'000	2019 \$'000
<b>Current</b>		
Assets	2,741	2,846
Liabilities	(4,142)	(5,037)
Net current liabilities	(1,401)	(2,191)
<b>Non-current</b>		
Assets	103,392	107,191
Liabilities	(28,868)	(29,642)
Net non-current assets	74,524	77,549
Net assets	73,123	75,358

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Summarised financial information of subsidiaries with material NCI (continued)

#### Summarised statement of comprehensive income

	TTXRE	
	2020	2019
	\$'000	\$'000
Revenue	3,159	3,412
Other income	9	155
(Loss)/Profit before taxation	<b>(1,820)</b>	2,929
Income tax credit/(expense)	<b>409</b>	(289)
(Loss)/Profit after taxation	<b>(1,411)</b>	2,640
Other comprehensive income, net of tax	<b>(824)</b>	(2,593)
Total comprehensive income for the year	<b>(2,235)</b>	47

## 7. INTERESTS IN ASSOCIATES

	Group	
	2020	2019
	\$'000	\$'000
Shares, at cost	35,088	35,438
Additions during the year	2,619	450
Cancellation of shares pursuant to capital reduction	<b>(570)</b>	(800)
	<b>37,137</b>	35,088
Share of post-acquisition reserves	<b>122,673</b>	121,713
Dividends receivable	<b>(359)</b>	(764)
Dividends received	<b>(113,871)</b>	(113,368)
Translation difference	<b>(1,645)</b>	(3,384)
Carrying amount of investments	<b>43,935</b>	39,285
Loans due from associates <sup>^</sup>	<b>143,910</b>	137,928
Loans due to associates	<b>(1,252)</b>	(866)
Amounts due from associates (non-trade)	<b>12,236</b>	7,764
Amounts due to associates (non-trade)	<b>(9)</b>	*
	<b>198,820</b>	184,111

\* Less than \$1,000

<sup>^</sup> Amount includes share of losses of associates amounting to \$13,588,000 (2019: \$13,076,000) applied to loans due from associates

Loans due from associates amounting to \$121,164,000 (2019: \$117,851,000) are unsecured and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 3.00% to 5.28% (2019: 3.00% to 5.33%) per annum and are to be settled in cash.

The remaining loans due from associates, amounting to \$22,746,000 (2019: \$20,077,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Loans due to associates, amounting to \$1,252,000 (2019: \$866,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Amounts due from/(to) associates (non-trade) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 7. INTERESTS IN ASSOCIATES (CONTINUED)

### Expected credit loss

The movement in allowance for expected credit losses of loans due from associates computed based on lifetime ECL is as follows:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Movement in allowance account:		
At beginning of the year	<b>1,628</b>	1,325
Charge for the year	<b>1,353</b>	303
At end of the year	<b>2,981</b>	1,628

The Group's material investments in associates are summarised below:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Dawa Hospitality Private Limited	<b>1,662</b>	373
Unique Development Pte. Ltd.	<b>913</b>	1,171
Development 35 Pte. Ltd.	<b>1,782</b>	224
Unique Rezi Pte. Ltd.	<b>1,227</b>	1,269
Unique Capital Pte. Ltd.	<b>1,758</b>	1,874
SH Sapporo Pte. Ltd.	<b>1,229</b>	–
Beijing Jin Hua Tong Da Real Estate Development Co., Ltd	<b>17,133</b>	18,200
Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd.	<b>6,188</b>	6,441
Hebei Yuezhi Real Estate Development Co., Ltd.	<b>8,971</b>	9,244
Other associates	<b>3,072</b>	489
Carrying amount of investments in associates	<b>43,935</b>	39,285

The Group has not recognised losses relating to Klang City Development Pte. Ltd. where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was \$1,373,000 (2019: \$1,313,000), of which \$60,000 (2019: \$16,000) was the share of the current year's losses (2019: profits). The Group has no obligation in respect of these losses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 7. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the associates are as follows:

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2020 %	2019 %
	<b><i>Held by subsidiaries</i></b>			
@	Beijing Jin Hua Tong Da Real Estate Development Co., Ltd. ("BJHTD") (The People's Republic of China)	Residential property developer	<b>45</b>	45
#	Mergui Development Pte. Ltd. ("Mergui") (Republic of Singapore)	Property development	<b>35</b>	35
&	Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd. ("KSHEC Beijing") (The People's Republic of China)	Engineering and construction	<b>50</b>	50
#	Unique Development Pte. Ltd. ("Unique Development") (Republic of Singapore)	Real estate developers	<b>35</b>	35
#	Development 26 Pte. Ltd. ("Dev 26") (Republic of Singapore)	Property development	<b>45</b>	45
#	Residenza Pte. Ltd. ("Residenza") (Republic of Singapore)	Property development	<b>32</b>	32
#	Unique Realty Pte. Ltd. ("Unique Realty") (Republic of Singapore)	Property development	<b>25</b>	25
#	Unique Consortium Pte. Ltd. ("Unique Consortium") (Republic of Singapore)	Investment holding	<b>35</b>	35
#	Unique Capital Pte. Ltd. ("Unique Capital") (Republic of Singapore)	Investment holding	<b>25</b>	25
#	Unique Rezi Pte. Ltd. ("Unique Rezi") (Republic of Singapore)	Investment holding	<b>42</b>	42
#	Unique Resi Estate Pte. Ltd. ("Unique Resi Estate") (Republic of Singapore)	Property development	<b>30</b>	30
*	Unique Commercial Pte. Ltd. ("Unique Commercial") (Republic of Singapore)	Property development	<b>35</b>	35

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 7. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the associates are as follows: (continued)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2020 %	2019 %
<b><i>Held by subsidiaries (continued)</i></b>				
#	Development 32 Pte. Ltd. ("Dev 32") (Republic of Singapore)	Property development	<b>45</b>	45
#	Wealth Development Pte. Ltd. ("Wealth Development") (Republic of Singapore)	Property development	<b>30</b>	30
*	Klang City Development Pte. Ltd. ("Klang City Development") (Republic of Singapore)	Investment holding	<b>40</b>	40
#	Epic Land Pte. Ltd. ("EPIC") (Republic of Singapore)	Property dealing and property rental business	<b>28</b>	28
# <sup>(9)</sup>	Glenthorne Pte. Ltd. ("Glenthorne") (Republic of Singapore)	Investment holding	<b>10</b>	10
# <sup>(9)</sup>	Fairmont Land Pte. Ltd. ("Fairmont") (Republic of Singapore)	Investment holding	<b>15</b>	15
^ <sup>(9)</sup>	LGB-NB Pte. Ltd. ("LGB-NB") (Republic of Singapore)	Investment holding	<b>15</b>	15
#	Prospere Hotels Pte. Ltd. ("Prospere") (Republic of Singapore)	Investment holding	<b>30</b>	30
*	Development 35 Pte. Ltd. ("Dev 35") (Republic of Singapore)	Property development	<b>49</b>	49
#	Goldprime Realty Pte. Ltd. ("Goldprime") (Republic of Singapore)	Investment holding	<b>20</b>	20
#	Oldham Street Pte. Ltd. ("Oldham") (Republic of Singapore)	Investment holding	<b>25</b>	25

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 7. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the associates are as follows: (continued)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2020 %	2019 %
<b>Held by subsidiaries (continued)</b>				
#	Unique Invesco Pte. Ltd. ("UNIV") (Republic of Singapore)	Investment holding	<b>37.5</b>	37.5
#	Development 24 Pte. Ltd. ("DEV24") (Republic of Singapore)	Property development	<b>48</b>	48
+	Rio Casa Venture Pte. Ltd. ("Rio Casa") (Republic of Singapore)	Property development	<b>35</b>	35
~	Hebei Yuezhi Real Estate Development Co., Ltd. ("Hebei Yuezhi") (The People's Republic of China)	Real estate developers	<b>22.5</b>	22.5
#(1)	Prospere Glow Pte Ltd ("Glow") (Republic of Singapore)	Investment holding	<b>20</b>	20
#(2)	Prospere Bliss Pte Ltd ("Bliss") (Republic of Singapore)	Investment holding	<b>30</b>	30
=(3)(9)	Dawa Hospitality Private Limited ("Dawa") (Bhutan)	Investment holding	<b>10</b>	10
#(4)	Prospere Glory Pte Ltd ("Glory") (Republic of Singapore)	Investment holding	<b>20</b>	20
#(5)(9)	Leeds Bridge Pte Ltd ("Leeds") (Republic of Singapore)	Investment holding	<b>17.5</b>	17.5
#(6)(9)	Wickham Invesco Pte Ltd ("Wickham") (Republic of Singapore)	Investment holding	<b>15</b>	15
#(7)(9)	SH Sapporo Pte Ltd ("SH Sapporo") (Republic of Singapore)	Investment holding	<b>10</b>	–
#(8)	KAP Hotel Investments Pte Ltd ("KAP Hotel") (Republic of Singapore)	Investment holding	<b>20</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 7. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the associates are as follows: (continued)

- @ Audited by Grant Thornton, Zi Tong Certified Public Accountants, the People's Republic of China
- \* Audited by Baker Tilly TFW LLP, Singapore
- ^ Audited by KPMG LLP, Singapore
- # Audited by Ernst & Young LLP, Singapore
- + Audited by RSM Chio Lim LLP, Singapore
- ~ Audited by Baoding Jiahe Certified Public Accountants Co., Ltd., the People's Republic of China
- = Audited by Brandon Kinzang and Associates, Bhutan
- & Not required to be audited in the respective country of incorporation

- (1) On 23 April 2018, KSHIPH, a wholly-owned subsidiary, acquired 20% equity interest in Glow for a cash consideration of \$20.
- (2) On 15 May 2018, KSHAS, a wholly-owned subsidiary, acquired 30% equity interest in Bliss for a cash consideration of \$30.
- (3) On 13 December 2018, KSHHI, a wholly-owned subsidiary, acquired 10% equity interest in Dawa for a cash consideration of \$450,000.
- (4) On 21 December 2018, KSHHI, a wholly-owned subsidiary, acquired 20% equity interest in Glory for a cash consideration of \$20.
- (5) On 10 January 2019, KSHGI, a wholly-owned subsidiary, acquired 17.5% equity interest in Leeds for a cash consideration of \$175.
- (6) The shareholders of Wickham agreed to the entitlement of KSHCA, a wholly-owned subsidiary, to appoint a Director with voting right in the Board of Directors of Wickham with effect from 1 April 2019.
- (7) The shareholders of SH Sapporo agreed to the entitlement of KSHHI, a wholly-owned subsidiary, to appoint a Director with voting right in the Board of Directors of SH Sapporo with effect from 31 December 2019.
- (8) On 18 April 2019, KSHHA, a wholly-owned subsidiary, acquired 20% equity interest in KAP Hotel for a cash consideration of \$1.
- (9) The results of these associates were accounted for using the equity method in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board committees of these entities.

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Profit/(loss) after taxation	<b>3,578</b>	(12,338)
Other comprehensive income, net of tax	<b>219</b>	219
Total comprehensive income for the year	<b>3,797</b>	(12,119)



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 7. INTERESTS IN ASSOCIATES (CONTINUED)

The summarised financial information in respect of the material investments in associates, based on their SFRS(I) financial statements, and a reconciliation with the carrying amount of each investment in the consolidated financial statements are as follows:

### Summarised balance sheet

	Dawa Hospitality		Unique Development		Development 35		Unique Rezi	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	5,117	812	2,372	2,474	23,503	28,228	66	84
Non-current assets	11,388	3,757	943	943	-	-	2,860	3,377
Total assets	16,505	4,569	3,315	3,417	23,503	28,228	2,926	3,461
Current liabilities	(67)	(838)	(72)	(75)	(1,837)	(1,919)	(8)	(9)
Non-current liabilities	-	-	(637)	-	(18,030)	(25,852)	-	(434)
Total liabilities	(67)	(838)	(709)	(75)	(19,867)	(27,771)	(8)	(443)
Net assets	16,438	3,731	2,606	3,342	3,636	457	2,918	3,018
Proportion of Group's ownership	10%	10%	35%	35%	49%	49%	42%	42%
Group's share of net assets	1,644	373	912	1,170	1,782	224	1,226	1,268
Other adjustments	18*	-	1*	1*	-	-	1*	1*
Carrying amount of investment	1,662	373	913	1,171	1,782	224	1,227	1,269

\* Other adjustments comprise accumulated loss prior to the date of acquisition by the Group

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 7. INTERESTS IN ASSOCIATES (CONTINUED)

### Summarised balance sheet (Continued)

	Unique Capital		SH Sapporo		BJHTD		Sino-KSHEC		Hebei Yuezhi	
	2020	2019	2020	2019**	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	17	18	136	-	44,579	45,965	22,722	12,882	39,901	41,116
Non-current assets	12,751	12,967	24,281	-	36,272	38,133	-	-	-	-
Total assets	12,768	12,985	24,417	-	80,851	84,098	22,722	12,882	39,901	41,116
Current liabilities	(106)	(7)	(51)	-	(42,778)	(43,654)	(10,346)	-	-	-
Non-current liabilities	(5,631)	(5,481)	(12,076)	-	-	-	-	-	-	-
Total liabilities	(5,737)	(5,488)	(12,127)	-	(42,778)	(43,654)	(10,346)	-	-	-
Net assets	7,031	7,497	12,290	-	38,073	40,444	12,376	12,882	39,901	41,116
Proportion of Group's ownership	25%	25%	10%	-	45%	45%	50%	50%	22.5%	22.5%
Group's share of net assets	1,758	1,874	1,229	-	17,133	18,200	6,188	6,441	8,978	9,251
Other adjustments	-	-	-	-	-	-	-	-	(7)*	(7)*
Carrying amount of investment	1,758	1,874	1,229	-	17,133	18,200	6,188	6,441	8,971	9,244

\* Other adjustments comprise accumulated loss prior to the date of acquisition by the Group.

