KSH HOLDINGS LIMITED

BUILDING ON STEADFAST FOUNDATIONS

ANNUAL REPORT 2022

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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 has 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. These include 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

Public Sector

1. Civil, Building And Ancillary Works
2. Additions And Alterations to Existing Building and New Annex Building
3. Additions and Alteration Term Contract for Facilities for a Period of Four Years
4. 6-Storey Building With 2-Basement
5. Block of 5-Storey Building with Link Bridge to Existing Building
6. 2-Storey Main Building, 1-Storey Modular Laboratory Building and Ancillary Works

Private Sector

1. Riverfront Residences
2. Business Park Development Comprising of a 12-Storey Tower Block With 2-Basement Carparks And Rail Corridor Works
3. 5-Storey Building with a Mezzanine Single-user Detached Factory Development
4. 10-Storey Single-User Light Industrial Building with a Basement

Property Development Projects

Singapore

1. Peace Centre/Peace Mansion
2. Rezi 24
3. Riverfront Residences
4. Affinity @Serangoon

People's Republic of China

1. Gaobeidian Project – Sino-Singapore Health City Phase 1 Stage 1


Rezi 24


Riverfront Residences


Affinity @ Serangoon

GROUP STRUCTURE

KSH HOLDINGS LIMITED

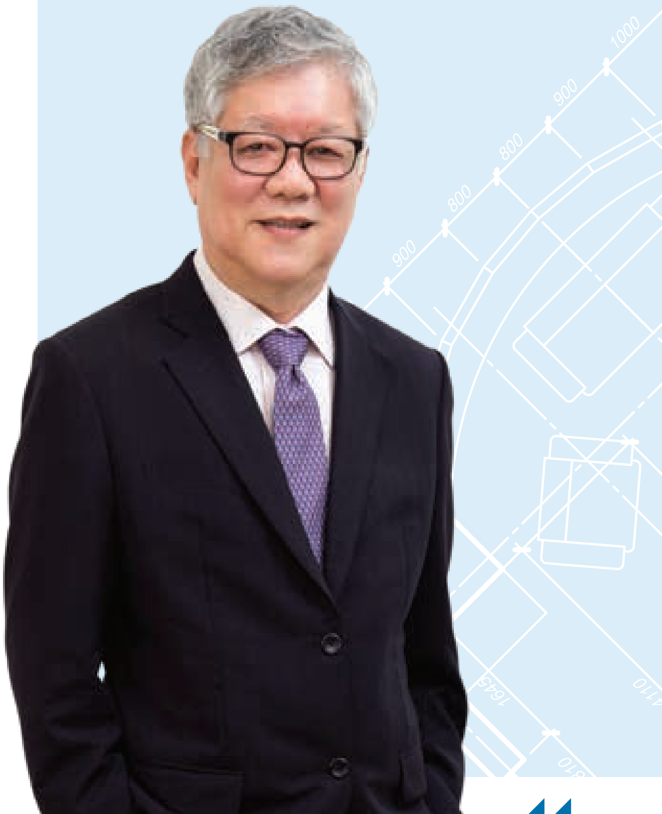
- 100% KIM SENG HENG ENGINEERING CONSTRUCTION (PTE) LTD
  - 100% KSH ENGINEERING BUILDERS PTE. LTD.
  - 100% TECHPATH CONSTRUCTION SDN BHD
- 100% KIM SENG HENG REALTY PTE LTD
  - 100% DEVELOPMENT 88 PTE. LTD.
  - 100% KSH DEVELOPMENT PTE. LTD.
  - 100% KSH GLOBAL INVESTMENT PTE. LTD.
  - 100% KSH LAND DEVELOPMENT PTE. LTD.
  - 100% KSH PREMIER INVESTMENT PTE. LTD.
  - 100% KSH RESIDENTIAL PTE. LTD.
- 100% KSH OVERSEAS PTE. LTD.
  - 69% TIANJIN TIAN XING PROPERTY MANAGEMENT CO., LTD.
  - 69% TIANJIN TIAN XING REAL ESTATE DEVELOPMENT CO., LTD.
- 100% KSH ASIA PROPERTY PTE. LTD.
  - 100% DUFORD INVESTMENT (HONG KONG) LIMITED
- 100% KSH ASIA INVESTMENT PTE. LTD.
- 100% KSH CAPITAL PTE. LTD.
- 100% KSH COMMERCIAL INVESTMENT PTE. LTD.
- 100% KSH FOREIGN INVESTMENT PTE. LTD.
- 100% KSH HOTELS INVESTMENTS PTE. LTD.
- 100% KSH INTERNATIONAL INVESTMENT PTE. LTD.
- 100% KSH INVESTMENTS MANAGEMENT PTE. LTD.
- 100% KSH INVESTMENTS PROPERTY HOLDINGS PTE. LTD.
- 100% KSH PROPERTY DEVELOPMENT PTE. LTD.
- 100% KSH PROPERTY INVESTMENT PTE. LTD.
- 100% KSH VIETNAM INVESTMENT PTE. LTD.
- 100% FERRIS RISE PTE. LTD.
- 100% KSH HOTELS ASIA PTE. LTD.
- 100% KSH ASIA PACIFIC INVESTMENTS PTE. LTD.

Group Structure as at 31 March 2022 on subsidiaries.

** Associates and joint ventures are disclosed in Note 7 and Note 8 on pages 104 to 118 of this Annual Report.*

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Notwithstanding the difficult times and economic disruptions, and with the gradual easing of COVID-19 restrictions, we have delivered a credible set of results, surpassing pre-COVID-19 financial performance. We are encouraged by the Group's financial resilience, with steady improvements across our construction and property segments.



On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended 31 March 2022 ("**FY2022**").

For FY2022, macro uncertainties continued to linger with the unexpected surge in COVID-19 variants globally, supply chain disruptions brought on by shortages in the global semiconductor supply chain, and the ongoing conflict between Russia and Ukraine. The situation has since improved towards the second half of the year 2022, with the relaxation of Safe Management Measures in Singapore and the re-opening of borders as global travel restrictions ease. Looking ahead, the global economy is on track for a recovery in year 2022, however, the rebound is expected to be uneven across countries with uncertainties and challenges persisting amid the ongoing Ukraine-Russia war that has caused global supply chain disruptions and interest rates hike amid rising inflation. Amidst global uncertainties, Singapore is also experiencing high inflation and rising interest rates. The Monetary Authority of Singapore has tightened the monetary policy to tackle inflation and interest rates are still expected to rise further in general. According to the Ministry of Trade and Industry ("**MTI**"), Singapore's GDP growth has been maintained at "3.0 to 5.0 per cent" for 2022, with growth likely to come in at the lower half of the forecast range[1].

Notwithstanding the difficult times and economic disruptions, and with the gradual easing of COVID-19 restrictions, we have delivered a credible set of results, surpassing pre-COVID-19 financial performance. We are encouraged by the Group's financial resilience, with steady improvements across our construction and property segments. We continue to be supported by a construction order book of more than S$530.0 million[2] and a robust pipeline of more than S$212.0 million[2] 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. This will contribute to the Group's results after FY2022.

FINANCIAL HIGHLIGHTS

We achieved a net profit attributable to Owners of the Company of S$24.2 million, a reversal from a loss in the previous year, and back to our highest level since FY2019. This was due to a recovery of the Group's construction business, which saw a significant increase in construction works following the resumption of construction activities, and a higher rental income from investment properties in the PRC as the pandemic situation improved. The progress of completion of property development projects in Singapore and revaluation gain on hotel properties owned by associated companies also contributed to the bottomline performance.

For our property segment, we have achieved good sales for our developments in both Singapore and the PRC, with most of the projects either fully or almost fully sold to date. We have over S$212.0 million[2] of attributable share of progress billings to be recognised as sales revenue, which will contribute positively to the Group's results post FY2022.

Other income decreased by 38.7% from S$16.8 million in FY2021 to S$10.3 million in FY2022, mainly due to the decrease in grants and aids received from the Singapore Government.

Share of profits of associates and joint ventures jumped to S$28.8 million in FY2022, a turnaround from a loss of S$2.9 million is FY2021. This was mainly attributable to the progress of completion of property development projects in Singapore and revaluation gain on hotel properties owned by associated companies.

The Group continues to maintain a healthy balance sheet and working capital position with strong cash and bank balances and fixed deposits of S$143.1 million and low gearing as at 31 March 2022.

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

NAVIGATING CHALLENGES, BUILDING RESILIENCE

CONSTRUCTION BUSINESS

Our core construction business remains our largest revenue driver, constituting 97.9% of our total revenue, at $235.2 million in FY2022.

Notwithstanding a challenging operating environment, backed by the Group's solid track record and new order wins in FY2022, the Group's construction order book remains healthy at more than $530.0 million as at 05 April 2022, with a desirable ratio of 57:43 in terms of private and public projects. In addition, visibility remains strong as the order book is expected to contribute to the Group's financial results up to the financial year ending 31 March 2025.

We have noted that the Building and Construction Authority ("**BCA**") has projected construction demand to be between $27 billion and S$32 billion for the year, an improvement from the $30 billion (preliminary estimate) in 2021, with the public sector expected to drive the construction demand in 2022[3]. Nonetheless, with the gradual recovery in this sector, the Group's construction order book in Singapore has increased to more than $530.0 million as at the beginning of April 2022. With manpower and materials cost expected to remain high due to inflation, we will continue to stay competitive and enhance productivity through skills upgrading and the adoption of innovation and technology to enhance our efficiency.