\*\* Investment in SH Sapporo was being classified as "Investment Securities" in the previous financial year.

### Summarised statement of comprehensive income

	Dawa Hospitality		Unique Development		Development 35		Unique Rezi		Unique Capital		SH Sapporo		BJHTD		Sino-KSHEC		Hebei Yuezhi	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-	-	-	22,984	9,623	-	-	-	-	-	-	-	451	362	-	-	-	-
Profit/(loss) after taxation	(413)	(67)	(736)	54	3,180	375	(99)	(191)	(466)	(214)	(599)	-	(2,154)	(2,462)	(125)	(44)	(160)	(104)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	(196)	(1,561)	(382)	(126)	16	(498)
Total comprehensive income for the year	(413)	(67)	(736)	54	3,180	375	(99)	(191)	(466)	(214)	(599)	-	(2,350)	(4,023)	(507)	(170)	(144)	(602)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 8. INTERESTS IN JOINT VENTURES

Details of the joint ventures are as follows:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Shares, at cost	<b>250</b>	250
Share of post-acquisition reserves	<b>6,499</b>	28,405
Carrying amount of investments	<b>6,749</b>	28,655
Loans due from joint ventures <sup>^</sup>	<b>56,095</b>	50,238
Amounts due from joint ventures (non-trade)	<b>13,694</b>	10,770
	<b>76,538</b>	89,663

<sup>^</sup> Amount includes share of losses of joint ventures amounting to \$5,806,000 (2019: \$9,669,000) applied to loans due from joint ventures.

Loans due from joint ventures amounting to \$56,095,000 (2019: \$50,238,000) are unsecured and are not expected to be settled within the next twelve months. These loans bear effective interest rates at 5.25% (2019: 2.30% to 5.35%) per annum and are to be settled in cash.

Amounts due from joint ventures (non-trade) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

The Group's material investments in joint ventures are summarised below:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Phileap Pte. Ltd.	-	-
Unique Residence Pte. Ltd.	<b>6,749</b>	28,655
Unique Real Estate Pte. Ltd.	-	-
Carrying amount of investments in joint ventures	<b>6,749</b>	28,655

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 8. INTERESTS IN JOINT VENTURES (CONTINUED)

Details of the joint ventures are as follows:

	Name of joint venture (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2020 %	2019 %
	<b><i>Held by a subsidiary</i></b>			
#	Phileap Pte. Ltd. ("Phileap") (Republic of Singapore)	Property development	<b>25</b>	25
#	Unique Residence Pte. Ltd. ("Unique Residence") (Republic of Singapore)	Investment holding	<b>50</b>	50
#	Unique Real Estate Pte. Ltd. ("Unique Real Estate") (Republic of Singapore)	Investment holding	<b>50</b>	50
	<b><i>Held by a joint venture</i></b>			
#	Fernvale Development Pte. Ltd. ("Fernvale Development") (Republic of Singapore)	Property development	<b>20</b>	20
#	CEL Unique Pte. Ltd. ("CEL Unique") (Republic of Singapore)	Investment holding	<b>20</b>	20
#	CEL Unique Holdings Pte. Ltd. ("CEL Unique Holdings") (Republic of Singapore)	Investment holding	<b>20</b>	20
#	CEL Unique Development Pte. Ltd. ("CEL Unique Development") (Republic of Singapore)	Property development	<b>20</b>	20
#	Audited by Ernst & Young LLP, Singapore.			

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 8. INTERESTS IN JOINT VENTURES (CONTINUED)

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	2020 \$'000	2019 \$'000
Profit/(loss) after taxation, representing total comprehensive income	-	-

Summarised financial information in respect of the Group's material investments in joint ventures, based on their SFRS(I) financial statements, and a reconciliation with the carrying amount of each investment in the consolidated financial statements are as follows:

### Summarised balance sheet

	Phileap		Unique Residence		Unique Real Estate	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash and cash equivalents	1,603	565	149	123	76	31
Development property	32,691	33,136	-	-	-	-
Other current assets	70	72	1	1	1	1
Current assets	34,364	33,773	150	124	77	32
Non-current assets	-	-	35,737	157,709	127,976	112,833
<b>Total assets</b>	<b>34,364</b>	<b>33,773</b>	<b>35,887</b>	<b>157,833</b>	<b>128,053</b>	<b>112,865</b>
Current liabilities	159	117	22,109	140	4	6
Non-current liabilities	54,530	56,545	281	100,383	129,499	120,753
<b>Total liabilities</b>	<b>54,689</b>	<b>56,662</b>	<b>22,390</b>	<b>100,523</b>	<b>129,503</b>	<b>120,759</b>
<b>Net (liabilities)/assets</b>	<b>(20,325)</b>	<b>(22,889)</b>	<b>13,497</b>	<b>57,310</b>	<b>(1,450)</b>	<b>(7,894)</b>
Proportion of the Group's ownership	25%	25%	50%	50%	50%	50%
<b>Group's share of net (liabilities)/assets,</b>	<b>(5,081)</b>	<b>(5,722)</b>	<b>6,749</b>	<b>28,655</b>	<b>(725)</b>	<b>(3,947)</b>
<b>Share of losses applied to loans due from joint ventures</b>	<b>5,081</b>	<b>5,722</b>	<b>-</b>	<b>-</b>	<b>725</b>	<b>3,947</b>
<b>Carrying amount of investments in joint ventures</b>	<b>-</b>	<b>-</b>	<b>6,749</b>	<b>28,655</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 8. INTERESTS IN JOINT VENTURES (CONTINUED)

### Summarised statement of comprehensive income

	Phileap		Unique Residence		Unique Real Estate	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Revenue	5,400	-	-	-	-	-
Interest income	-	-	1,840	3,974	5,895	5,798
Interest expense	-	(1,213)	(1,366)	(2,890)	(5,990)	(5,852)
Profit/(loss) before taxation	2,564	(3,507)	850	17,560	6,444	(7,336)
Income tax expense	-	-	-	(41)	-	-
Profit/(loss) after taxation, representing total comprehensive income for the year	<u>2,564</u>	<u>(3,507)</u>	<u>850</u>	<u>17,519</u>	<u>6,444</u>	<u>(7,336)</u>

## 9. INVESTMENT SECURITIES

### Financial assets

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>At fair value through other comprehensive income</i>				
- Equity securities (unquoted)				
SH Sapporo Pte Ltd <sup>(1)</sup>	-	1,248	-	-
<i>At fair value through profit or loss</i>				
- Debt securities (quoted)				
Oxley MTN 6.5% <sup>(2)</sup>	<u>2,910</u>	<u>-</u>	<u>2,910</u>	<u>-</u>

(1) The Group has elected to measure these unquoted equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity securities for long-term appreciation.

(2) The Group has elected to measure these debt securities at fair value through profit or loss. Fair value of these debt securities are determined by reference to published price quotations in an active market.

## 10. INVESTMENT PROPERTIES

	Group	
	2020 \$'000	2019 \$'000
At beginning of the year	121,380	123,882
(Loss)/gain on fair value adjustments of investment properties	(3,242)	1,234
Translation difference	(534)	(3,736)
At end of the year	<u>117,604</u>	<u>121,380</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 10. INVESTMENT PROPERTIES (CONTINUED)

The aggregate operating expenses related to the Group's investment properties recognised in profit or loss are as follows:

Direct operating expenses (including repairs and maintenance) arising from:

	Group	
	2020 \$'000	2019 \$'000
Rental generating properties	<u>1,035</u>	<u>1,077</u>

The investment properties held by the Group as at 31 March are as follows:

Name of property	Description	Fair value	
		2020 \$'000	2019 \$'000
(1) Sheares Ville	Freehold residential property at 9 Holt Road #12-05 Singapore 249446, comprising an estimated floor area of 443 square metres	<b>6,000</b>	6,000
(2) Tianjin Tianxing Riverfront Square	Leasehold commercial building at No. 81 Shi Yi Jing Road, Hedong District, Tianjin, 300171, the People's Republic of China, comprising an estimated floor area of 44,936 square metres (50 years lease term expiring on 17 September 2043)	<b>101,144</b>	104,921
(3) Centennia Suites	Freehold residential property at 100 Kim Seng Road #13-01 Singapore 239427, comprising an estimated floor area of 115 square metres	<b>2,946</b>	2,916
(3) Lincoln Suites	Freehold residential property at Blk 1 Kiang Guan Avenue #23-02 Singapore 308380, comprising an estimated floor area of 150 square metres	<b>3,530</b>	3,543
(3) Lincoln Suites	Freehold residential property at Blk 1 Kiang Guan Avenue #23-01 Singapore 308380, comprising an estimated floor area of 171 square metres	<b>3,984</b>	4,000
		<u><b>117,604</b></u>	<u>121,380</u>

(1) The fair values have been determined based on valuations performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent professional valuer, carried out in March 2020 and March 2019.

(2) The fair values have been determined based on valuations performed by Cushman & Wakefield International Property Advisers (Tianjin) Co., Ltd. ("C&W"), an independent professional valuer, carried out in March 2020 and March 2019.

(3) The fair values have been determined based on valuations performed by TEHO Property Consultants Pte. Ltd. (formerly known as ECG Consultancy Pte. Ltd.), an independent professional valuer, carried out in March 2020 and March 2019.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 10. INVESTMENT PROPERTIES (CONTINUED)

Rental income earned by the Group for the year ended 31 March 2020 from its investment properties, all of which are leased out under operating leases and comprising only minimum lease payments, amounted to \$5,290,000 (2019: \$5,705,000).

The investment properties have been pledged as securities for banking facilities granted by the banks (Note 23).

## 11. AMOUNT DUE FROM A MINORITY SHAREHOLDER OF A SUBSIDIARY (NON-TRADE)

This amount is unsecured, non-interest bearing and is not expected to be repaid within the next twelve months. This amount is denominated in Chinese Renminbi and is to be settled in cash.

## 12. CLUB MEMBERSHIP

	Group	
	2020 \$'000	2019 \$'000
<b>Cost</b>		
As at beginning and end of the year	<u>60</u>	<u>60</u>
<b>Accumulated amortisation</b>		
As at beginning of the year	28	25
Charge for the year	<u>3</u>	<u>3</u>
As at end of the year	<u>31</u>	<u>28</u>
<b>Net carrying amount</b>		
As at end of the year	<u>29</u>	<u>32</u>

The club membership was purchased in 2008 and is amortised over the useful life of 25 years. The amortisation of the club membership is included in the line "other operating expenses" in profit or loss.

## 13. OTHER RECEIVABLES

These amounts due from investee companies (non-trade) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

The Group's other receivables denominated in foreign currency as at the end of the reporting period are as follows:

	Group	
	2020 \$'000	2019 \$'000
Japanese Yen (JPY)	<u>-</u>	<u>1,226</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 14. STRUCTURED DEPOSITS

	<b>Maturity dates</b>	<b>2020 \$'000</b>	<b>Group 2019 \$'000</b>
<b>Non-current:</b>			
Structured deposits	April 2020	-	3,065
<b>Current:</b>			
Structured deposits	April 2020/July 2019	<b>3,078</b>	4,700

Non-current structured deposits are recorded at their fair values as at the end of the reporting period. These deposits are made for a term of 6 years, the return as determined, annually by the market access product falling within the range barriers as set out under the terms of the deposits.

Current structured deposits are recorded at their fair values as at the end of the reporting period. These deposits are made for a term of 1 year, with the return as determined, quarterly by the market access product falling within the range barriers as set out under the terms of the deposits.

Non-current structured deposits as at 31 March 2019 are pledged to a bank as security for banking facilities granted to the Group (Note 23).

## 15. TRADE RECEIVABLES

	<b>2020 \$'000</b>	<b>Group 2019 \$'000</b>
<b>Current:</b>		
Trade receivables	<b>13,005</b>	22,149
Trade receivables due from an associate	<b>3,892</b>	3,296
Sales tax receivables	-	14
	<b>16,897</b>	25,459

Trade receivables are non-interest bearing. Current balances are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of \$16,407,000 (2019: \$23,701,000) which has been assigned to the banks for banking facilities granted to the Group as disclosed in Note 23.

### Expected credit losses

There is no allowance made for the expected credit losses of trade receivables as at 31 March 2020 and 31 March 2019.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 16. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Grant receivable	727	–	33	–
Sundry debtors	1,752	1,213	10	10
Deposits	283	315	–	–
Interest receivable	225	196	187	160
Dividends receivable	11,359	1,114	–	–
	<b>14,346</b>	2,838	<b>230</b>	170
Less: Allowance for impairment	(561)	(766)	–	–
	<b>13,785</b>	2,072	<b>230</b>	170

The Group's other receivables and deposits denominated in foreign currency as at the end of the reporting period are as follows:

	Group	
	2020 \$'000	2019 \$'000
Chinese Renminbi	<b>1,547</b>	1,201

### Expected credit losses

The movement in allowance for expected credit losses of other receivables computed based on lifetime ECL is as follows:

	Group	
	2020 \$'000	2019 \$'000
Movement in allowance account:		
At beginning of the year	766	793
Write-back during the year	(197)	–
Exchange differences	(8)	(27)
At the end of the year	<b>561</b>	766

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 17. AMOUNTS DUE FROM SUBSIDIARIES (NON-TRADE)/AMOUNTS DUE TO SUBSIDIARIES (NON-TRADE)

Amounts due from subsidiaries (non-trade) amounting to \$96,887,000 (2019: \$114,914,000) are unsecured and are not expected to be repaid within the next twelve months. These amounts are interest-bearing with average effective rates ranging from 2.30% to 5.35% (2019: 2.30% to 5.35%) per annum and are to be settled in cash.

The remaining amounts due from subsidiaries (non-trade) amounting to \$92,426,000 (2019: \$72,434,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Amounts due to subsidiaries (non-trade) amounting to \$73,097,000 (2019: \$75,491,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

### Expected credit losses

The movement in allowance for expected credit losses on amounts due from subsidiaries (non-trade) is as follows:

	<b>Company</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Movement in allowance account:		
At beginning of the year and end of year	<b><u>1,782</u></b>	<u>1,782</u>

## 18. AMOUNTS DUE FROM ASSOCIATES (NON-TRADE)

Amounts due from associates (non-trade) amounting to \$10,000 (2019: \$4,950,000) are unsecured and are expected to be settled within the next twelve months. These receivables are non-interest bearing (2019: interest-bearing with effective interest rates of 3.00% per annum) and are to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 19. FIXED DEPOSITS

Fixed deposits have maturities ranging from 1 week to 1 year (2019: 1 week to 1 year) and earn interest at the respective short-term deposit rates. The interest rates for the year ended 31 March 2020 for the Group and the Company range from 0.05% to 2.95% (2019: 0.05% to 2.95%) per annum and from 0.06% to 1.85% (2019: 0.05% to 1.95%) per annum respectively.

Fixed deposits of the Group and the Company amounting to \$59,561,000 (2019: \$37,466,000) and \$28,431,000 (2019: \$21,168,000) respectively have been pledged to the banks for banking facilities granted to the Group and the Company as disclosed in Notes 23 and 24.

The Group's fixed deposits denominated in foreign currency as at the end of the reporting period are as follows:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Malaysian Ringgit	<b>198</b>	194

## 20. CASH AND BANK BALANCES

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 March:

		<b>Group</b>		<b>Company</b>	
	Note	<b>2020</b>	2019	<b>2020</b>	2019
		<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Cash and bank balances		<b>37,468</b>	45,392	<b>5,401</b>	13,939
Fixed deposits	19	<b>92,872</b>	65,823	<b>61,543</b>	39,267
		<b>130,340</b>	111,215	<b>66,944</b>	53,206
Less:					
Pledged fixed deposits		<b>(64,242)</b>	(37,466)	<b>(33,112)</b>	(21,168)
Cash and cash equivalents		<b>66,098</b>	73,749	<b>33,832</b>	32,038

The Group's and the Company's cash and bank balances earn interest at floating rates based on daily bank deposit rates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 20. CASH AND BANK BALANCES (CONTINUED)

The Group's cash and bank balances denominated in foreign currencies as at the end of the reporting period are as follows:

	Group	
	2020	2019
	\$'000	\$'000
Chinese Renminbi	2,719	3,404
United States Dollar	30	28
Hong Kong Dollar	18	5
Malaysian Ringgit	21	25

## 21. TRADE PAYABLES

Trade payables are non-interest bearing. Current balances are normally settled on 14 to 60 days' terms.

## 22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Other payables	3,441	3,654	230	235
Accrued operating expenses	41,266	52,481	876	558
Advance payments	456	827	-	-
Interest payable	171	548	106	233
Amount due to an associate	-	403	-	-
	<b>45,334</b>	<b>57,913</b>	<b>1,212</b>	<b>1,026</b>
Represented by:				
Current	45,125	57,721	1,212	1,026
Non-current	209	192	-	-
	<b>45,334</b>	<b>57,913</b>	<b>1,212</b>	<b>1,026</b>

Other payables are non-interest bearing. Current balances are normally settled on 30 days' terms.

The Group's other payables and accruals denominated in foreign currencies as at the end of the reporting period are as follows:

	Group	
	2020	2019
	\$'000	\$'000
Chinese Renminbi	3,888	4,641
Hong Kong Dollar	30	28
Malaysian Ringgit	2	2

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 23. BANK TERM LOANS, SECURED

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
SGD Term loans –					
investment properties	(a)	–	4,326	–	–
SGD 2-year Term loan A	(b)	<b>53,000</b>	32,000	<b>53,000</b>	32,000
RMB Term loan –					
investment property	(c)	–	1,314	–	–
SGD 3-year Term loan A	(d)	<b>8,100</b>	16,485	<b>8,100</b>	16,485
SGD RHB revolving short-term loan	(e)	<b>7,500</b>	11,167	<b>7,500</b>	9,167
OCBC Specific Advance Facility Loan	(f)	<b>3,200</b>	8,200	–	–
SGD 3-year Term loan B	(g)	<b>21,250</b>	25,000	<b>21,250</b>	25,000
SGD BOC revolving short-term loan	(h)	–	10,000	–	10,000
SGD 3-year Term loan C	(i)	<b>11,200</b>	12,000	<b>11,200</b>	12,000
SGD CTBC revolving short-term loan	(j)	<b>5,000</b>	–	<b>5,000</b>	–
SGD 5-year Term loan A	(k)	<b>33,250</b>	–	<b>33,250</b>	–
		<b>142,500</b>	120,492	<b>139,300</b>	104,652
Represented by:					
Current		<b>27,857</b>	38,699	<b>24,657</b>	26,602
Non-current		<b>114,643</b>	81,793	<b>114,643</b>	78,050
		<b>142,500</b>	120,492	<b>139,300</b>	104,652

(a) These bank loans were fully repaid during the year and were secured by the following:

- (i) first legal mortgage on the investment properties (Note 10); and
- (ii) corporate guarantee from the Company (Note 42).

(b) This bank loan bears interest ranging from 2.46% to 3.14% (2019: 2.01% to 2.36%) per annum. The term loan is repayable by quarterly instalments over 2 years, commencing on their respective drawdown dates.

The term loan is secured by a first legal mortgage on the investment property (Note 10) located at 9 Holt Road and on the leasehold factory building (Note 4).

(c) This bank loan which was secured by a first charge over the investment property (Note 10) located in Tianjin, the People's Republic of China was fully repaid during the year.

(d) This bank loan bears interest ranging from 3.03% to 3.34% (2019: 2.60% to 3.18%) per annum. The term loan is repayable by monthly instalments over 3 years, commencing on 4 May 2018.

The term loan is secured by a charge on fixed deposits amounting to \$5,151,000 (2019: \$5,106,000) (Note 19).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 23. BANK TERM LOANS, SECURED (CONTINUED)

- (e) This bank loan bears interest ranging from 2.44% to 3.14% (2019: 2.44% to 3.08%) per annum. The Group's term loan amounting to \$5,000,000 commenced on 25 September 2018 and is repayable on demand.

The Group's term loan is secured by the following:

- (i) charge on fixed deposits amounting to \$2,102,000 (2019: \$3,071,000) (Note 19); and
- (ii) corporate guarantee from the Company (Note 42).

- (f) This bank loan bears interest ranging from 2.71% to 3.22% (2019: 2.82% to 3.22%) per annum. The term loan commencing on 9 January 2018 is fully repayable on maturity.

The term loan is secured by the following:

- (i) charge over the contract proceeds and project account arising from a construction project (Note 15); and
- (ii) corporate guarantee from the Company (Note 42).

- (g) This bank loan bears interest ranging from 2.65% to 3.26% (2019: 2.64% to 3.08%) per annum. The term loan commencing on 27 June 2018 is repayable over 3 years.

The term loan is secured by the following:

- (i) charge on fixed deposits amounting to \$5,075,000 (2019: \$5,000,000) (Note 19); and
- (ii) corporate guarantee from Kim Seng Heng Engineering Construction (Pte) Ltd, a wholly-owned subsidiary of the Group (Note 42).

- (h) This bank loan was fully repaid during the year and was secured by the following:

- (i) charge on fixed deposits amounting to nil (2019: \$5,000,000) (Note 19); and
- (ii) corporate guarantee from Kim Seng Heng Engineering Construction (Pte) Ltd, a wholly-owned subsidiary of the Group (Note 42).

- (i) This bank loan bears interest with an average effective interest rate of 2.95% (2019: 3.42%) per annum. The term loan commencing on 28 March 2019 is repayable on maturity.

The term loan is secured by pledged fixed deposits amounting to \$4,068,000 (2019: \$4,000,000) (Note 19).

- (j) This bank loan bears interest ranging from 2.57% to 2.89% (2019: nil) per annum. The term loan commencing on 16 December 2019 is repayable on maturity.

The term loan is secured by a charge on fixed deposits amounting to \$4,068,000 (2019: \$4,000,000) (Note 19).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 23. BANK TERM LOANS, SECURED (CONTINUED)

- (k) This bank loan bears interest ranging from 2.96% to 3.29% (2019: nil) per annum. The term loan commencing on 30 December 2019 is repayable by equal monthly instalments over 5 years.

The term loan is secured by the following:

- (i) charge on fixed deposits amounting to \$7,000,000 (2019: nil) (Note 19);
- (ii) third party first legal mortgage on the investment properties (Note 10) located at 1 Kiang Guan Avenue and 100 Kim Seng Road;
- (iii) third party legal assignment of leases and/or tenancies and rental proceeds on the investment properties located at 1 Kiang Guan Avenue and 100 Kim Seng Road; and (Note 10)
- (iv) corporate guarantee from Kim Seng Heng Engineering Construction (Pte) Ltd, a wholly-owned subsidiary of the Group (Note 42).

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2019	Cash flows	Non-cash changes			31 March 2020
			Acquisition	Foreign exchange movement	Other	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank term loans, secured						
– current	38,699	(56,086)	–	(6)	45,250	<b>27,857</b>
– non-current	81,793	78,100	–	–	(45,250)	<b>114,643</b>
Lease liabilities*						
– current	731	(748)	–	–	840	<b>823</b>
– non-current	5,848	–	150	–	(840)	<b>5,158</b>
Bills payable to banks, secured	32,721	(22,001)	–	–	–	<b>10,720</b>
Total	<u>159,792</u>	<u>(735)</u>	<u>150</u>	<u>(6)</u>	<u>–</u>	<b><u>159,201</u></b>

\* Lease liabilities as at 1 April 2019 include the effect of adopting SFRS(I) 16 (See Note 2.2)

The 'Other' column relates to reclassification of non-current portion of loans and lease liabilities due to passage of time.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 23. BANK TERM LOANS, SECURED (CONTINUED)

A reconciliation of liabilities arising from financing activities, excluding bank overdrafts is as follows:

	1 April 2018	Cash flows	Non-cash changes			31 March 2019
			Acquisition	Foreign exchange movement	Other	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank term loans, secured						
– current	26,082	(40,129)	–	(93)	52,839	38,699
– non-current	59,432	75,200	–	–	(52,839)	81,793
Finance lease obligations						
– current	248	(248)	–	–	611	611
– non-current	346	(272)	2,176	–	(611)	1,639
Bills payable to banks, secured	30,091	2,630	–	–	–	32,721
Total	<u>116,199</u>	<u>37,181</u>	<u>2,176</u>	<u>(93)</u>	<u>–</u>	<u>155,463</u>

The 'Other' column relates to reclassification of non-current portion of loans and finance lease obligations due to passage of time.