Looking ahead, the construction sector continues to operate at below pre-pandemic level due to labour shortages. While the labour shortage issue was slightly mitigated by the government's worker retention scheme, the high cost of recruiting migrant workers and increased cost of materials, machinery transport, and other construction related cost would lead to higher construction costs. We will focus on ensuring the smooth operational progress of our projects and utilisation of government grants and assistance. We will continue to stay competitive and enhance productivity through skills upgrading and the adoption of innovation and technology to enhance our efficiency.

PROPERTY DEVELOPMENT BUSINESS

Singapore

We have achieved good sales for our developments in both Singapore and the PRC, with most of the projects either fully or almost fully sold to date. We have over $212.0 million of attributable share of progress billings to be recognised as sales revenue, which will contribute positively to the Group's financial results post FY2022.

According to data from the URA released on 22 April 2022, prices of private residential properties in Singapore increased at a slower rate of 0.4% quarter-on-quarter in the first quarter of 2022, compared to the 5.0% increase in the preceding quarter[4].

In property development, the recent enbloc of Peace Centre represents a strategic opportunity for us to acquire a prominent District 9 site for redevelopment into a mixed-use commercial and residential development, working closely alongside experienced partners.

We are encouraged to note that notwithstanding the headwinds in the local economy, our launched projects were well received by the market, with most of the projects either fully or almost fully sold to date, and enjoy positive margins. We will place priority on the sale and delivery of the remaining unsold units in Singapore.

Overseas

The Group's 22.5%-owned residential project, Sino-Singapore Health City Phase 1 Stage 1 (中新健康城·中新悦朗一期) in Gaobeidian, PRC, has sold approximately 596 residential units to date, with an average selling price that is expected to earn a positive profit margin. Construction is currently ongoing progressively and is expected to complete in FY2023. The Group expects the units sold from the Gaobeidian project to contribute positively to our results when construction is completed.

Looking forward, we will monitor market sentiments and conditions closely as we continue to actively market 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.

PROPERTY INVESTMENT

On the property investment front, the Group continues to maintain stable occupancy rates for our property investments in Singapore and overseas, generating recurring income, albeit with an impact from the ongoing global pandemic.

In the PRC, our 69%-owned investment property, Tianjin Tianxing Riverfront Square continues to contribute positively to the Group with a resilient occupancy of approximately 78% as at 31 March 2022.

We take a long-term view for our investments in hotel properties, through tie-ups with our reputable and experienced JV partners. Currently, the Group has a total of 11 investments in hotel properties overseas, of which nine are in operation and generating recurring income. We will continue to monitor and navigate prudently amidst the ongoing pandemic and challenging economic outlook.

The investment properties held by the Group in Singapore and overseas have maintained good occupancy and rental rates. As international borders continue to re-open, hotel performance is set to improve globally in year 2022 on the back of returning demand globally. Hotel average daily rate, occupancy and revenue per available room are anticipated to reflect the stronger fundamental performance in the industry. Other factors contributing to the improvement include below-average supply growth, strong domestic leisure trends, and the resumption of inbound international travel.

PROPOSED DIVIDENDS

Notwithstanding the challenging economic outlook, KSH will be proposing a final cash dividend of 1.00 Singapore cent per ordinary share to thank shareholders for their continuous support. Together with the interim cash dividend of 1.00 Singapore cent per share distributed earlier in the financial year, this brings the total dividend declared for FY2022 to 2.00 Singapore cents per share.

WORDS OF APPRECIATION

The Board of Directors of KSH remains fully committed in steering the Group through the ongoing macro uncertainties.

I am deeply appreciative of our Board for their direction and wise counsel. To our management team and staff of engineers, quantity surveyors and site co-ordinators, your commitment and tenacity in overcoming challenges is well appreciated. I would also like to take this opportunity to extend my heartfelt appreciation to all staff for their hard work and commitment to the Group's business.

Last but not least, I would like to extend our appreciation to our shareholders, customers, suppliers, sub-contractors, partners, and stakeholders, for their steadfast faith in us and for their full support.

CHOO CHEE ONN
Executive Chairman and Managing Director

1 *MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent", Ministry of Trade & Industry Singapore – 25 May 2022*

2 *As at 31 March 2022*

3 *Sustained Construction Demand in 2022 supported by Public Sector Projects, Building and Construction Authority (BCA) – 26 January 2022*

4 *Release of 1st Quarter 2021 real estate statistics, Urban Redevelopment Authority (URA) – 22 April 2022*

FINANCIAL AND OPERATIONS REVIEW

The Group reported a revenue of S$240.3 million for FY2022, up 57.0% from S$153.1 million over the same corresponding period last year ("**FY2021**"). This is reflective of a resumption of construction activities with the gradual easing of the COVID-19 restrictions in Singapore, as well as higher rental income from an investment property in the PRC with an improvement in the pandemic situation during the period under review.

Revenue from the Group's construction business increased by S$86.2 million to S$235.2 million in FY2022, from $149.0 million a year ago. Similarly, rental income from an investment property increased in the PRC as the pandemic situation has improved as compared to the previous year.

Other income decreased from S$16.8 million in FY2021 to S$10.3 million in FY2022, mainly due to the decrease in government grants and aids.

Share of results of associates and joint ventures jumped to S$28.8 million in FY2022, a turnaround from a loss of S$2.9 million in FY2021. This was mainly due to the progress of completion of property development projects in Singapore and revaluation gain on hotel properties owned by associated companies.

Correspondingly, the Group reported a net profit for FY2022 of S$24.0 million and a profit attributable to Owners of the Company of S$24.2 million after excluding non-controlling interests.

The Group continues to maintain a healthy balance sheet and working capital position with strong cash and bank balances and fixed deposits of S$143.1 million and low gearing as at 31 March 2022.

Shareholders' equity stood at S$336.3 million as at 31 March 2022 from S$320.4 million a year ago.

The Group has a basic and diluted earnings per share of 4.29 Singapore cents in FY2022 as compared to a loss per share of 0.67 Singapore cent a year ago. Net asset value per share as at 31 March 2022 was 59.70 Singapore cents, up from 56.86 Singapore cents a year ago.

SHAREHOLDERS' EQUITY

FY2021

S$320.4M

FY2022

S$336.3M

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

FY2021

S$(3.8)M

FY2022

S$24.2M

CONSTRUCTION

Table 1.1

List of current ongoing projects

Project Name	Contract Value (S$'m)	Project Type	Sector
Riverfront Residences	262.5	Residential	Private
Civil, Building And Ancillary Works	72.4	Institutional + civil	Public
Additions And Alterations to Existing Building and New Annex Building	70.0	Institutional	Public
Additions and Alteration Term Contract for Facilities for a Period of Four Years	40.7	Institutional	Public
6-Storey Building With 2-Basement	95.1	Institutional	Public
Business Park Development Comprising of A 12-Storey Tower Block With 2-Basement Carparks And Rail Corridor Works	171.8	Industrial/ Commercial	Private
Block of 5-Storey Building with Link Bridge to Existing Building	15.6	Institutional	Public
5-Storey with a Mezzanine Single-user Detached Factory Development	19.0	Industrial	Private
2-Storey Main Building, 1-Storey Modular Laboratory Building and Ancillary Works	57.2	Institutional	Public
10-Storey Single-User Light Industrial Building with a Basement	36.2	Industrial	Private

KSH maintained a healthy order book of more than $530.0 million after acceptance of a Letter of Award ("**LOA**") for a new construction project on 05 April 2022, with a desirable ratio 57:43 in terms of private and public projects, ranging from residential, institutional and infrastructure projects. This is a strong testament of the Group's reputable brand recognition and established track record in handling construction projects across various sectors built over the last four decades.

The construction sector continues to operate at below pre-pandemic level due to labour shortages. According to the MTI, the construction sector expanded by 2.1% in the first quarter of year 2022, slowing from a growth of 2.9% in the previous quarter, for both public and private-sector construction activities[1].

While the labour shortage issue was slightly mitigated by the government's worker retention scheme, put in place between September 2021 and February 2022, high cost of recruiting migrant workers and increased cost of materials, machinery, transport, and other construction related costs would lead to higher construction costs. Nonetheless, the construction sector is anticipated to gradually recover in 2022.

The Group's construction order book in Singapore of more than $530.0 million is expected to contribute to the Group's financial results up to the financial year ending March 2025.

Moving forward, the Group will continue to monitor and ensure the smooth progress of all construction projects. At the same time, the Group will continue to aggressively tender for public and private projects and continue to prudently seek opportunities in Singapore while deepening existing footprint in overseas markets. As of to date, the Group's ongoing projects have commenced work and are in progress.

1 *MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent", Ministry of Trade & Industry Singapore – 25 May 2022*

FINANCIAL AND OPERATIONS REVIEW

PROPERTY DEVELOPMENT

SINGAPORE

Table 2.1
Sales Status Overview
As at 31 March 2022

Project Name	Group Stake (%)	Type of Development	Revenue Recognition Method	Units Sold (%)
Affinity @ Serangoon	7.5	Residential with shop units	Percentage of Completion	98.8%
Riverfront Residences	35.0	Residential with shop units	Percentage of Completion	99.7%
Park Colonial	20.0	Residential	Percentage of Completion	100%
Rezi 24	48.0	Residential	Percentage of Completion	100%
Sino-Singapore Health City Phase 1 Stage 1	22.50	Residential	On Completion	71.0%

All property developments launched in Singapore are either fully or substantially sold. The Group's four ongoing property developments – Affinity @ Serangoon, Riverfront Residences, Park Colonial and Rezi 24 – continue to enjoy a higher sales rate compared to the previous corresponding year, despite the property cooling measure introduced in December 2021.