## 24. BILLS PAYABLE TO BANKS, SECURED

Bills payable to banks bear interest ranging from 2.02% to 2.98% (2019: 2.75% to 4.15%) per annum. These bills payable mature 4 months (2019: 3 months) from year end.

Bills payable to banks are secured by the following:

- (i) charge on fixed deposits amounting to \$31,130,000 (2019: \$16,298,000) (Note 19);
- (ii) charge on structured deposits amounting to \$3,078,000 (2019: \$3,065,000) (Note 14);
- (iii) first charge over the contract proceeds and project account arising from a construction project (Note 15); and
- (iv) corporate guarantee from the Company (Note 42).

## 25. SHARE CAPITAL

	2020		2019	
	Number of shares	\$'000	Number of shares	\$'000
<b>Group and Company</b>				
Issued and fully paid ordinary shares:				
At the beginning and end of the financial year	<u>569,735,645</u>	<u>50,915</u>	<u>569,735,645</u>	<u>50,915</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 26. TREASURY SHARES

	2020		2019	
	Number of Shares	\$'000	Number of Shares	\$'000
<b>Group and Company</b>				
At beginning of year	-	-	-	-
Acquired during the financial year	<b>4,873,400</b>	1,645	-	-
At end of year	<b>4,873,400</b>	1,645	-	-

Treasury shares relate to ordinary shares of the Company that are held by the Company.

The Company acquired 4,873,400 shares (2019: nil) in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was \$1,645,000 (2019: nil) and this was presented as a component within shareholders' equity.

## 27. TRANSLATION RESERVE

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

## 28. ASSET REVALUATION RESERVE

The asset revaluation reserve represents the share of gain on property revaluation of associates, net of tax.

## 29. FAIR VALUE ADJUSTMENT RESERVE

Fair value adjustment reserve in prior year represents the cumulative fair value changes, net of tax, of investment securities designated at fair value through other comprehensive income at the end of the reporting period.

## 30. OTHER RESERVES

		Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Statutory reserves	(a)	<b>1,504</b>	1,452	-	-
General reserves	(b)	<b>150</b>	145	-	-
Warrant reserves	(c)	<b>2,629</b>	2,629	<b>2,629</b>	2,629
Other reserves	(d)	<b>1,183</b>	(107)	-	-
		<b>5,466</b>	4,119	<b>2,629</b>	2,629

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 30. OTHER RESERVES (CONTINUED)

### Movement

#### (a) Statutory reserves

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
At beginning of year	<b>1,452</b>	1,309
Transferred from accumulated profits	<b>52</b>	143
At end of year	<b>1,504</b>	1,452

In accordance with the Foreign Enterprise Law applicable to a subsidiary in the People's Republic of China ("PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

#### (b) General reserves

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
At beginning of year	<b>145</b>	130
Transferred from accumulated profits	<b>5</b>	15
At end of year	<b>150</b>	145

In accordance with the "Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment" and the Group's PRC subsidiaries' Articles of Association, appropriations from net profit should be made to the Reserve Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage to be appropriated to the Reserve Fund and the Enterprise Expansion Fund is determined by the Board of Directors of the PRC subsidiaries.

#### (c) Warrant reserves

Warrant reserves comprises of proceeds from the issue of warrants and capital gains on re-issuance of treasury shares of \$1,514,000 (2019: \$1,514,000) and \$1,115,000 (2019: \$1,115,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 30. OTHER RESERVES (CONTINUED)

### (d) *Other reserves*

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
At beginning of year	<b>(107)</b>	(107)
Transferred from fair value adjustment reserve	<b>1,290</b>	–
At end of year	<b>1,183</b>	(107)

Other reserves in prior year represent the premium paid on acquisition of non-controlling interests of \$107,000. During the financial year, fair value adjustment reserve amounting to \$1,290,000 was transferred to other reserves as the Group has gained significant influence over an existing investment security due to a change in circumstances. The investment security was previously held at fair value through other comprehensive income.

## 31. PROJECT REVENUE

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Construction contract revenue	<b>220,835</b>	194,296

The Group performed its obligations under construction contracts solely in Singapore and construction contract revenue is recognised over time in conjunction with the transfer of goods and services.

Information relating to contract balances arising from contracts with customers is disclosed as follows:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Contract assets	<b>32,659</b>	33,129
Receivables from contracts with customers (Note 15)	<b>16,897</b>	25,459
Contract liabilities	<b>(23,266)</b>	(1,927)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date for construction. Contract assets are transferred to receivables when the rights become conditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received consideration from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 31. PROJECT REVENUE (CONTINUED)

### Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2020 is \$472,198,000 (2019: \$430,600,000). This amount does not include the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
  - The performance obligation is part of a contract that has an original expected duration of one year or less, or
  - The Group recognises revenue to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

The Group expects to recognise \$181,643,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2020 in the financial year 2021, with the remaining \$290,555,000 after the financial year 2021.

### Provision for onerous contract

At the end of the reporting period, the Group recorded nil (2019: \$916,000) provision for the unavoidable costs of fulfilling certain construction contract with customers, that were in excess of the economic benefits expected to be received under the contract. The provision for the onerous contract is expected to be utilised at the end of the contract term. The provision has not been discounted as the effect of discounting is not significant.

## 32. OTHER INCOME

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest income	8,368	7,413	5,089	6,470
Other income	1,080	2,594	-	3
Gain on fair value adjustments of investment properties	30	1,234	-	-
Gain on disposal of plant and equipment	20	-	-	-
Fair value gain on structured deposits	13	11	-	-
Foreign exchange gain	1,427	514	1	2
Dividend income from a subsidiary	-	-	-	9,200
Management and administrative fee income from associates/subsidiaries	554	533	2,399	4,226
	<b>11,492</b>	12,299	<b>7,489</b>	19,901



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 33. PERSONNEL EXPENSES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Salaries, wages and bonuses	<b>5,960</b>	7,357	<b>2,190</b>	1,839
Central Provident Fund and other pension costs	<b>1,009</b>	1,292	<b>45</b>	45
Directors' fees	<b>180</b>	180	<b>180</b>	180
Other personnel expenses	<b>1,762</b>	1,669	<b>35</b>	30
	<b>8,911</b>	10,498	<b>2,450</b>	2,094

The above includes compensation of key management personnel.

	Group and Company	
	2020 \$'000	2019 \$'000
<b>Compensation of key management personnel</b>		
Salaries, wages and bonuses	<b>2,178</b>	1,839
Central Provident Fund and other pension costs	<b>45</b>	46
Directors' fees	<b>180</b>	180
Total compensation paid to key management personnel	<b>2,403</b>	2,065
Comprise amounts paid to:		
– Directors of the Company	<b>2,099</b>	1,801
– Other key management personnel	<b>304</b>	264
	<b>2,403</b>	2,065

## 34. FINANCE COSTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest expense on:				
– lease liabilities	<b>231</b>	54	–	–
– term loans	<b>3,558</b>	3,094	<b>3,242</b>	2,460
– bills payable	<b>414</b>	912	–	–
– loans due to associates and joint ventures	–	104	–	–
	<b>4,203</b>	4,164	<b>3,242</b>	2,460
Others				
– bank charges	<b>78</b>	250	<b>36</b>	166
	<b>4,281</b>	4,414	<b>3,278</b>	2,626

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 35. OTHER OPERATING EXPENSES

The following items have been included in other operating expenses:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Audit fees	367	335	139	136
Non-audit fees paid to auditor of the Company	40	94	3	10
Impairment losses on financial assets	1,866	303	-	-
Foreign exchange loss	1,533	821	-	-
Operating lease expenses	5	436	-	-
Amortisation of club membership	3	3	-	-
Loss on fair value adjustments of investment properties	3,272	-	-	-
Loss on fair value adjustments on quoted debt instruments (investment securities)	90	-	-	-
Loss on disposal of plant and equipment	11	6	-	-

## 36. INCOME TAX EXPENSE AND DEFERRED TAX LIABILITIES/(ASSETS)

### Major components of income tax expense

The major components of income tax expense for the years ended 31 March are:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current income tax</b>				
- Current income taxation	3,079	3,798	430	834
- Under/(over) provision in respect of previous years	22	24	(22)	-
<b>Deferred tax</b>				
- Origination and reversal of temporary differences	(866)	(653)	2	(112)
Income tax expense recognised in profit or loss	2,235	3,169	410	722

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 36. INCOME TAX EXPENSE AND DEFERRED TAX LIABILITIES/(ASSETS) (CONTINUED)

### Relationship between income tax expense and accounting profit

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March is as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Profit from operations before share of results of associates and joint ventures	<b>9,822</b>	21,058	<b>1,157</b>	14,640
Tax at the domestic rates applicable to profits in the countries where the Group operates <sup>(1)</sup>	<b>2,067</b>	4,666	<b>197</b>	2,489
Tax effect of:				
– Expenses not deductible	<b>1,123</b>	1,147	<b>252</b>	–
– Tax rebates and exemption	<b>(290)</b>	(276)	<b>(17)</b>	(27)
– Non-taxable income	<b>(757)</b>	(2,321)	–	(1,740)
– Under/(over) provision in respect of previous years	<b>22</b>	24	<b>(22)</b>	–
– Withholding tax expense	–	15	–	–
– Others	<b>70</b>	(86)	–	–
Income tax expense recognised in profit or loss	<b>2,235</b>	3,169	<b>410</b>	722

(1) The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

### Deferred tax liabilities/(assets)

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deferred tax liabilities:				
Differences in depreciation	<b>196</b>	184	–	–
Tax effect on revaluation of investment properties	<b>14,110</b>	15,957	–	–
Others	<b>3,403</b>	2,393	–	–
	<b>17,709</b>	18,534	–	–
Deferred tax assets:				
Employee benefits	<b>(256)</b>	(246)	<b>(110)</b>	(112)
Provision for general defects liability period for completed projects	<b>(343)</b>	(341)	–	–
Deferred tax liabilities/(assets), net	<b>17,110</b>	17,947	<b>(110)</b>	(112)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 37. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 March:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Profit for the year attributable to owners of the Company used in the computation of earnings per share	<b>15,823</b>	7,627
Weighted average number of ordinary shares (excluding treasury shares) for computing basic and diluted earnings per share	<b>568,411</b>	569,736
Basic and diluted earnings per share (cents per share)	<b>2.78</b>	1.34

## 38. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the Group's net assets attributable to owners of the Company by the total number of issued ordinary shares as at the end of the year.

The following table reflects the net asset and share data used in the computation of net asset value per share for the years ended 31 March:

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Net assets attributable to owners of the Company	<b>328,642</b>	327,779
Total number of issued ordinary shares (excluding treasury shares) as at 31 March	<b>564,862</b>	569,736
Net asset value per share (cents per share)	<b>58.18</b>	57.53

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 39. DIVIDENDS

	<b>Group and Company</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Dividends paid during the year:		
<i>Dividends on ordinary shares:</i>		
– Interim exempt (one-tier) dividend for 2020: 1.00 cent (2019: 1.00 cent) per share	<b>5,681</b>	5,697
– Final exempt (one-tier) dividend for 2019: 1.20 cents (2018: 1.20 cents) per share	<b>6,818</b>	6,837
	<b><u>12,499</u></b>	<u>12,534</u>
Proposed but not recognised as a liability as at 31 March:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
– Final exempt (one-tier) dividend for 2020: 1.20 cents (2019: 1.20 cents) per share	<b>6,783</b>	6,837

The Directors have proposed a final tax-exempt (one-tier) dividend of 1.20 cents per share ("Proposed Final Dividend for FY 2020"), amounting to approximately \$6,783,000 to be paid in respect of the year ended 31 March 2020. The dividend will be recorded as a liability in the balance sheets of the Company and Group upon approval by the shareholders at the Annual General Meeting of the Company.

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

## 40. RELATED PARTY TRANSACTIONS

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

	<b>Group</b>	
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Construction services rendered to:		
– Associates	<b>593</b>	217

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 41. SEGMENT INFORMATION

### Reporting format

The Group's primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that serves different markets.

### Business segments

The construction segment relates to acting as main contractors in construction projects in Singapore and Malaysia, and provision of services mainly to property developers in both the private and public sectors.

The property development and management segment relates to the development and sales of properties and the provision of property management services.

The others segment relates to general corporate and investment holding activities.

### Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Revenue disclosed in geographical segments is based on the geographical location of operations.

### Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax liabilities and corporate liabilities.

Segment accounting policies are the same as the policies described in Note 2.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 41. SEGMENT INFORMATION (CONTINUED)

### (a) *Business segments*

The following tables present revenue and results information regarding the Group's business segments for the years ended 31 March 2020 and 31 March 2019.

There are no inter-segment sales within the Group.

	Construction \$'000	Property development and management \$'000	Others \$'000	Eliminations \$'000	Total \$'000
<b>Year ended 31 March 2020</b>					
<b>Revenue</b>					
External sales	<u>220,835</u>	<u>5,290</u>	<u>-</u>	<u>-</u>	<u>226,125</u>
<b>Results</b>					
Share of results of associates and joint ventures	-	7,843	-	-	7,843
Fair value loss on investment properties, net	-	(3,242)	-	-	(3,242)
Interest income	477	11	7,880	-	8,368
Finance costs	(863)	(137)	(3,281)	-	(4,281)
Profit before taxation	<u>11,380</u>	<u>6,001</u>	<u>284</u>	<u>-</u>	<u>17,665</u>
Segment assets	<b>242,403</b>	<b>129,116</b>	<b>139,922</b>	<b>(169,696)</b>	<b>341,745</b>
Interests in associates	-	192,632	6,188	-	198,820
Interests in joint ventures	-	76,538	-	-	76,538
<b>Total assets</b>					<u><b>617,103</b></u>
Segment liabilities	<b>99,284</b>	<b>25,927</b>	<b>245,540</b>	<b>(126,475)</b>	<b>244,276</b>
Unallocated liabilities*					<u><b>21,208</b></u>
<b>Total liabilities</b>					<u><b>265,484</b></u>
<b>Other segment information:</b>					
Capital expenditures	<b>641</b>	-	-	-	<b>641</b>
Depreciation of property, plant and equipment	<b>2,359</b>	<b>14</b>	-	-	<b>2,373</b>

\* Unallocated liabilities comprise deferred tax liabilities, provision for income tax and deferred income which are added to segment liabilities to arrive at total liabilities reported in the balance sheet.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 41. SEGMENT INFORMATION (CONTINUED)

### (a) *Business segments (continued)*

	<b>Construction</b> \$'000	<b>Property development and management</b> \$'000	<b>Others</b> \$'000	<b>Eliminations</b> \$'000	<b>Total</b> \$'000
<b>Year ended 31 March 2019</b>					
<b>Revenue</b>					
External sales	194,296	5,705	–	–	200,001
<b>Results</b>					
Share of results of associates and joint ventures	–	(9,409)	(22)	–	(9,431)
Fair value gains on investment properties	–	1,234	–	–	1,234
Interest income	383	11	7,019	–	7,413
Finance costs	(1,441)	(344)	(2,629)	–	(4,414)
Profit before taxation	15,984	(5,325)	968	–	11,627
Segment assets	253,265	121,821	125,583	(170,426)	330,243
Interests in associates	–	177,585	6,526	–	184,111
Interests in joint ventures	–	89,663	–	–	89,663
<b>Total assets</b>					<b>604,017</b>
Segment liabilities	116,209	27,399	215,398	(127,767)	231,239
Unallocated liabilities*					21,518
<b>Total liabilities</b>					<b>252,757</b>
<b>Other segment information:</b>					
Capital expenditures	5,211	1	–	–	5,212
Depreciation of property, plant and equipment	2,052	15	–	–	2,067

\* Unallocated liabilities comprise deferred tax liabilities, provision for income tax and deferred income which are added to segment liabilities to arrive at total liabilities reported in the balance sheet.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 41. SEGMENT INFORMATION (CONTINUED)

### (b) *Geographical segments*

The following tables present revenue, capital expenditures and certain asset information regarding the Group's geographical segments for the years ended 31 March 2020 and 31 March 2019.

There are no inter-segment sales within the Group.

	Singapore \$'000	Malaysia \$'000	Bhutan \$'000	Japan \$'000	Australia \$'000	England, United Kingdom \$'000	The People's Republic of China \$'000	Eliminations \$'000	Total \$'000
<b>Year ended</b>									
<b>31 March 2020</b>									
<b>Revenue</b>	<b>221,142</b>	-	-	-	-	-	<b>4,983</b>	-	<b>226,125</b>
Segment assets	<b>302,985</b>	<b>297</b>	-	-	-	<b>37</b>	<b>114,167</b>	<b>(75,740)</b>	<b>341,746</b>
Interests in associates	<b>125,617</b>	-	<b>1,662</b>	<b>6,675</b>	<b>1,794</b>	<b>29,060</b>	<b>34,012</b>	-	<b>198,820</b>
Interests in joint ventures	<b>76,537</b>	-	-	-	-	-	-	-	<b>76,537</b>
<b>Total assets</b>									<b>617,103</b>
<b>Other segment information:</b>									
Capital expenditures	<b>641</b>	-	-	-	-	-	-	-	<b>641</b>
	Singapore \$'000	Malaysia \$'000	Vietnam \$'000	Japan \$'000	Australia \$'000	England, United Kingdom \$'000	The People's Republic of China \$'000	Eliminations \$'000	Total \$'000
<b>Year ended</b>									
<b>31 March 2019</b>									
<b>Revenue</b>	194,617	-	-	-	-	-	5,384	-	200,001
Segment assets	280,813	298	157	-	1,389	36	86,055	(38,505)	330,243
Interests in associates	136,167	-	-	1,246	10	21,962	24,726	-	184,111
Interests in joint ventures	89,663	-	-	-	-	-	-	-	89,663
<b>Total assets</b>									<b>604,017</b>
<b>Other segment information:</b>									
Capital expenditures	5,211	-	-	-	-	-	1	-	5,212

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 42. CONTINGENT LIABILITIES AND COMMITMENTS

### (a) Contingent liabilities

#### Guarantees

The Group and the Company have provided the following guarantees at the end of the reporting period.

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Guarantees given to financial institutions in connection with facilities given to:				
(i) subsidiaries*	–	–	<b>452,479</b>	449,513
(ii) associates	<b>338,605</b>	326,287	<b>338,605</b>	326,287
(iii) joint ventures	<b>70,173</b>	150,973	<b>70,173</b>	150,973

\* The Company acts as a corporate guarantor for credit facilities granted to subsidiaries, for a total facility amount of \$452,479,000 (2019: \$449,513,000) of which \$32,712,000 (2019: \$83,878,000) has been utilised as at the end of the reporting period.

Based on information currently available, the Group and the Company do not expect any liabilities to arise from the guarantees.

### (b) Operating lease commitments – as lessee

The Group has operating lease commitments on the land that the factory buildings are located, staff accommodation for foreign workers and on certain office equipment. Most of these leases contain renewable options. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing. As at 31 March 2019, these non-cancellable operating leases have remaining lease terms of 1 to 35 years.

As at 31 March 2019, the future minimum lease payments payable under non-cancellable operating leases for but not recognised as liabilities, are as follows:

	Group 2019 \$'000
Future minimum lease payments	
– not later than one year	298
– later than one year but not later than five years	1,081
– later than five years	6,237
	<u>7,616</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 42. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

### (c) *Finance lease commitments – as lessee*

As at 31 March 2019, the Group leases property, plant and equipment under finance leases. The average lease term is 5 years. The effective borrowing rates ranged between 2.35% and 6.58% per annum.

The future minimum lease payments under finance leases and their present values are as follows:

	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
	2019	2019
	\$'000	\$'000
<b>Group</b>		
Amounts payable under finance lease obligations:		
Not later than one year	674	611
Later than one year but not later than five years	1,726	1,639
Total minimum lease payments	2,400	2,250
Less: Amounts representing finance charges	(150)	–
Present value of minimum lease payments	2,250	2,250
Less: Amounts due for settlement within 12 months		(611)
Amounts due for settlement after 12 months		1,639

Finance lease obligations were reclassified to lease liabilities on 1 April 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.2.

### (d) *Operating lease commitments – as lessor*

The Group entered into commercial and residential property leases on its investment properties under non-cancellable operating leases. These leases have remaining non-cancellable lease term of up to 5 (2019: 6) years.

Future minimum lease payments receivable under the non-cancellable operating leases as at 31 March are as follows:

	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Not later than one year	<b>2,920</b>	3,556
Later than one year but not later than five years	<b>3,627</b>	4,381
	<b>6,547</b>	7,937

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 43. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) Fair value hierarchy

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

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

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

### (b) Assets and liabilities measured at fair value

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

	Group 2020 \$'000			Total
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
<u>Financial assets at fair value through profit or loss</u>				
Structured deposits (Note 14)	–	3,078	–	3,078
Investment securities (Note 9)	2,910	–	–	2,910
Financial assets as at 31 March 2020	<u>2,910</u>	<u>3,078</u>	<u>–</u>	<u>5,988</u>
<b>Non-financial assets:</b>				
<u>Investment properties (Note 10)</u>				
Commercial	–	–	101,144	101,144
Residential	–	–	16,460	16,460
Non-financial assets as at 31 March 2020	<u>–</u>	<u>–</u>	<u>117,604</u>	<u>117,604</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 43. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (b) Assets and liabilities measured at fair value (continued)

	Group 2019 \$'000			Total
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Equity securities at FVOCI				
Unquoted equity securities (Note 9)	–	–	1,248	1,248
Financial assets at fair value through profit or loss				
Structured deposits (Note 14)	–	7,765	–	7,765
Financial assets as at 31 March 2019	–	7,765	1,248	9,013
<b>Non-financial assets:</b>				
Investment properties (Note 10)				
Commercial	–	–	104,921	104,921
Residential	–	–	16,459	16,459
Non-financial assets as at 31 March 2019	–	–	121,380	121,380

### (c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

#### *Structured deposits*

Structured deposits are valued using a valuation technique with market observable inputs. These inputs include quoted prices in active markets for investments linked to these deposits and credit quality of counterparties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 43. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (d) Level 3 fair value measurements

- (i) Information about significant unobservable inputs used in Level 3 fair value measurements

#### *Equity securities at FVOCI*

The fair values of unquoted equity securities are determined based on the fair values of the underlying assets and liabilities of the investee company.

#### *Investment properties*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 March 2020	Valuation techniques	Unobservable inputs	Rate/Range
<b>Investment Properties:</b>				
Commercial	101,144**	Market comparable approach	Yield adjustments based on management's assumptions*	8% to 21%
		Discounted cash flow	Discount rate	5%
Residential	16,460	Market comparable approach	Yield adjustments based on management's assumptions*	1% to 18%

\* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

\*\* Fair value of commercial investment property is obtained using the average of the market comparable approach and discounted cash flow at equal weightage.

For commercial and residential investment properties, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

For commercial investment property, a significant increase/(decrease) in discount rate based on management's assumptions would result in a significantly lower/(higher) fair value measurement whereas a significant increase/(decrease) in market rent growth rate based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

The following table shows the impact on the Level 3 Fair Value Measurement of assets that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 43. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (continued)

	Effect of reasonably possible alternative assumptions	
	Carrying amount \$'000	Profit or loss \$'000
<b>Recurring fair value measurements</b>		
<u>Investment properties:</u>		
Commercial	101,144	3,034
Residential	16,460	494

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

For commercial and residential investment properties, the Group adjusted the yield adjustments based on management's assumption by increasing and decreasing the adjustments by 3% depending on nature, location or condition of the specific property.

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for investment properties which are measured at fair value on significant unobservable inputs (Level 3):

	Group	
	2020 \$'000	2019 \$'000
Beginning of the year	<b>121,380</b>	123,882
– Fair value gain recognised in profit or loss	<b>(3,242)</b>	1,234
– Exchange differences	<b>(534)</b>	(3,736)
End of the year	<b>117,604</b>	121,380

### (e) Valuation policies and procedures

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, Management reports to the Group's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 43. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (e) Valuation policies and procedures (continued)

For valuations performed by external valuation experts, Management reviews the appropriateness of the valuation methodologies and assumptions adopted. Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

### (f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts approximate fair value

The carrying amounts of current receivables and payables are reasonable approximation of their fair values due to their short-term nature.

The carrying amounts of lease liabilities approximate their fair values as the implicit interest rates approximates the market interest rates prevailing at the financial year end.

The carrying amounts of bank term loans are reasonable approximation of their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying value of the non-current receivables and payables approximate their fair value as the discount rates did not fluctuate significantly from the date of inception.