The Group's attributable share of progress billings to be recognised as sales revenue stood at more than $212.0 million, from the property development projects held by associates and joint ventures under the Group. This will be progressively recognised and contribute positively to the Group's results after FY2022.

In December 2021, KSH together with CEL Development and Sing-Haiyi have made a successful enbloc offer for Peace Centre/Peace Mansion for S$650 million. Located in the Mount Sophia residential enclave the property has visible frontage to Sophia Road and Selegie Road and is close to the Ophir-Rochor Growth Corridor. The property enjoys proximity to six MRT stations and is connected to four MRT lines and accessible to lifestyle conveniences and major expressways. Peace Centre/Peace Mansion is to be redeveloped into a mixed-use commercial and residential development. The commercial component will be 60% of the total gross floor area and the residential component will be 40% of the total gross floor area. Completion of the acquisition is subject to obtaining sale order approval, and Outline Planning Permission and SLA In-Principle Top-up Consent for the lane tenure. KSH has a 9.9% stake in the development.

Latest statistics from the Urban Redevelopment Authority ("**URA**") showed that prices of private residential properties increased by 0.7% quarter-on-quarter in the first quarter of year 2022, compared to the 5.0% increase in the preceding quarter[2].

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

OVERSEAS

Over the years, the Group continues to widen its geographical footprint together with its strategic JV partners in growing a strong network in varied markets, to maximise returns on its financial resources.

The Group's 22.5%-owned residential project, Sino-Singapore Health City Phase 1 Stage 1 (中新健康城·中新悦朗一期) in Gaobeidian, PRC, has sold approximately 596 residential units to date, with an average selling price that is expected to earn a positive profit margin.

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.

2 Urban Redevelopment Authority – Release of 1st Quarter 2021 real estate statistics – 23 April 2021

FINANCIAL AND OPERATIONS REVIEW

PROPERTY INVESTMENT

Table 3.1

Property Investments – hotel properties
As at 31 March 2022

Project Name	Location	Group's Stake (%)	Status
LUMA Concept Hotel	Glenthorne Road, London, England, UK	10.0	In operation
IBIS Gloucester Hotel	Gloucester, Gloucestershire, England, UK	15.0	
Holiday Inn Express Manchester City Centre	Manchester City, England, UK	30.0	
Hotel Indigo Glasgow	Glasgow, Scotland, UK	20.0	
DoubleTree by Hilton London Kensington	London, England, UK	20.0	
Hampton by Hilton Leeds	Leeds, England, UK	17.5	
Heeton Concept Hotel by City Centre Liverpool	Liverpool, England, UK	20	
Smile Hotel Asakusa	Tokyo, Japan	30.0	
Super Hotel Sapporo – Susukino	Chuo, Hokkaido, Japan	10.0	
Hotel Resort at Paro, Bhutan	Paro district, Bhutan	10.0	In Progress
Hotel at Gaobeidian, People's Republic of China	Gaobeidian, People's Republic of China	10.7	

Alongside its reputable and strategic partners, the Group has jointly established a wide network of 11 hotel assets in the UK, Japan, Bhutan as well as a hotel at Gaobeidian, PRC. As at March 2022, nine hotel properties are in operation and generating recurring income while the hotels in Bhutan and Gaobeidian are currently under development. In November 2021, the group sold its stake in the IBIS Bradford Hotel.

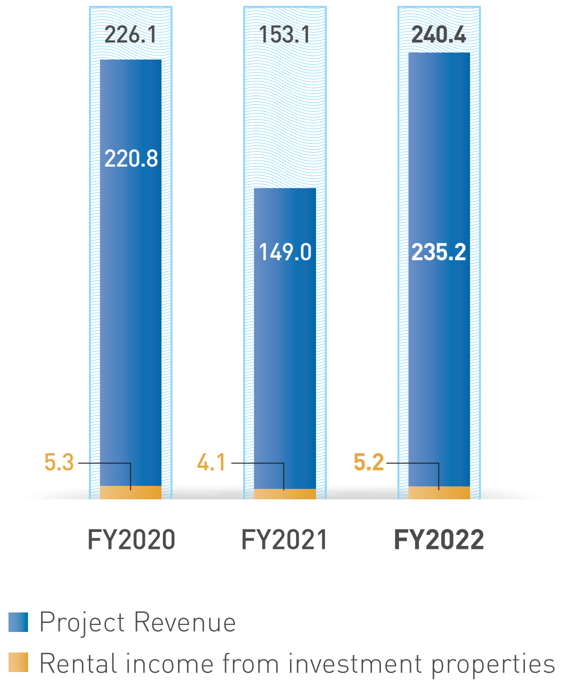
As international borders continue to re-open, hotel performance is set to improve globally in year 2022 on the back of returning travel demand. Occupancy and average daily room rates are starting to see some progressive improvement as international borders open up gradually. Hotel average daily rate, occupancy and revenue per available room are anticipated to reflect the stronger fundamental performance in the industry. Other factors contributing to the improvement include below-average supply growth, strong domestic leisure travel trends, and the resumption of inbound international travel.

Meanwhile, KSH's investment in the 69%-owned Tianjin Tianxing Riverfront Square in Tianjin, the PRC, continues to record higher occupancy of about 78%, and contributes positive recurring income to the Group. The Group has plans to further increase its investments and geographical footprint in hotel properties.

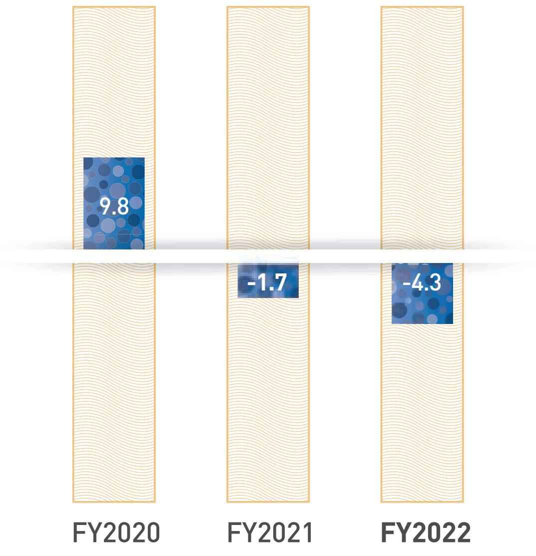
In view of the on-going pandemic and challenging economic outlook, the Group remains cautiously optimistic on the outlook of its performance for the financial year ending 31 March 2023.

FINANCIAL HIGHLIGHTS

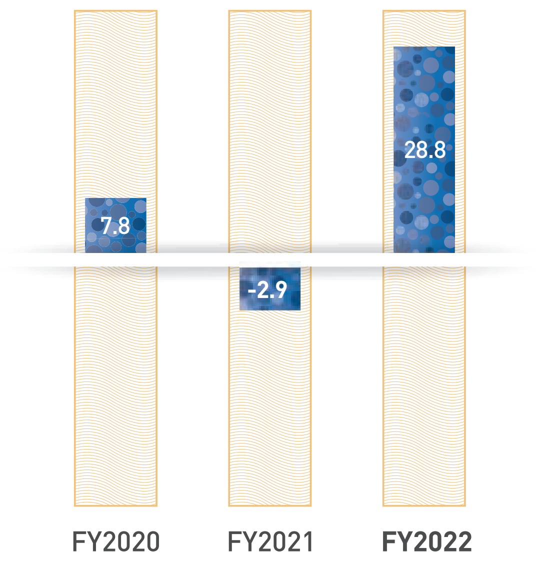
Revenue (S$'m)



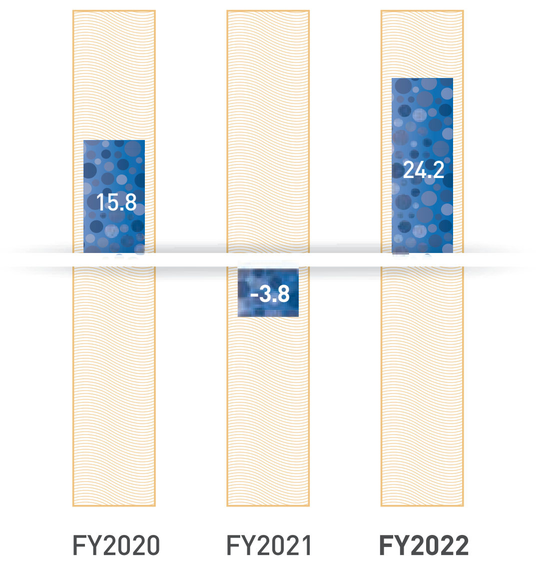
Profit from Operations Before Share of Results of Associates and Joint Ventures (S$'m)



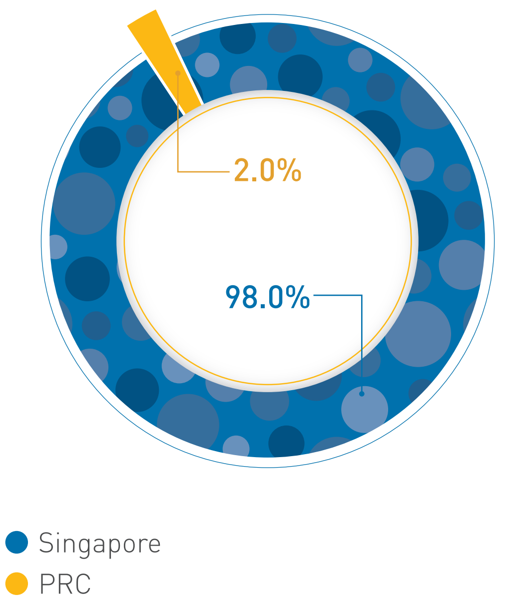
Share of Results of Associates and Joint Ventures (S$'m)