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk and credit risk. The Group currently does not actively pursue a policy of hedging these risks through the use of derivatives.

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

### (i) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (i) Liquidity risk (continued)

#### Analysis of financial liabilities by remaining contractual maturities

The following table sets out the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations, including interest payments:

	<b>Within 1 year \$'000</b>	<b>1 to 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total \$'000</b>
<b>2020</b>				
<b>Group</b>				
Trade and other payables	59,515	209	-	59,724
Loans and borrowings (excluding lease liabilities)	40,742	116,893		157,635
Lease liabilities	876	2,293	5,875	9,044
<b>Company</b>				
Trade and other payables	1,212	-	-	1,212
Loans and borrowings	26,691	116,893	-	143,584
	<b>Within 1 year \$'000</b>	<b>1 to 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total \$'000</b>
<b>2019</b>				
<b>Group</b>				
Trade and other payables	70,799	192	-	70,991
Loans and borrowings (excluding finance lease obligations)	73,575	83,178	845	157,598
Finance lease obligations	817	2,193	-	3,010
<b>Company</b>				
Trade and other payables	1,026	-	-	1,026
Loans and borrowings	28,628	79,791	-	108,419

Undiscounted loan payments with variable rates had been determined with reference to conditions existing as at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (i) Liquidity risk (continued)

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	<b>Within 1 year \$'000</b>	<b>1 to 5 years \$'000</b>	<b>Total \$'000</b>
<b>2020</b>			
<b>Group</b>			
Financial guarantees	<u>408,778</u>	<u>-</u>	<u>408,778</u>
<b>Company</b>			
Financial guarantees	<u>861,257</u>	<u>-</u>	<u>861,257</u>
	<b>Within 1 year \$'000</b>	<b>1 to 5 years \$'000</b>	<b>Total \$'000</b>
<b>2019</b>			
<b>Group</b>			
Financial guarantees	<u>477,260</u>	<u>-</u>	<u>477,260</u>
<b>Company</b>			
Financial guarantees	<u>926,773</u>	<u>-</u>	<u>926,773</u>

### (ii) 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 borrowings and loans, which comprise a mixture of fixed and floating rate debts. The floating rate debts are contractually re-priced at intervals of 1 to 6 months.

The Group currently does not actively pursue a policy of hedging this risk through the use of derivatives. Instead, the Group manages interest cost by borrowing at the most competitive rates under the most favourable terms and conditions.

#### Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10 (2019: 10) basis points lower with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation and equity would be \$26,000 (2019: \$31,000) lower; if the interest rates had been 10 (2019: 10) basis points higher with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation and equity would be \$26,000 (2019: \$31,000) higher.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (iii) Foreign currency risk

Foreign currency risk arises from financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The functional currencies of the Group entities are primarily SGD, Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD").

The Group has minimal transactional currency exposures arising from sales or purchases of goods and services that are denominated in a currency other than the respective functional currencies of the Group entities. Similarly, the Group has minimal exposure to translation risk on its trade and other receivables and payables at the end of the reporting period as these balances are largely denominated in the functional currencies of the respective Group entities. It is the Group's policy to conduct transactions in the respective functional currencies of the Group entities where possible so as to minimise the Group's exposure to foreign currency risk.

The Group holds cash and cash equivalents denominated in currencies other than SGD for working capital purposes. As at the balance sheet date, the carrying amounts of cash and cash equivalents denominated in currencies other than SGD, are disclosed in Note 20.

Certain Group entities provide financing to other Group entities, either in the functional currencies of the lender or borrower, or in currencies other than the functional currencies of the Group entities. Certain long-term financing forms part of the Group's net investments in those Group entities and the resulting exchange differences are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement only upon disposal of those Group entities. Such balances are denominated primarily in RMB, MYR, United States Dollar ("USD"), Pound Sterling ("GBP"), Japanese Yen ("JPY") and HKD. The Group currently does not actively pursue a policy of hedging its net investments in the Group entities as such currency positions are considered to be long-term in nature.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the RMB, MYR, USD, GBP, JPY and HKD exchange rates against the respective functional currencies of the Group entities, in SGD equivalent, with all other variables held constant.

	<b>Group</b>	
	<b>2020</b>	2019
	<b>Profit before taxation</b>	
	<b>\$'000</b>	\$'000
USD – strengthened by 3% (2019: 3%)	<b>262</b>	541
– weakened by 3% (2019: 3%)	<b>(262)</b>	(541)
RMB – strengthened by 3% (2019: 3%)	<b>331</b>	718
– weakened by 3% (2019: 3%)	<b>(331)</b>	(718)
MYR – strengthened by 3% (2019: 3%)	<b>(2)</b>	(2)
– weakened by 3% (2019: 3%)	<b>2</b>	2
GBP – strengthened by 3% (2019: 3%)	<b>525</b>	637
– weakened by 3% (2019: 3%)	<b>(525)</b>	(637)
JPY – strengthened by 3% (2019: 3%)	<b>36</b>	37
– weakened by 3% (2019: 3%)	<b>(36)</b>	(37)
HKD – strengthened by 3% (2019: 3%)	<b>33</b>	39
– weakened by 3% (2019: 3%)	<b>(33)</b>	(39)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (iv) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (iv) Credit risk (continued)

#### Trade receivables and contract assets

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by SFRS(I) 9, which permits the use of the lifetime expected loss provision for impairment of all contract assets and trade receivables. To measure the ECLs, contract assets and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward looking information.

Given (i) the customers of the Group are well-known institutions and government agencies and there was no history of default in prior years; and (ii) no adverse change in the business environment is anticipated, management considered the default rate of trade receivables and contract assets to be minimal and the expected credit loss rate of institutions and government agencies to be nil for all ageing bands. As a result, no provision for impairment of trade receivables and contract assets is necessary.

The following are credit risk management practices and quantitative information about trade receivables and contract assets.

		<u>Trade receivables</u>				
<b>31 March 2020</b>	<b>Contract assets \$'000</b>	<b>Current and more than 30 days past due \$'000</b>	<b>More than 60 days past due \$'000</b>	<b>More than 90 days past due \$'000</b>	<b>Total \$'000</b>	
Gross carrying amount	<u>32,659</u>	<u>16,374</u>	<u>10</u>	<u>513</u>	<u>49,556</u>	

		<u>Trade receivables</u>				
<b>31 March 2019</b>	<b>Contract assets \$'000</b>	<b>Current and more than 30 days past due \$'000</b>	<b>More than 60 days past due \$'000</b>	<b>More than 90 days past due \$'000</b>	<b>Total \$'000</b>	
Gross carrying amount	<u>33,129</u>	<u>25,434</u>	<u>13</u>	<u>12</u>	<u>58,588</u>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (iv) Credit risk (continued)

#### Other receivables

Other receivables mainly comprised loans and amounts due from associates and joint ventures. The assessment of provision for impairment was limited to 12-month ECL. The Group has assessed and considered the credit risk for amounts due from associates and joint ventures to be low.

#### Exposure to credit risk

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

- The carrying amount of each class of financial assets recognised in the balance sheets; and
- Corporate guarantee provided by the Company for banking facilities granted to subsidiaries, associates and joint ventures (Note 42).

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2020		2019	
	\$'000	% of total	\$'000	% of total
<b>Group</b>				
<b>By country:</b>				
Singapore	<u>16,867</u>	<u>100</u>	<u>25,445</u>	<u>100</u>
<b>By industry sector:</b>				
Construction	<u>16,867</u>	<u>100</u>	<u>25,445</u>	<u>100</u>

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 45. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b><i>Financial assets at fair value through profit or loss – designated as such on initial recognition</i></b>				
Structured deposits	<b>3,078</b>	7,765	-	-
Debt securities (quoted)	<b>2,910</b>	-	<b>2,910</b>	-
<b><i>Financial assets carried at fair value through other comprehensive income</i></b>				
Unquoted equity securities	-	1,248	-	-
<b><i>Financial assets carried at amortised cost</i></b>				
Loans due from associates	<b>143,910</b>	137,928	-	-
Amounts due from associates (non-trade)	<b>12,236</b>	7,764	-	-
Loans due from joint ventures	<b>56,095</b>	50,238	-	-
Amounts due from joint ventures (non-trade)	<b>13,694</b>	10,770	-	-
Other receivables (non-current)	-	1,246	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	<b>2,221</b>	2,231	-	-
Amounts due from subsidiaries (non-trade)	-	-	<b>189,313</b>	187,348
Trade receivables	<b>16,897</b>	25,459	-	-
Other receivables and deposits	<b>13,785</b>	2,072	<b>230</b>	170
Fixed deposits	<b>92,872</b>	65,823	<b>61,543</b>	39,267
Cash and bank balances	<b>37,468</b>	45,392	<b>5,401</b>	13,939
	<b>389,178</b>	348,923	<b>256,487</b>	240,724



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 45. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Financial liabilities measured at amortised cost</b>				
Trade payables	<b>14,599</b>	13,270	-	-
Other payables and accruals	<b>44,669</b>	56,894	<b>1,212</b>	1,026
Amounts due to subsidiaries (non-trade)	-	-	<b>73,097</b>	75,491
Amounts due to associates (non-trade)	<b>9</b>	*	-	-
Loans due to associates	<b>1,252</b>	866	-	-
Bank term loans, secured	<b>142,500</b>	120,492	<b>139,300</b>	104,652
Bills payable to banks, secured	<b>10,720</b>	32,721	-	-
Lease liabilities	<b>5,981</b>	2,250	-	-
	<b>219,730</b>	226,493	<b>213,609</b>	181,169

\* Less than \$1,000

## 46. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2020 and 31 March 2019.

As disclosed in Note 30, a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund and enterprise expansion fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 31 March 2020 and 31 March 2019. The percentage to be appropriated to the above mentioned funds is determined by the Board of Directors of the PRC subsidiaries.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 46. CAPITAL MANAGEMENT (CONTINUED)

The Group includes within net debt, loans and borrowings (excluding lease liabilities arising from operating lease arrangements), trade and other payables less cash and bank balances and fixed deposits. Capital includes equity attributable to the owners of the Company less the abovementioned restricted statutory reserve fund and general reserve fund.

	Note	<b>Group</b>	
		<b>2020</b>	2019
		<b>\$'000</b>	\$'000
Loans and borrowings (excluding lease liabilities arising from operating lease arrangements)		<b>154,942</b>	155,463
Trade and other payables		<b>61,615</b>	72,933
Less: Cash and bank balances and fixed deposits	20	<b>(130,340)</b>	(111,215)
Net debt		<b>86,217</b>	117,181
Equity attributable to the owners of the Company		<b>328,642</b>	327,779
Less: Statutory reserve fund		<b>(1,504)</b>	(1,452)
General reserve fund		<b>(150)</b>	(145)
Total capital		<b>326,988</b>	326,182
Capital and net debt		<b>413,205</b>	443,363
Gearing ratio		<b>21%</b>	26%

The Group is also required by certain banks to maintain certain gross debt-to-equity ratios and shareholders' funds. The Group is in compliance with all externally imposed capital requirements for the years ended 31 March 2020 and 31 March 2019.

## 47. EVENTS OCCURRING AFTER THE REPORTING PERIOD

### **Coronavirus disease ("COVID-19")**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. The outbreak has created a high level of uncertainty to the near-term global economic prospects.

The Group has seen some impact on its business to date, with the governments' response in dealing with the pandemic affecting general activity levels within the community, the economy and the operations of its business, both local and overseas. This includes impact on the Group's construction business in terms of raw material supply and manpower, the progress of construction schedule and cost of operation, as well as property sales and rental for the Group's property development and investment business.

Due to the fluidity of the situation, the scale and duration of the COVID-19 developments remain uncertain as at the date of the financial statements; however, they may impact on the future earnings, cash flows and financial condition of the Group. It is not practicable to provide a quantitative or qualitative estimate of the financial impact of the COVID-19 outbreak on the Group for the financial year ending 31 March 2021.

## 48. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Directors on 7 September 2020.

# STATISTICS OF SHAREHOLDINGS

AS AT 14 AUGUST 2020

## DISTRIBUTION OF SHAREHOLDINGS

Issued and Fully Paid Capital	:	S\$54,124,915.22
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Total no. of issued Ordinary Shares (excluding treasury shares)	:	563,826,245
Total no. of treasury shares	:	5,909,400

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	86	4.14	4,197	0.00
100 – 1,000	137	6.60	61,403	0.01
1,001 – 10,000	598	28.81	3,372,322	0.60
10,001 – 1,000,000	1,216	58.57	83,959,863	14.89
1,000,001 AND ABOVE	39	1.88	476,428,460	84.50
<b>TOTAL</b>	<b>2,076</b>	<b>100.00</b>	<b>563,826,245</b>	<b>100.00</b>

The percentage of shareholdings in the hands of the public as at 14 August 2020 was approximately 33.91% and hence the Company has complied with Rule 723 of the Listing Manual which states that an issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares is at all times held by the public.

The Company holds 5,909,400 treasury shares as at 14 August 2020. The percentage of such holding against the total number of issued shares excluding treasury shares is 0.105%.

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	114,476,361	20.30
2	KWOK NGAT KHOW	81,255,273	14.41
3	TOK CHENG HOE	81,255,273	14.41
4	LIM KEE SENG	68,237,360	12.10
5	YIP SAU LEUNG	20,715,187	3.67
6	DBS NOMINEES (PRIVATE) LIMITED	19,439,679	3.45
7	CHEE SWEE HENG	10,000,000	1.77
8	OCBC SECURITIES PRIVATE LIMITED	7,387,637	1.31
9	CHUA SIAK NENG	6,508,956	1.15
10	GOH KIA HUA	6,297,056	1.12
11	LIM & TAN SECURITIES PTE LTD	6,126,700	1.09
12	ANG JUI KHOON	4,296,325	0.76
13	SNG KAY BOON TERENCE	3,581,900	0.64
14	PHILLIP SECURITIES PTE LTD	3,406,887	0.60
15	MAYBANK KIM ENG SECURITIES PTE.LTD	2,837,725	0.50
16	LOONG SANG YEE	2,741,900	0.49
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,579,684	0.46
18	RAFFLES NOMINEES (PTE.) LIMITED	2,386,746	0.42
19	LOO HWEE KHIM	2,141,162	0.38
20	CHING TSZ KIN ALLEN	2,063,787	0.37
<b>TOTAL</b>		<b>447,735,598</b>	<b>79.40</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 14 AUGUST 2020

## SUBSTANTIAL SHAREHOLDERS

(As shown in the Company's Register of Substantial Shareholders as at 19 June 2019)

<b>NAME</b>	<b>DIRECT INTEREST (NO. OF SHARES)</b>	<b>%</b>	<b>DEEMED INTEREST (NO. OF SHARES)</b>	<b>%</b>
CHOO CHEE ONN	108,843,298	19.30	–	–
KWOK NGAT KHOW	81,255,273	14.41	–	–
TOK CHENG HOE	81,255,273	14.41	–	–
LIM KEE SENG	68,237,360	12.10	–	–
YIP SAU LEUNG	30,078,487 <sup>(1)</sup>	5.33	2,359,625 <sup>(2)</sup>	0.42

### Notes:

(1) Yip Sau Leung's shareholding interest of 30,078,487 shares in the Company comprises of 20,715,187 shares held in his name and 9,363,300 shares held through a nominee.

(2) Yip Sau Leung is deemed interested in the 2,359,625 shares held by his spouse.

# NOTICE OF 14TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting of **KSH HOLDINGS LIMITED** will be held by way of electronic means on Tuesday, 29 September 2020 at 9.30 a.m. for the following purposes:

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL <http://kimsengheng.listedcompany.com/ar.html> under "Annual Report 2020". A printed copy of this Notice will NOT be despatched to members.

## AS ORDINARY BUSINESS

1. To receive the audited accounts for the financial year ended 31 March 2020 and the Statement of the directors of the Company ("**Directors**") and the Auditors' Report. **Resolution 1**
2. To declare a final tax exempt (one-tier) cash dividend of 1.20 cents per share for the financial year ended 31 March 2020. **Resolution 2**
3. To approve Directors' fees of S\$155,000 to be paid quarterly in arrears for the financial year ending 31 March 2021 to the Independent Directors. (2020: S\$180,000) **Resolution 3**
4. To re-elect the following Directors who retire in accordance with Article 89 of the Company's Constitution and who, being eligible, offer themselves for re-election:
  - (a) Mr Lim Kee Seng **Resolution 4**
  - (b) Mr Ko Chuan Aun **Resolution 5**
  - (c) Mr Lim Yeow Hua @ Lim You Qin **Resolution 6**

Mr Lim Kee Seng will, upon re-election as a Director of the Company, remain as an Executive Director.

Mr Ko Chuan Aun will, upon re-election as a Director of the Company, remain an Independent Director of the Company as well as the Chairman of the Remuneration Committee and a member of each of the Nominating Committee and Audit and Risk Committee and will be considered independent of Management.

Mr Lim Yeow Hua @ Lim You Qin will, upon re-election as a Director of the Company, remain an Independent Director of the Company as well as the Chairman of the Audit and Risk Committee and a member of each of the Nominating Committee and Remuneration Committee and will be considered independent of Management.
5. That contingent upon the passing of Ordinary Resolution 6 above, and in accordance with Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") which will take effect on 1 January 2022, shareholders to approve Mr Lim Yeow Hua @ Lim You Qin's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Lim Yeow Hua @ Lim You Qin's retirement or resignation of the Director; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 8 below. **Resolution 7**

(See Explanatory Note (i))

# NOTICE OF 14TH ANNUAL GENERAL MEETING

6. That contingent upon the passing of Ordinary Resolution 7 above, and in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022, shareholders (excluding directors, chief executive officer, and their associates) to approve Mr Lim Yeow Hua @ Lim You Qin's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Lim Yeow Hua @ Lim You Qin's retirement or resignation of the Director; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 7 above.

## Resolution 8

*(See Explanatory Note (i))*

7. To re-appoint Messrs Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration.

## Resolution 9

### AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following as Ordinary Resolutions, with or without modifications:

8. **Authority to allot and issue shares up to 100 per centum (100%) of the total number of issued shares**

## Resolution 10

That pursuant to Section 161 of the Companies Act, Cap. 50, of Singapore ("**Companies Act**") and listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 100% of the total number of issued shares excluding treasury shares and subsidiary holdings issued by the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings issued by the Company. For the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings to be issued by the Company shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings issued by the Company at the time this resolution approving the mandate is passed (after adjusting for (i) new shares arising from conversion or exercise of convertible securities; (ii) new shares arising from exercising share options or vesting of share awards, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and (iii) any subsequent bonus issue, consolidation or subdivision of shares in the Company). Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this resolution is passed. Unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

*(See Explanatory Note (ii))*

# NOTICE OF 14TH ANNUAL GENERAL MEETING

9. That pursuant to Section 161 of the Companies Act, the Directors be empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the KSH Scrip Dividend Scheme. **Resolution 11**

*(See Explanatory Note (iii))*

10. **The proposed renewal of the Share Purchase Mandate** **Resolution 12**

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

- (i) on-market purchases (each a "**Market Purchase**") transacted on the SGX-ST; and/or
- (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with the Companies Act, the Listing Manual and all other laws, rules and regulations as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which purchases or acquisitions of Shares have been carried out to the full extent permitted under the Share Purchase Mandate; or
- (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in a general meeting;

- (c) in this Resolution:

"**Prescribed Limit**" means 10% of the issued Shares (excluding treasury shares and subsidiary holdings), as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered (excluding any subsidiary holdings and any treasury shares that may be held by the Company from time to time);

# NOTICE OF 14TH ANNUAL GENERAL MEETING

**“Relevant Period”** means the period commencing from the date of passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier;

**“Maximum Price”** in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

**“Average Closing Price”** is the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, preceding the date of the Market Purchase, or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs during such five-day period and the date of the Market Purchase or the Off-Market Purchase, as the case may be; and

**“date of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient, necessary or desirable to give effect to the transactions contemplated by this Resolution.

*(See Explanatory Note (iv))*

- 11. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given.

**BY ORDER OF THE BOARD**  
**KSH Holdings Limited**

**Tang Hay Ming Tony**  
**Ong Beng Hong**  
Company Secretaries

7 September 2020



# NOTICE OF 14TH ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

- (i) Ordinary Resolutions 7 and 8 in items 5 and 6 above – On 6 August 2018, the Singapore Exchange Securities Trading Limited amended the Listing Manual following the publication of the Code of Corporate Governance 2018 by the Monetary Authority of Singapore. As part of the amendments to the Code of Corporate Governance 2018, certain guidelines from the Code of Corporate Governance 2012 were shifted into the Listing Manual for mandatory compliance. On 28 November 2018, the Singapore Exchange Securities Trading Limited issued the Transitional Practice Note 3 to establish transitional arrangements for certain guidelines shifted into the Listing Manual. Pursuant thereto and in respect of Rule 210(5)(d)(iii) of the Listing Manual, to ensure that the independence designation of a Director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is seeking to obtain shareholders' approvals for Mr Lim Yeow Hua @ Lim You Qin's continued appointment as an Independent Director prior to 1 January 2022, as he has served for more than 9 years on the Board of the Company. Rule 210(5)(d)(iii) provides that continued appointment as Independent Director, after an aggregate period of more than 9 years on the Board, must be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding Directors, Chief Executive Officer, and their associates.
- (ii) On 8 April 2020, Singapore Exchange Regulation ("**SGX RegCo**") issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to provisionally seek a general mandate for an issue of shares and convertible securities on a pro-rata basis of up to an aggregate of one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings (the "**Enhanced Share Issue Limit**")), versus fifty per centum (50%) previously.

The Company is proposing to avail itself of these measures and to seek shareholders' approval for a general mandate with an Enhanced Share Issue Limit at the AGM in the event that circumstances evolving amid the COVID-19 situation reach such an extent that a fifty per centum (50%) limit for pro-rata issues is no longer sufficient to meet the Company's needs. If this was to occur and no Enhanced Share Issue Limit was to be in place, fund raising efforts would otherwise be unnecessarily hampered and compromised by the time needed to obtain shareholders' approval to issue shares above the fifty per centum (50%) threshold.

In connection with the Enhanced Share Issue Limit mandate, the Board of Directors is of the view that it would be in the interest of the Company and its shareholders on the basis of the following:

- (a) the Enhanced Share Issue Limit mandate will provide the Company with an option to strengthen its balance sheet, if required;
- (b) the proceeds from such fund raisings may be used to, among others, refinance existing borrowing, to pursue acquisitions or to fund capital expenditures; and
- (c) the Enhanced Share Issue Limit mandate will provide the Company with the flexibility to raise funds expediently, if required.

Accordingly, Ordinary Resolution 10 authorises the Directors from the date of the above Annual General Meeting until the next annual general meeting to issue shares and convertible securities in the Company up to one hundred per centum (100%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company, with an aggregate sub-limit of twenty per centum (20%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings for any issue of shares and convertible securities not made on a pro-rata basis to existing shareholders of the Company, as more particularly set out in the resolution.

For the purpose of Ordinary Resolution 10, the total number of issued shares excluding treasury shares and subsidiary holdings to be issued by the Company shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings issued by the Company at the time this resolution approving the mandate is passed (after adjusting for (i) new shares arising from conversion or exercise of convertible securities; (ii) new shares arising from exercising share options or vesting of share awards, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and (iii) any subsequent bonus issue, consolidation or subdivision of shares in the Company). Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this resolution is passed.

The Enhanced Share Issue Limit may be renewed at the next annual general meeting in year 2021 and is only valid until 31 December 2021, by which date any Shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further Shares may be issued under that limit.

The Company will notify SGX RegCo, by way of email to [enhancedsharelimit@sgx.com](mailto:enhancedsharelimit@sgx.com), of the date on which the general mandate with the Enhanced Share Issue Limit has been approved by shareholders.

- (iii) Ordinary Resolution 11 authorises the Directors to issue shares pursuant to the KSH Scrip Dividend Scheme to members who in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of qualifying dividend.
- (iv) Ordinary Resolution 12, if passed, will empower the Directors to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Purchase Mandate does not exceed the Prescribed Limit, and at such price(s) as may be determined by the Directors from time to time up to but not exceeding the Maximum Price. The information relating to Ordinary Resolution 12 is set out in the Appendix enclosed together with the Annual Report.

# NOTICE OF 14TH ANNUAL GENERAL MEETING

## NOTES:

- (1) Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting (“**AGM**”) are set out in the Company’s announcement dated 7 September 2020 entitled “Important Notice to Shareholders Regarding the Company’s Annual General Meeting on 29 September 2020” which has been uploaded together with this Notice of AGM on SGXNet on the same day. This announcement may also be accessed at the URL <http://kimsengheng.listedcompany.com/ar.html>.

In particular, the AGM will be held by way of electronic means and a member will be able to watch the proceedings of the AGM through a “live” webcast or listen to these proceedings through a “live” audio feed via his/her/its mobile phones, tablets or computers. In order to do so, a member (including CPF or SRS investor) who wishes to watch the “live” webcast or listen to the “live” audio feed must pre-register at the URL <https://sg.conveneagm.com/kshholdingslimitedagm2020> by 9.30 a.m. on 26 September 2020. Following authentication of his/her/its status as members or CPF or SRS investors, authenticated members and CPF or SRS investors will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 9.30 a.m. on 28 September 2020. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the AGM. This is to avoid any technical disruption or overload to the “live” webcast or “live” audio feed.