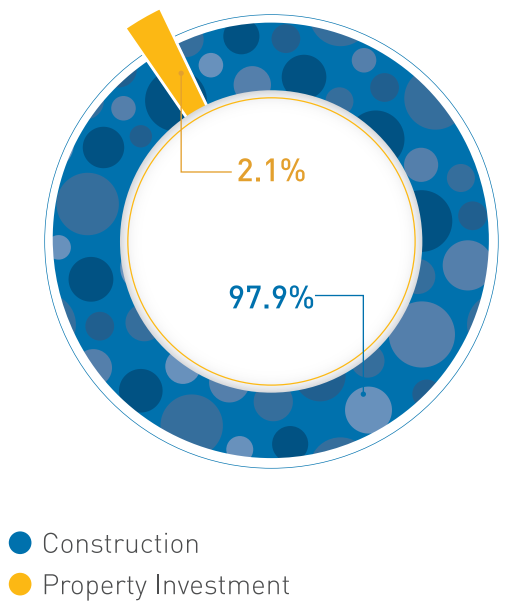
Profit Attributable to Shareholders (S$'m)



Revenue by Geographical Segment



Revenue by Business Segment



S$'m	FY2020	FY2021	FY2022
Balance Sheet Highlights			
Shareholders' Equity	328.6	320.4	**336.3**
Net Current Assets	69.5	25.8	**83.1**
Net Tangible Assets	351.6	343.5	**360.2**
Efficiency			
Return on Asset (%)	2.5	-0.7	**3.8**
Return on Equity (%)	4.4	-1.2	**6.6**
Healthy Debt Coverage			
Net Cash/(Net Debt) to Equity (x)	(0.07)	(0.06)	**0.07**
Interest Cover (x)	5.2	NA	**10.8**

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.

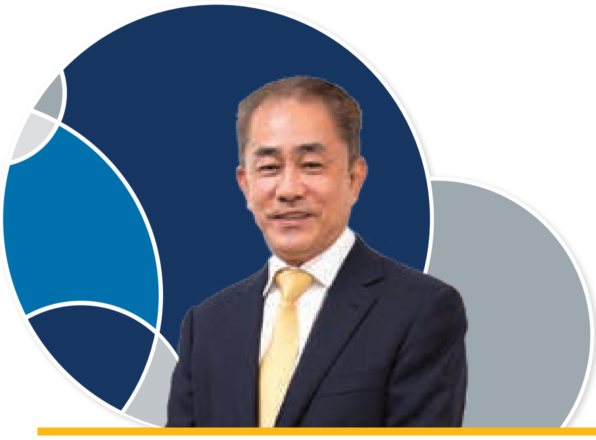
MR. LIM KEE SENG, Executive Director and Chief Operating Officer, is one of the founders of the Group. Mr. Lim was appointed to the Board on 22 March 2006 and was last re-elected on 29 September 2020. Currently, he oversees the entire construction function and business operations of the Group. Since 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 (Quality Environment Health & Safety) 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 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.

MR. KWOK NGAT KHOW, Executive Director and Quality Assurance and Quality Control (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 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 re-elected on 29 September 2020. Mr. Lim is a chartered accountant and accredited tax advisor (Income Tax and Goods & Services Tax). He 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 currently the executive director of Hock Leong Enterprises Pte. Ltd. ("**HLE**"), where he oversees the financial, administrative, human resource and business development aspects of HLE's business and operations. Prior to joining HLE, Mr. Khua worked with Rider Hunt Levett and Bailey, a consultancy firm, between 2000 and 2004. Mr. Khua also currently serves as an independent director of MoneyMax Financial Services Ltd, and was previously a lead independent director of No Signboard Holdings Ltd, companies listed on the SGX-ST. 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 also a member of the Singapore Institute of Arbitrators and the Singapore Institute of Directors. He was awarded the prestigious Pingat Bakti Masyarakat or the Public Service Medal in 2016.



MR. KO CHUAN AUN, Independent Director, was appointed to the Board on 5 August 2013 and was last re-elected on 29 September 2020. He holds chairmanships and directorships in various private and public companies. Mr. Ko was appointed as an Independent Director of Lian Beng Group Limited, Pavillon Holdings Ltd. and Sheng Siong Group 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. Mr. Ko is currently holding an appointment as Vice President of the Enterprise Singapore Society as well as the Vice Chairman of Public Relation Committee under 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.

MANAGEMENT

MR. TANG HAY MING TONY
Chief Financial 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.

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
Audit Partner: Ong Beng Lee, Ken
(w.e.f financial year 2022)

JOINT COMPANY SECRETARIES

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

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower
#14-07
Singapore 098632

PRINCIPAL BANKERS

Bank of China, Tianjin Hedong sub-branch
Agricultural Bank of China Tianjin Jinxin sub-branch
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 Hong Kong and Shanghai Banking Corporation
United Overseas Bank Limited

REGISTERED OFFICE

36 Senoko Road
Singapore 758108

INVESTOR RELATIONS

Citigate Dewe Rogerson Singapore Pte Ltd
158 Cecil Street
#05-01
Singapore 069545
Email: KSH@citigatedewerogerson.com
KSH contact: mainoffice@kimsengheng.com.sg

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

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;

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

(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;

(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 ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"), 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;

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

(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.

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 teleconference, 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.

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

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.

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 2022:

Provision 1.5 of the Code

	BOARD MEETING	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Number of meetings held	2	2	1	1
Choo Chee Onn	2	2	1 [1]	1 [1]
Tok Cheng Hoe	2	2	1 [1]	1 [1]
Lim Kee Seng	2	2	1 [1]	1 [1]
Kwok Ngat Khow	2	2	1 [1]	1 [1]
Lim Yeow Hua @ Lim You Qin	2	2	1	1
Khua Kian Kheng Ivan	2	2	1	1
Ko Chuan Aun	2	2	1	1

Note:

(1) By invitation.

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

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 FY2022, the Executive Directors have attended various webinars and training courses. Provision 1.2 of the Code

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)

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

The Company recognises the importance of having an effective and diverse Board and has adopted a formal Board Diversity Policy, the main objective of which is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

Provision 2.4 of the Code

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. The Board, through the NC, 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.

The Company notes that there is currently no female member on the Board. The Company recognises that diversity is not merely limited to gender or any other personal attributes. In identifying director nominees, the Board has always adhered to the policy of ensuring that there is an appropriate mix of members on the Board with complementary skills, core competencies and experience, regardless of gender. The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. Notwithstanding this, the Company's Board Diversity Policy provides that the Company (i) will work towards having female directors on the Board, whenever possible, and shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, and (ii) will work towards having appropriate age and ethnic diversity on the Board, if the opportunity arises.

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 NC, 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 2022

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 51 to 54 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 ("**Mr Lim YH**") 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 that 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

Financial year ended 31 March 2022

The NC and Board are of the view that although the Independent Directors do not currently make up a majority of the Board, all of the Directors have debated vigorously on the subject matters tabled at the Board meetings held in FY2022, 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:

Provision 3.2 of the Code

(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 ARC, 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 ARC. His performance and appointment to the Board are also reviewed periodically by the NC while his remuneration package is reviewed periodically by the RC. 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

Financial year ended 31 March 2022

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 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 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; and

(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

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

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

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	71	9 March 2006	26 July 2019	**Present Directorships** - **Past Directorships** - **Principal Commitments** -
Mr Kwok Ngat Khow	74	22 March 2006	30 July 2021	**Present Directorships** - **Past Directorships** - **Principal Commitments** -
Mr Tok Cheng Hoe	72	22 March 2006	30 July 2021	**Present Directorships** - **Past Directorships** - **Principal Commitments** -

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

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 Kee Seng	71	22 March 2006	29 September 2020	**Present Directorships** - **Past Directorships** - **Principal Commitments** -
Mr Lim Yeow Hua @ Lim You Qin	60	18 December 2006	29 September 2020	**Present Directorships** Accrelist Limited NauticAWT Limited Oxley Holdings Limited **Past Directorships** Advanced Integrated Manufacturing Corp. Ltd China Minzhong Food Corporation Limited Eratat Lifestyle Limited (in liquidation) KTL Global Limited Ying Li International Real Estate Limited **Principal Commitments** -
Mr Khua Kian Kheng Ivan	47	18 December 2006	30 July 2021	**Present Directorships** Moneymax Financial Services Ltd **Past Directorships** No Signboard Holdings Ltd. **Principal Commitments** Hock Leong Enterprises Pte. Ltd.
Mr Ko Chuan Aun	64	5 August 2013	29 September 2020	**Present Directorships** Lian Beng Group Limited Pavillon Holdings Ltd. Sheng Siong Group Ltd. **Past Directorships** KOP Limited San Teh Ltd Super Group Ltd Koon Holdings Limited **Principal Commitments** -

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

Provision 4.4 of the Code

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 YH, Mr Khua Kian Kheng Ivan ("**Mr Ivan Khua**") and Mr Ko Chuan Aun ("**Mr Ko**") are independent of the Group and the Management.

Each of Mr Lim YH and Mr Ivan Khua has served on the Board for a continuous period of more than nine (9) years. Each of Mr Lim YH and Mr Ivan Khua 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 YH and Mr Ivan Khua 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 Choo Chee Onn, Mr Lim Kee Seng and Mr Ko Chuan Aun in accordance with Article 89 of the Company's Constitution, at the forthcoming AGM.

Mr Lim YH, an Independent Director who has served as a Board member for more than nine years from the date of his appointment had at the Company's AGM held on 29 September 2020 successfully sought approval as an Independent Director via separate resolutions voted upon by Shareholders and Shareholders (excluding directors, the Chief Executive Officer, and their associates) respectively pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual. This approval will remain in force until the earlier of Mr Lim YH's retirement or resignation as Director or the conclusion of the third AGM from the approval.

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Mr Ivan Khua, an Independent Director who has served as a Board member for more than nine years from the date of his appointment had at the Company's last AGM held on 30 July 2021 successfully sought approval as an Independent Director via separate resolutions voted upon by Shareholders and Shareholders (excluding directors, the Chief Executive Officer, and their associates) respectively pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual. This approval will remain in force until the earlier of Mr Ivan Khua's retirement or resignation as a Director or the conclusion of the third AGM from the approval.

Mr Ko Chuan Aun, an Independent Director who, from 5 August 2022, will have 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 resolutions voted upon by Shareholders and Shareholders (excluding Directors, the Chief Executive Officer, and their associates) respectively pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Manual.

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;

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(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.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

As at the date of this Annual Report, the 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

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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 FY2022, 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 FY2022. Provision 6.4 of the Code

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. Provision 7.3 of the Code 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 7.2 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.

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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.

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 for services rendered during the financial year ended 31 March 2022 are as follows:

	Number of Directors
S$850,000 to S$1,099,999	1
S$550,000 to S$799,999	3
Below S$250,000	3
Total	7

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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 2022.

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 2022 are set out below:

Deviated from Provision 8.1(a) and 8.3 of the Code

Provision 8.1(b) of the Code

A breakdown of the remuneration of the Directors and top five (5) key executives of the Group for the financial year ended 31 March 2022 is set out below:

	Salary %	Bonus %	Directors' Fees %	Allowances and Other Benefits %	Total Compensation %
Directors					
$850,000 to S$1,099,999					
Choo Chee Onn	44	52	–	4	100
$550,000 to S$799,999					
Lim Kee Seng	44	51	–	5	100
Kwok Ngat Khow	43	50	–	7	100
Tok Cheng Hoe	43	50	–	7	100
Below S$249,999					
Lim Yeow Hua @ Lim You Qin	–	–	100	–	100
Khua Kian Keng Ivan	–	–	100	–	100
Ko Chuan Aun	–	–	100	–	100
Key Executive of the Group					
S$250,000 to S$499,999					
Tang Hay Ming Tony	48	48	–	4	100

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Note:

(1) For the financial year ended 31 March 2022, 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 2022.

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.

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.

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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 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.

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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.

Provision 9.2 of the Code

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 2022.

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 2022 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.

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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:

Provision 1.4 and 10.2 of the Code

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

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 as 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;

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(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.

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 member of the Management to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

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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 2022, the audit and non-audit fees paid to the External Auditors of the Company were S$333,000 and S$87,000 (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.

The Company engages different audit firms for certain subsidiaries of its subsidiaries or associated companies and the names of these audit firms are disclosed on pages 102 and 110 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.

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The aforementioned arrangements are in place to ensure the independent investigation of such matters. The Company ensures that the identity of the whistleblower is kept confidential. The Company is committed to ensuring the protection of the whistleblower against detrimental or unfair treatment. The ARC is responsible for oversight and monitoring of whistleblowing.

Internal Audit

For FY2022, the Company has engaged TRS Forensics Pte. Ltd. ("**TRS**") as its Internal Auditors of the Group to perform internal audit work under an internal audit plan. TRS is a technology-based risk consulting firm with operations in Singapore, Malaysia and China. Other than internal audit and risk management, their professional expertise includes cybersecurity, forensic technology, investigation and data protection. 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 the 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.

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(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

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 ARC, NC and RC, attend the 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 auditor's report.

Provision 11.3 of the Code

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The attendance of the Directors of the Company at the Company's general meeting(s) held during FY2022 are reflected in the table below:

Provision 11.3 of the Code

Name of Director	General Meeting(s)
Number of meeting(s) held:	1
Number of meeting(s) attended:	
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

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 SGX-ST Listing Manual, 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

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

Engagement with Shareholders

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

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) the Annual Report prepared and issued to all Shareholders;

(c) press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings; and

(e) the 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

STATEMENT OF CORPORATE GOVERNANCE

Financial year ended 31 March 2022

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 at http://www.kimsengheng.com/contact-us.html which allows for an ongoing exchange of views and actively engages and promotes regular, effective and fair communication with Shareholders.

Deviated from Provision 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 FY2022 will also be set out in the Company's sustainability report which will be published on SGXNET together with this Annual Report.

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 2022

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 the Company and the Directors, executives and employees during the period commencing one month before the announcement of the Company's half year financial results and full year financial statements. The Company and the Directors, executives and employees are also prohibited from dealing 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 the 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 2022, the Company did not enter into any interested person transaction of a value exceeding S$100,000.

The Board confirms that for the financial year ended 31 March 2022, the Company has complied with Rule 1207(18) of the SGX-ST Listing Manual.

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 2022.

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 will be released via SGXNET together with this Annual Report.

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 2022.

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 2022 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 1967, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest	
Name of Director	**At the beginning of financial year**	**At the end of financial year**
The Company		
Ordinary shares		
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 2022.

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 1967, 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;

DIRECTORS' STATEMENT

- Reviewed the half-year and full-year financial results 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;
- 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 two 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.

DIRECTORS' STATEMENT

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
12 July 2022

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022, 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 1967 (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 2022 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 2022

Key Audit Matters (cont'd)

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 2022 arising from the volatility in market and economic conditions brought on by the ongoing COVID-19 pandemic. Accordingly, we identified this as a key audit matter.

As part of our audit procedures, we reviewed contractual terms for all 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 of 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 conditions, 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 28 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. As at 31 March 2022, the net carrying amount of the Group's interests in associates and joint ventures amounted to $230.6 million and $57.7 million respectively. During the year ended 31 March 2022, the Group did not recognise any impairment losses on loans and amounts due from associates and joint ventures.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Key Audit Matters (cont'd)

Accounting for interests in associates and joint ventures (cont'd)

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 is estimation uncertainty in determining the success of the development projects as at 31 March 2022 arising from the volatility in market and economic conditions brought on by the ongoing COVID-19 pandemic.

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 of 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 conditions. 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 and accounting estimates of the associates and joint ventures to determine their alignment with the Group's accounting policies and accounting estimates.

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Key Audit Matters (cont'd)

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 is estimation uncertainty as at 31 March 2022 arising from the volatility in market and economic conditions brought on by the ongoing COVID-19 pandemic.

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 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 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Other Information (cont'd)

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.

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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

- 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 2022

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 Ong Beng Lee, Ken.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

12 July 2022

BALANCE SHEETS

AS AT 31 MARCH 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Property, plant and equipment	4	**18,513**	20,342	**–**	–
Investments in subsidiaries	6	**–**	–	**16,791**	16,791
Interests in associates	7	**230,551**	201,712	**–**	–
Interests in joint ventures	8	**17,367**	78,684	**–**	–
Investment securities	9	**5,985**	3,665	**5,985**	3,665
Investment properties	10	**120,007**	117,130	**–**	–
Amount due from a minority shareholder of a subsidiary (non-trade)	11	**–**	2,269	**–**	–
Deferred tax assets	33	**1,249**	513	**308**	52
Club membership	12	**25**	26	**–**	–
Amounts due from subsidiaries (non-trade)	16	**–**	–	**188,816**	214,494
		393,697	424,341	**211,900**	235,002
Current assets					
Trade receivables	13	**7,246**	16,410	**–**	–
Other receivables and deposits	15	**2,447**	1,996	**95**	219
Prepayments		**619**	564	**40**	22
Amount due from a joint venture (non-trade)	8	**40,373**	–	**–**	–
Amounts due from associates (non-trade)	17	**–**	10	**–**	–
Contract assets	28	**30,441**	37,470	**–**	–
Structured deposits	14	**4,715**	–	**–**	–
Fixed deposits	18	**86,150**	62,136	**66,364**	37,663
Cash and bank balances	19	**56,919**	60,764	**3,442**	18,507
		228,910	179,350	**69,941**	56,411
Total assets		**622,607**	603,691	**281,841**	291,413
Current liabilities					
Trade payables	20	**26,805**	18,933	**–**	–
Other payables and accruals	21	**64,216**	51,798	**2,662**	979
Deferred income	18	**18**	18	**–**	
Lease liabilities	5(b)	**739**	780	**–**	–
Provision for income tax		**1,489**	2,020	**546**	591
Contract liabilities	28	**27,566**	22,287	**–**	–
Provision for onerous contract	28	**252**	–	**–**	–
Bank term loans, secured	22	**24,762**	40,793	**22,470**	39,960
Bills payable to banks, secured	23	**–**	16,910	**–**	–
		145,847	153,539	**25,678**	41,530