Members (including CPF or SRS investors) may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted and received by the Company by 9.30 a.m. on 26 September 2020:

- (a) via the pre-registration website at the URL <https://sg.conveneagm.com/kshholdingslimitedagm2020>; or
- (b) in hard copy by sending by post and lodging the same at the Registered Office of the Company at 36, Senoko Road Singapore 758108.

**In view of the current COVID-19 situation, Members are strongly encouraged to submit questions electronically via the pre-registration website.**

Members (including CPF or SRS investors) will need to identify themselves when posing questions by email or by mail by providing the following details:

- (a) the member’s full name as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the member’s NRIC/Passport/UEN number;
- (c) the member’s contact number and email address; and
- (d) the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members either before or during the AGM.

Please note that members will not be able to ask questions at the AGM “live” during the webcast and the audio feed, and therefore it is important for members to submit their questions in advance of the AGM.

- (2) **A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. The accompanying proxy form for the AGM may be accessed at the Company’s website under “Annual Report 2020” at the URL <http://kimsengheng.listedcompany.com/ar.html> and has also been made available on SGXNet.
- (3) The Chairman of the AGM, as proxy, need not be a member of the Company.
- (4) The instrument appointing the Chairman of the AGM as proxy must, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
- (a) if sent by post, be deposited at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (“**Share Registrar**”), at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
  - (b) if submitted by email, be received by the Company’s Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com),

in either case, not less than 48 hours before the time fixed for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

# NOTICE OF 14TH ANNUAL GENERAL MEETING

- (5) The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a Company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
- (6) In the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by the The Central Depository (Pte) Limited to the Company.
- (7) CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9.30 a.m. on 17 September 2020 in order to allow sufficient time for their relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf not less than 48 hours before the time for holding the AGM.
- (8) Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("**Relevant Intermediary Participants**"), excluding CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings via the "live" webcast or the "live" audio feed; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM.
- (9) The Annual Report for the financial year ended 31 March 2020 may be accessed at the Company's website at the URL <http://kimsengheng.listedcompany.com/ar.html> under "Annual Report 2020", and have also been made available on SGXNet.

## **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof or submitting any details of Relevant Intermediary Participants in connection with the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation, compilation and publication of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where member discloses the personal data of the Relevant Intermediary Participants to the Company (or its agents or service providers), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lim Kee Seng, Mr Ko Chuan Aun and Mr Lim Yeow Hua @ Lim You Qin are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 29 September 2020 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	<b>MR LIM KEE SENG</b>	<b>MR KO CHUAN AUN</b>	<b>MR LIM YEOW HUA @ LIM YOU QIN</b>
Date of Appointment	22 March 2006	5 August 2013	18 December 2006
Date of last re-appointment (if applicable)	28 July 2017	28 July 2017	27 July 2018
Age	69	62	58
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (" <b>NC</b> ") and has reviewed and considered the qualification, work experience and suitability of Mr Lim Kee Seng for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Mr Lim Kee Seng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Ko Chuan Aun for re-appointment as an Independent Director of the Company as well as the Chairman of the Remuneration Committee and a member of each of the Audit and Risk Committee and NC and will be considered independent of Management. The Board has reviewed and concluded that Mr Ko Chuan Aun possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the relevant Board Committees.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Lim Yeow Hua @ Lim You Qin for re-appointment as an Independent Director of the Company as well as the Chairman of the Audit and Risk Committee and a member of each of the Remuneration Committee and NC and will be considered independent of Management. The Board has reviewed and concluded that Mr Lim Yeow Hua @ Lim You Qin possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the relevant Board Committees.
Whether appointment is executive, and if so, the area of responsibility	Executive; responsible for overseeing the entire construction function and business operations of the Group.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Director, Chairman of the Remuneration Committee and a member of each of the Audit and Risk Committee and NC	Independent Director, Chairman of the Audit and Risk Committee and a member of each of the Remuneration Committee and NC

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR LIM KEE SENG</b>	<b>MR KO CHUAN AUN</b>	<b>MR LIM YEOW HUA @ LIM YOU QIN</b>
Professional qualifications and working experience and occupation(s) during the past 10 years	<p>Mr Lim Kee Seng is presently an Executive Director of the Company.</p> <p>Mr Lim Kee Seng has more than 40 years of experience in the construction, construction-related and property development industries.</p>	<p>Mr Ko Chuan Aun has more than 15 years of working experience with the then Trade Development Board of Singapore (now known as Enterprise Singapore).</p> <p>Mr Ko Chuan Aun presently holds directorships in various private and public companies.</p> <p>Please refer to other principal commitments.</p>	<p>Member of the Singapore Chartered Accountants</p> <p>Accredited Tax Advisor of the Singapore Chartered Tax Professionals</p> <p>Mr Lim Yeow Hua @ Lim You Qin is a chartered accountant and has more than 30 years of experience in the tax, financial services and investment banking industries. He founded and was Managing Director of Asia Pacific Business Consultants Pte. Ltd. from 2006 to 2017. From 2018 to 2019, he was the Group Head of Tax in Corp Global Pte. Ltd..</p> <p>Mr Lim Yeow Hua @ Lim You Qin presently holds directorships in various private and public companies. Please refer to other principal commitments.</p>
Shareholding interest in the listed issuer and its subsidiaries	68,237,360 shares as at 7 September 2020	Nil shares as at 7 September 2020	302,500 shares as at 7 September 2020
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR LIM KEE SENG</b>	<b>MR KO CHUAN AUN</b>	<b>MR LIM YEOW HUA @ LIM YOU QIN</b>
<p>Other Principal Commitments* Including Directorships# (for the last 5 years)</p> <p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p>Past (for the past 5 years):</p> <p><u>Directorships</u></p> <p>Nil</p> <p><u>Other Principal Commitments</u></p> <p>Nil</p> <p>Present:</p> <p><u>Directorships</u></p> <p>Directorships in the Group's subsidiaries</p> <p><u>Other Principal Commitments</u></p> <p>Nil</p>	<p>Past (for the past 5 years):</p> <p><u>Directorships</u></p> <p>KOP Limited</p> <p>San Teh Ltd</p> <p>Super Group Ltd</p> <p><u>Other Principal Commitments</u></p> <p>Nil</p> <p>Present:</p> <p><u>Directorships</u></p> <p>Koon Holdings Limited</p> <p>Lian Beng Group Limited</p> <p>Pavillon Holdings Ltd.</p> <p><u>Other Principal Commitments</u></p> <p>Nil</p>	<p>Past (for the past 5 years):</p> <p><u>Directorships</u></p> <p>Advanced Integrated Manufacturing Corp. Ltd</p> <p>Asia Pacific Business Consultants Pte. Ltd.</p> <p>China Minzhong Food Corporation Limited</p> <p>Eratat Lifestyle Limited (delisted and in liquidation)</p> <p>Fujian Minzhong Co. Ltd.</p> <p>Global Business Management Services Pte. Ltd.</p> <p>KTL Global Limited</p> <p>Prestige Biopharma Pte Ltd (now known as Prestige Biopharma Limited)</p> <p>SMS Medical Services Ltd.</p> <p>Ying Li International Real Estate Limited</p> <p><u>Other Principal Commitments</u></p> <p>Group Head of Tax in Corp Global Pte. Ltd.</p> <p>Present:</p> <p><u>Directorships</u></p> <p>Accrelist Limited</p> <p>NauticAWT Limited</p> <p>Oxley Holdings Limited</p> <p>Singapore Women's &amp; Children's Medical Group Pte Ltd</p> <p><u>Other Principal Commitments</u></p> <p>Nil</p>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR LIM KEE SENG	MR KO CHUAN AUN	MR LIM YEOW HUA @ LIM YOU QIN
<p><b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b></p>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	<p>Yes</p> <p>Eratat Lifestyle Limited was delisted from the Mainboard of the SGX-ST on 19 July 2017 with the SGX-ST's approval and is currently undergoing liquidation pursuant to compulsory winding up proceedings. Mr Lim Yeow Hua @ Lim You Qin is a non-executive independent director of the company and had not been involved in the management or operations of the company.</p>
(c) Whether there is any unsatisfied judgment against him?	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR LIM KEE SENG</b>	<b>MR KO CHUAN AUN</b>	<b>MR LIM YEOW HUA @ LIM YOU QIN</b>
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR LIM KEE SENG</b>	<b>MR KO CHUAN AUN</b>	<b>MR LIM YEOW HUA @ LIM YOU QIN</b>
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR LIM KEE SENG</b>	<b>MR KO CHUAN AUN</b>	<b>MR LIM YEOW HUA @ LIM YOU QIN</b>
<p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>			
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR LIM KEE SENG	MR KO CHUAN AUN	MR LIM YEOW HUA @ LIM YOU QIN
<b>Disclosure applicable to the appointment of Director only.</b>			
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	Not Applicable	Not Applicable	Not Applicable

# KSH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
Registration No. 200603337G

## PROXY FORM

(Please see notes overleaf before completing this Form)

This form of proxy has been made available on SGXNet and the Company's website and may be accessed under "Annual Report 2020" at the URL <http://kimsengheng.listedcompany.com/ar.html>.

A printed copy of this form of proxy will NOT be despatched to members.

### IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 7 September 2020 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 September 2020" which has been uploaded together with the Notice of Annual General Meeting dated 7 September 2020 on SGXNet on the same day. This announcement may also be accessed at the URL <http://kimsengheng.listedcompany.com/ar.html>.
2. A member will not be able to attend the Annual General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to vote should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 9.30 a.m. on 17 September 2020.

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of KSH Holdings Limited (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the AGM of the Company to be held by way of electronic means on Tuesday, 29 September 2020 at 9.30 a.m. and at any adjournment thereof.

I/We direct the Chairman of the AGM as my/our proxy to vote for or against the Resolutions, or to abstain from voting on the Resolutions, to be proposed at the AGM as indicated hereunder.

(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the resolution in respect of all your votes, please indicate your vote "For" or "Against" with "X" in the space provided. Alternatively, if you wish to exercise some and not all of your votes both "For" and "Against" the relevant resolution and/or to abstain from voting in respect of the relevant resolution, please indicate the number of votes as appropriate.)

No.	Resolutions relating to	For	Against	Abstain
1.	To receive the Directors' Statement, Auditors' Report and Audited Accounts for the financial year ended 31 March 2020			
2.	To approve a final tax-exempt (one-tier) cash dividend of 1.20 cents per share for the financial year ended 31 March 2020			
3.	To approve Directors' Fees S\$155,000 for the financial year ending 31 March 2021 to the Independent Directors			
4.	To re-elect Mr Lim Kee Seng as a Director retiring under Article 89			
5.	To re-elect Mr Ko Chuan Aun as a Director retiring under Article 89			
6.	To re-elect Mr Lim Yeow Hua @ Lim You Qin as a Director retiring under Article 89			
7.	Approval of Mr Lim Yeow Hua @ Lim You Qin's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited (" <b>Listing Manual</b> ") which will take effect on 1 January 2022			
8.	Approval of Mr Lim Yeow Hua @ Lim You Qin's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates) in accordance with Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022			
9.	To re-appoint Ernst & Young LLP as Auditor			
10.	To authorise the Directors to allot and issue new shares			
11.	To authorise the Directors to allot and issue shares pursuant to the KSH Scrip Dividend Scheme			
12.	To approve the renewal of the Share Purchase Mandate			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**IMPORTANT: Please read notes overleaf**



## Notes:-

1. A member will not be able to attend the AGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
2. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy must:
  - (a) if sent by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. ("**Share Registrar**"), at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
  - (b) if submitted by email, be received by the Company's Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com),in either case, not less than 48 hours before the time appointed for the AGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

5. If sent by post, the instrument appointing the Chairman of the AGM as proxy of an individual must be under the hand of the appointor or of his/her attorney duly authorised in writing and the instrument appointing the Chairman of the AGM as proxy is executed by a corporation must be executed either under its seal or under the hand of an officer or attorney duly authorised.

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

- (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
  - (b) by way of the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
6. Where an instrument appointing the Chairman of the AGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.

## GENERAL:

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy) appointing the Chairman of the AGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.





**KSH HOLDINGS LIMITED**

Company Registration Number 200603337G

36 Senoko Road, Singapore 758108

Tel : (65) 6758 2266 | (65) 6662 9100

Fax : (65) 6758 2532