BALANCE SHEETS

AS AT 31 MARCH 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current liabilities					
Amounts due to subsidiaries (non-trade)	16	**–**	–	**91,231**	81,604
Other payables and accruals	21	**236**	210	**–**	–
Lease liabilities	5(b)	**3,896**	4,505	**–**	–
Bank term loans, secured	22	**95,125**	85,517	**88,250**	81,350
Deferred tax liabilities	33	**17,275**	16,367	**–**	–
		116,532	106,599	**179,481**	162,954
Total liabilities		**262,379**	260,138	**205,159**	204,484
Net assets		**360,228**	343,553	**76,682**	86,929
Equity attributable to owners of the Company					
Share capital	24	**50,915**	50,915	**50,915**	50,915
Treasury shares	25	**(2,128)**	(2,128)	**(2,128)**	(2,128)
Translation reserve	26	**4,630**	1,556	**–**	–
Accumulated profits		**277,163**	264,329	**25,266**	35,513
Other reserves	27	**5,742**	5,685	**2,629**	2,629
		336,322	320,357	**76,682**	86,929
Non-controlling interests		**23,906**	23,196	**–**	–
Total equity		**360,228**	343,553	**76,682**	86,929
Net asset value per share (cents per share)	35	**59.70**	56.86		

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

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Revenue					
Project revenue	28	**235,165**	149,038	**–**	–
Rental income from investment properties		**5,159**	4,056	**–**	–
		240,324	153,094	**–**	–
Other income	29	**10,265**	16,760	**7,544**	37,630
Cost of construction		**(224,344)**	(149,190)	**–**	–
Personnel expenses	30	**(10,376)**	(8,836)	**(3,748)**	(2,058)
Depreciation of property, plant and equipment	4	**(2,220)**	(2,182)	**–**	–
Finance costs	31	**(2,760)**	(2,838)	**(2,056)**	(2,350)
Other operating expenses	32	**(15,155)**	(7,186)	**(386)**	(635)
Impairment losses on financial assets	32	**–**	(1,375)	**–**	–
		(254,855)	(171,607)	**(6,190)**	(5,043)
(Loss)/profit from operations before share of results of associates and joint ventures		**(4,266)**	(1,753)	**1,354**	32,587
Share of results of associates		**25,790**	(6,313)	**–**	–
Share of results of joint ventures		**2,971**	3,384	**–**	–
Profit/(loss) before taxation		**24,495**	(4,682)	**1,354**	32,587
Income tax (expense)/credit	33	**(544)**	471	**(333)**	(654)
Profit/(loss) for the year		**23,951**	(4,211)	**1,021**	31,933
Attributable to:					
Owners of the Company		**24,159**	(3,794)	**1,021**	31,933
Non-controlling interests		**(208)**	(417)	**–**	–
		23,951	(4,211)	**1,021**	31,933
Earnings/(loss) per share (cents per share)					
– Basic and diluted	34	**4.29**	(0.67)		

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 2022

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Profit/(loss) for the year	**23,951**	(4,211)	**1,021**	31,933
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	**3,992**	3,394	**–**	–
Other comprehensive income for the year, net of tax	**3,992**	3,394	**–**	–
Total comprehensive income for the year	**27,943**	(817)	**1,021**	31,933
Total comprehensive income for attributable to:				
Owners of the Company	**27,233**	(1,036)	**1,021**	31,933
Non-controlling interests	**710**	219	**–**	–
	27,943	(817)	**1,021**	31,933

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 2022

		Attributable to owners of the Company							
Group	Note	Share capital $'000	Treasury shares $'000	Translation reserve $'000	Accumulated profits $'000	Other reserves $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2020		50,915	(1,645)	(1,202)	274,889	5,685	328,642	22,977	351,619
Loss for the year		–	–	–	(3,794)	–	(3,794)	(417)	(4,211)
Other comprehensive income									
Foreign currency translation		–	–	2,758	–	–	2,758	636	3,394
Other comprehensive income for the year		–	–	2,758	–	–	2,758	636	3,394
Total comprehensive income for the year		–	–	2,758	(3,794)	–	(1,036)	219	(817)
Contributions by and distributions to owners									
Purchase of treasury shares		–	(483)	–	–	–	(483)	–	(483)
Final tax-exempt dividends on ordinary shares	37	–	–	–	(6,766)	–	(6,766)	–	(6,766)
Total contributions by and distributions to owners		–	(483)	–	(6,766)	–	(7,249)	–	(7,249)
At 31 March 2021		50,915	(2,128)	1,556	264,329	5,685	320,357	23,196	343,553

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

		Attributable to owners of the Company							
Group	Note	Share capital $'000	Treasury shares $'000	Translation reserve $'000	Accumulated profits $'000	Other reserves $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2021		50,915	(2,128)	1,556	264,329	5,685	320,357	23,196	343,553
Profit/(loss) for the year		–	–	–	24,159	–	24,159	(208)	23,951
Other comprehensive income									
Foreign currency translation		–	–	3,074	–	–	3,074	918	3,992
Other comprehensive income for the year		–	–	3,074	–	–	3,074	918	3,992
Total comprehensive income for the year		–	–	3,074	24,159	–	27,233	710	27,943
Contributions by and distributions to owners									
Transfer to other reserves		–	–	–	(57)	57	–	–	–
Interim and final tax-exempt dividends on ordinary shares	37	–	–	–	(11,268)	–	(11,268)	–	(11,268)
Total contributions by and distributions to owners		–	–	–	(11,325)	57	(11,268)	–	(11,268)
At 31 March 2022		**50,915**	**(2,128)**	**4,630**	**277,163**	**5,742**	**336,322**	**23,906**	**360,228**

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Share capital $'000	Treasury shares $'000	Accumulated profits $'000	Other reserves $'000	Total equity $'000
Company						
At 1 April 2020		50,915	(1,645)	10,346	2,629	62,245
Profit for the year		–	–	31,933	–	31,933
Total comprehensive income for the year		–	–	31,933	–	31,933
Contributions by and distributions to owners						
Purchase of treasury shares		–	(483)	–	–	(483)
Final tax-exempt dividends on ordinary shares	36	–	–	(6,766)	–	(6,766)
At 31 March 2021		50,915	(2,128)	35,513	2,629	86,929
At 1 April 2021		50,915	(2,128)	35,513	2,629	86,929
Profit for the year		–	–	1,021	–	1,021
Total comprehensive income for the year		50,915	(2,128)	36,534	2,629	87,950
Contributions by and distributions to owners						
Interim and final tax-exempt dividends on ordinary shares	36	–	–	(11,268)	–	(11,268)
At 31 March 2022		**50,915**	**(2,128)**	**25,266**	**2,629**	**76,682**

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 2022

	Note	2022 $'000	2021 $'000
Operating activities			
Profit/(loss) before taxation		**24,495**	(4,682)
Adjustments for:			
Depreciation of property, plant and equipment	4	**2,220**	2,182
Amortisation of club membership	12	**1**	3
Loss/(gain) on disposal of plant and equipment, net		**6**	(288)
Gain on disposal of an associate	7	**(66)**	–
Loss on fair value adjustments of investment properties, net	10	**1,126**	2,633
Fair value loss on structured deposits		**–**	18
Fair value (gain)/loss on quoted debt instruments (investment securities)	32	**(322)**	248
Impairment losses on financial assets	32	**–**	1,375
Write-off of bad debts		**54**	–
Provision for onerous contract		**252**	–
Interest expense	31	**2,504**	2,452
Interest income	29	**(5,896)**	(5,884)
Share of results of associates		**(25,790)**	6,313
Share of results of joint ventures		**(2,971)**	(3,384)
Exchange differences		**2,425**	214
Operating cash flows before changes in working capital		**(1,962)**	1,200
Changes in working capital:			
Decrease/(increase) in:			
Trade and other receivables, deposits and prepayments		**8,604**	12,197
Amount due from a minority shareholder of a subsidiary (non-trade)		**2,269**	–
Contract assets		**7,029**	(4,811)
Increase/(decrease) in:			
Trade and other payables and accruals		**20,315**	9,326
Deferred income		**–**	(727)
Contract liabilities		**5,279**	(979)
Cash flows from operations		**41,534**	16,206
Income taxes paid		**(1,525)**	(2,022)
Interest income received		**5,896**	5,884
Net cash flows from operating activities		**45,905**	20,068
Investing activities			
Purchase of plant and equipment	4	**(418)**	(1,456)
Proceeds from disposal of plant and equipment		**1**	321
Proceeds from cancellation of shares in associates on capital reduction	7	**490**	450
Purchase of quoted debt instruments (investment securities)		**(1,998)**	(1,002)
Increase in loans and amounts due from associates, net		**(6,328)**	(11,174)
Decrease/(increase) in loans and amounts due from joint ventures, net		**20,496**	(1,248)
Dividends received from associates		**811**	840
Dividends received from joint ventures		**3,486**	3,000
Net cash flows from/(used in) investing activities		**16,540**	(10,269)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 $'000	2021 $'000
Financing activities			
Dividends paid		**(11,268)**	(6,766)
Purchase of treasury shares		**–**	(483)
Proceeds from bank term loans		**38,500**	35,000
Repayment of bank term loans		**(44,923)**	(51,190)
Proceeds from bills payable to banks		**–**	6,190
Repayment of bills payable to banks		**(16,910)**	–
Payment of principal portion of lease liabilities		**(625)**	(668)
Interest paid		**(2,504)**	(2,452)
Increase in structured deposits		**(4,715)**	–
Decrease in pledged fixed deposits		**4,957**	13,448
Net cash flows used in financing activities		**(37,488)**	(6,921)
Net increase in cash and cash equivalents		**24,957**	2,878
Effect of exchange rate changes on cash and cash equivalents		**169**	52
Cash and cash equivalents at beginning of year		**69,028**	66,098
Cash and cash equivalents at end of year	19	**94,154**	69,028

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 2022

1. CORPORATION INFORMATION

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 that in the current financial year, the Group has adopted all the new and amended standards and interpretations which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations 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 *Business Combination*: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and SFRS(I) Practice Statement 2*: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 *Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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;
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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	–	22 years to 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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any 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 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Joint ventures and associates (cont'd)

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.

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 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(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 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Impairment of financial assets (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Construction contracts (cont'd)

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.

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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (cont'd)

(a) As lessee (cont'd)

(ii) *Lease liabilities (cont'd)*

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.

(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).

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 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue (cont'd)

(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 as a receivable at their fair value 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 fair value is recognised as deferred income on the balance sheet and is recognised as income in equal amounts over the expected useful life of the related asset.

Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which the grants are intended to compensate are expensed. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as 'other income'. Alternatively, they are deducted in reporting the related expenses.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(a) Current income tax (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 38, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(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 2022, the Group recorded revenue of $235,165,000 (2021: $149,038,000) from its construction contracts. The carrying amounts of contract assets and contract liabilities arising from construction contracts as at 31 March 2022 are $30,441,000 (2021: $37,470,000) and $27,566,000 (2021: $22,287,000) respectively.

(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 2022.

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 40(d)(i). The carrying amount of the Group's investment properties as at 31 March 2022 was $120,007,000 (2021: $117,130,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(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 2022

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold factory 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	Total $'000
Cost								
As at 1.4.2020	18,106	1,126	2,541	2,895	550	13,587	1,012	39,817
Remeasurement	(28)	–	–	–	–	–	–	(28)
Additions	–	–	258	1,050	83	65	–	1,456
Disposals	(28)	(23)	(13)	(892)	(15)	(34)	–	(1,005)
Translation difference	–	8	3	3	–	–	–	14
As at 31.3.2021 and 1.4.2021	18,050	1,111	2,789	3,056	618	13,618	1,012	40,254
Remeasurement	–	–	(25)	–	–	–	–	(25)
Additions	–	–	205	–	190	23	–	418
Disposals	–	–	(132)	–	(12)	(37)	–	(181)
Translation difference	–	17	5	7	–	–	–	29
As at 31.3.2022	**18,050**	**1,128**	**2,842**	**3,063**	**796**	**13,604**	**1,012**	**40,495**
Accumulated depreciation								
As at 1.4.2020	1,640	1,017	1,937	2,328	335	10,478	954	18,689
Charge for the year	686	31	296	259	73	820	17	2,182
Disposals	(18)	(23)	(13)	(888)	(13)	(17)	–	(972)
Translation difference	–	9	1	3	–	–	–	13
As at 31.3.2021 and 1.4.2021	2,308	1,034	2,221	1,702	395	11,281	971	19,912
Charge for the year	700	14	253	364	100	776	13	2,220
Disposals	–	–	(128)	–	(9)	(37)	–	(174)
Translation difference	–	17	3	4	–	–	–	24
As at 31.3.2022	**3,008**	**1,065**	**2,349**	**2,070**	**486**	**12,020**	**984**	**21,982**
Net carrying amount								
As at 31.3.2021	15,742	77	568	1,354	223	2,337	41	20,342
As at 31.3.2022	**15,042**	**63**	**493**	**993**	**310**	**1,584**	**28**	**18,513**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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 $418,000 (2021: $1,456,000) were made to purchase property, plant and equipment during the year ended 31 March 2022.

Assets held under finance lease arrangement

During the financial year ended 31 March 2022, the Group acquired property, plant and equipment with an aggregate cost of $418,000 (2021: $1,456,000) of which $nil (2021: $nil) 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:

	Group	
	2022	**2021**
	$'000	**$'000**
Motor vehicles	**138**	277
Plant and machinery	**889**	1,282
Loose tools	**13**	23

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 $15,042,000 (2021: $15,742,000) has been pledged as security for banking facilities granted by the banks (Note 22).

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 2022

5. LEASES (CONT'D)

(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
Group						
Carrying amounts at 1 April 2020	4,031	139	488	34	1,673	6,365
Remeasurement	(28)	–	–	–	–	(28)
Depreciation	(137)	(52)	(206)	(11)	(391)	(797)
Carrying amounts at 31 March 2021	3,866	87	282	23	1,282	5,540
Remeasurement	–	(25)	–	–	–	(25)
Depreciation	(138)	(39)	(145)	(11)	(391)	(724)
Carrying amounts at 31 March 2022	**3,728**	**23**	**137**	**12**	**891**	**4,791**

(b) Lease liabilities

	Group 2022 $'000	Group 2021 $'000
Lease liabilities arising from finance lease arrangement	**700**	1,200
Lease liabilities arising from operating lease arrangement	**3,935**	4,085
Total lease liabilities	**4,635**	5,285
Represented by:		
Current	**739**	780
Non-current	**3,896**	4,505
	4,635	5,285

The movements of lease liabilities during the year are disclosed in Note 22 and the maturity analysis of lease liabilities is disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

5. LEASES (CONT'D)

(c) *Amounts recognised in profit or loss*

	Group 2022 $'000	Group 2021 $'000
Depreciation of right-of-use assets	**724**	797
Interest expense on lease liabilities (Note 31)	**187**	208
Lease expenses not capitalised in lease liabilities:		
– Expenses relating to leases of short-term leases (included in other operating expenses) (Note 32)	**132**	133
Total amount recognised in profit or loss	**1,043**	1,138

(d) *Total cash outflow*

The Group had total cash outflows for leases of $625,000 (2021: $668,000) during the year.

(e) *Variable lease payments*

The Group has two 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 2022 $'000	Company 2021 $'000
Unquoted equity shares:		
Cost at the beginning and end of the year	**16,791**	16,791

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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 2022 %	2021 %
	Held by the Company			
#	Kim Seng Heng Engineering Construction (Pte) Ltd ("KSHEC") (Republic of Singapore)	Carry on business as builders and contractors	**100**	100
#	Kim Seng Heng Realty Pte Ltd ("KSHR") (Republic of Singapore)	Property development	**100**	100
#	KSH Overseas Pte. Ltd. ("KSHO") (Republic of Singapore)	Investment holding	**100**	100
#	KSH Property Development Pte. Ltd. ("KSHPD") (Republic of Singapore)	Property development	**100**	100
#	KSH Property Investment Pte. Ltd. ("KSHPI") (Republic of Singapore)	Holding of assets	**100**	100
#	Ferris Rise Pte. Ltd. ("FERRIS") (Republic of Singapore)	Holding of assets	**100**	100
*	KSH Asia Investment Pte. Ltd. ("KSHAI") (Republic of Singapore)	Investment holding	**100**	100
*	KSH Commercial Investment Pte. Ltd. ("KSHCI") (Republic of Singapore)	Investment holding	**100**	100
#	KSH Capital Pte. Ltd. ("KSHCA") (Republic of Singapore)	Investment holding	**100**	100
#	KSH Asia Property Pte. Ltd. ("KSHAP") (Republic of Singapore)	Investment holding	**100**	100
*	KSH Vietnam Investment Pte. Ltd. ("KSHVI") (Republic of Singapore)	Investment holding	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (cont'd)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	2021 %
	Held by the Company (cont'd)			
#	KSH Hotels Investments Pte. Ltd. ("KSHHI") (Republic of Singapore)	Investment holding	**100**	100
#	KSH Investments Management Pte. Ltd. ("KSHIM") (Republic of Singapore)	Holding of assets for investment	**100**	100
#	KSH Foreign Investment Pte. Ltd. ("KSHFI") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100
#	KSH International Investment Pte. Ltd. ("KSHII") (Republic of Singapore)	Investment holding	**100**	100
#	KSH Investments Property Holdings Pte. Ltd. ("KSHIPH") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100
#	KSH Asia Pacific Investments Pte. Ltd. ("KSHAS") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100
#	KSH Hotels Asia Pte. Ltd. ("KSHHA") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (cont'd)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	2021 %
	Held by subsidiaries			
^	Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE") (The People's Republic of China)	Construction, rental, sale of property	**69**	69
^	Tianjin Tian Xing Property Management Co., Ltd. ("TTXPM") (The People's Republic of China)	Property management	**69**	69
@	Duford Investment (Hong Kong) Limited ("Duford") (Hong Kong Special Administrative Region)	Investment holding	**100**	100
* ¤	Techpath Construction Sdn Bhd ("Techpath") (Malaysia)	Building construction	**100**	100
#	KSH Land Development Pte. Ltd. ("KSHLD") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100
#	KSH Global Investment Pte. Ltd. ("KSHGI") (Republic of Singapore)	Property development	**100**	100
#	KSH Development Pte. Ltd. ("KSHDE") (Republic of Singapore)	Property development	**100**	100
#	Development 88 Pte. Ltd. ("Dev88") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (cont'd)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	Effective equity interest held by the Group 2021 %
	Held by subsidiaries (cont'd)			
#	KSH Premier Investment Pte. Ltd. ("KSHPR") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100
#	KSH Engineering Builders Pte. Ltd. ("KSHEB") (Republic of Singapore)	Carry on business as builders and contractors	**100**	100
#	KSH Residential Pte. Ltd. ("KSHRE") (Republic of Singapore)	Property development and holding of assets for investment	**100**	100
#(1)	Ultra Infinity Pte. Ltd. ("ULTRA") (Republic of Singapore)	Property development and holding of assets for investment	**–**	100

\# Audited by Ernst & Young LLP, Singapore.
^ Audited by Tianjin Shencheng Certified Public Accountants Co., Ltd, the People's Republic of China.
* Reviewed by Ernst & Young LLP, Singapore, for consolidation purposes only.
@ Audited by C K Yau & Partners CPA Limited, Certified Public Accountants (Practising), Hong Kong.
¤ Not considered a significant subsidiary.
(1) On 28 May 2021, the Group's effective interest in ULTRA decreased from 100% to 33.3% and ULTRA became a 33.3%-owned joint venture of the Group.

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 allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 March 2022:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	**31%**	**(458)**	**23,632**	**–**
31 March 2021:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	31%	(437)	22,862	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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	
	2022	**2021**
	$'000	**$'000**
Current		
Assets	**4,983**	3,579
Liabilities	**(4,430)**	(4,461)
Net current assets/(liabilities)	**553**	(882)
Non-current		
Assets	**102,715**	103,243
Liabilities	**(27,034)**	(28,611)
Net non-current assets	**75,681**	74,632
Net assets	**76,234**	73,750

Summarised statement of comprehensive income

	TTXRE	
	2022	**2021**
	$'000	**$'000**
Revenue	**3,075**	2,096
Other income	**126**	284
Loss before taxation	**(648)**	(1,356)
Income tax credit/(expense)	**190**	(53)
Loss after taxation	**(458)**	(1,409)
Other comprehensive income, net of tax	**2,942**	2,035
Total comprehensive income for the year	**2,484**	626

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. INTERESTS IN ASSOCIATES

	Group	
	2022	**2021**
	$'000	**$'000**
Shares, at cost	**36,687**	37,137
Cancellation of shares pursuant to capital reduction	**(490)**	(450)
	36,197	36,687
Share of post-acquisition reserves	**154,635**	130,010
Dividends receivable	**(382)**	(367)
Dividends received	**(115,522)**	(114,711)
Translation difference	**(1,611)**	(2,362)
Carrying amount of investments	**73,317**	49,257
Loans due from associates^	**138,067**	132,279
Loans due to associates	**(1,244)**	(1,244)
Amounts due from associates (non-trade)	**20,411**	21,420
	230,551	201,712

^ Amount includes share of losses of associates amounting to $17,790,000 (2021: $25,003,000) applied to loans due from associates

Loans due from associates amounting to $114,545,000 (2021: $106,217,000) 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% (2021: 3.00% to 5.28%) per annum and are to be settled in cash.

The remaining loans due from associates, amounting to $23,522,000 (2021: $26,062,000) 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 $1,244,000 (2021: $1,244,000) 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 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 2022

7. INTERESTS IN ASSOCIATES (CONT'D)

Expected credit loss

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

	Group	
	2022	2021
	$'000	$'000
Movement in allowance account:		
At beginning of the year	**4,869**	2,981
Write-back during the year	**–**	(24)
Charge for the year	**–**	1,912
At end of the year	**4,869**	4,869

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

	Group	
	2022	2021
	$'000	$'000
Dawa Hospitality Private Limited	**1,531**	1,568
Unique Development Pte. Ltd.	**1,266**	1,263
Unique Rezi Pte. Ltd.	**1,183**	1,209
Unique Capital Pte. Ltd.	**804**	1,048
SH Sapporo Pte. Ltd.	**1,047**	1,233
Rio Casa Venture Pte. Ltd	**25,450**	7,108
Beijing Jin Hua Tong Da Real Estate Development Co., Ltd	**16,472**	17,368
Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd.	**6,539**	6,199
Hebei Yuezhi Real Estate Development Co., Ltd.	**9,444**	9,134
Other associates	**9,581**	3,127
Carrying amount of investments in associates	**73,317**	49,257

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. INTERESTS IN ASSOCIATES (CONT'D)

The Group has not recognised losses relating to Klang City Development Pte. Ltd., Unique Commercial Pte. Ltd. and Oldham Street Pte. Ltd., where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the end of the reporting period was $2,381,000 (2021: $1,556,000), of which $825,000 (2021: $183,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

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 2022 %	2021 %
	Held by subsidiaries			
@	Beijing Jin Hua Tong Da Real Estate Development Co., Ltd. ("BJHTD") (The People's Republic of China)	Residential property developer	**45**	45
# (2)	Mergui Development Pte. Ltd. ("Mergui") (Republic of Singapore)	Property development	**–**	35
^	Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd. ("KSHEC Beijing") (The People's Republic of China)	Engineering and construction	**50**	50
#	Unique Development Pte. Ltd. ("Unique Development") (Republic of Singapore)	Real estate developers	**35**	35
#	Development 26 Pte. Ltd. ("Dev 26") (Republic of Singapore)	Property development	**45**	45
#	Residenza Pte. Ltd. ("Residenza") (Republic of Singapore)	Property development	**32**	32
#	Unique Realty Pte. Ltd. ("Unique Realty") (Republic of Singapore)	Property development	**25**	25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	2021 %
	Held by subsidiaries (cont'd)			
#	Unique Consortium Pte. Ltd. ("Unique Consortium") (Republic of Singapore)	Investment holding	**35**	35
#	Unique Capital Pte. Ltd. ("Unique Capital") (Republic of Singapore)	Investment holding	**25**	25
#	Unique Rezi Pte. Ltd. ("Unique Rezi") (Republic of Singapore)	Investment holding	**42**	42
#	Unique Resi Estate Pte. Ltd. ("Unique Resi Estate") (Republic of Singapore)	Property development	**30**	30
*	Unique Commercial Pte. Ltd. ("Unique Commercial") (Republic of Singapore)	Property development	**35**	35
#	Development 32 Pte. Ltd. ("Dev 32") (Republic of Singapore)	Property development	**45**	45
#	Wealth Development Pte. Ltd. ("Wealth Development") (Republic of Singapore)	Property development	**30**	30
*	Klang City Development Pte. Ltd. ("Klang City Development") (Republic of Singapore)	Investment holding	**40**	40

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	2021 %
	Held by subsidiaries (cont'd)			
#	Epic Land Pte. Ltd. ("EPIC") (Republic of Singapore)	Property dealing and property rental business	**28**	28
# (1)	Glenthorne Pte. Ltd. ("Glenthorne") (Republic of Singapore)	Investment holding	**10**	10
# (1)	Fairmont Land Pte. Ltd. ("Fairmont") (Republic of Singapore)	Investment holding	**15**	15
#	Prospere Hotels Pte. Ltd. ("Prospere") (Republic of Singapore)	Investment holding	**30**	30
*	Development 35 Pte. Ltd. ("Dev 35") (Republic of Singapore)	Property development	**49**	49
#	Goldprime Realty Pte. Ltd. ("Goldprime") (Republic of Singapore)	Investment holding	**20**	20
#	Oldham Street Pte. Ltd. ("Oldham") (Republic of Singapore)	Investment holding	**25**	25
#	Unique Invesco Pte. Ltd. ("UNIV") (Republic of Singapore)	Investment holding	**37.5**	37.5
#	Development 24 Pte. Ltd. ("DEV24") (Republic of Singapore)	Property development	**48**	48

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	2021 %
	Held by subsidiaries (cont'd)			
+	Rio Casa Venture Pte. Ltd. ("Rio Casa") (Republic of Singapore)	Property development	**35**	35
~	Hebei Yuezhi Real Estate Development Co., Ltd. ("Hebei Yuezhi") (The People's Republic of China)	Real estate developers	**22.5**	22.5
#	Prospere Glow Pte Ltd ("Glow") (Republic of Singapore)	Investment holding	**20**	20
#	Prospere Bliss Pte Ltd ("Bliss") (Republic of Singapore)	Investment holding	**30**	30
= (1)	Dawa Hospitality Private Limited ("Dawa") (Bhutan)	Investment holding	**10**	10
#	Prospere Glory Pte Ltd ("Glory") (Republic of Singapore)	Investment holding	**20**	20
# (1)	Leeds Bridge Pte Ltd ("Leeds") (Republic of Singapore)	Investment holding	**17.5**	17.5
# (1)	Wickham Invesco Pte Ltd ("Wickham") (Republic of Singapore)	Investment holding	**15**	15
# (1)	SH Sapporo Pte Ltd ("SH Sapporo") (Republic of Singapore)	Investment holding	**10**	10
#	KAP Hotel Investments Pte Ltd ("KAP Hotel") (Republic of Singapore)	Investment holding	**20**	20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

@ Audited by Grant Thornton, Zi Tong Certified Public Accountants, the People's Republic of China

* Audited by Baker Tilly TFW 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] 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.

[2] Struck off with effect from 7 April 2022.

There is no significant restriction in the ability of the Group's associates to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

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

	2022 $'000	2021 $'000
Profit/(loss) after taxation	**37,343**	(12,778)
Other comprehensive income, net of tax	**219**	219
Total comprehensive income for the year	**37,562**	(12,559)

7. INTERESTS IN ASSOCIATES (CONT'D)

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		Unique Rezi		Rio Casa	
	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	**5,198**	5,951	**4,383**	4,337	**34**	51	**–**	53,037
Non-current assets	**14,825**	10,210	**–**	–	**2,808**	2,854	**736,294**	1,200,298
Total assets	**20,023**	16,161	**4,383**	4,337	**2,842**	2,905	**736,294**	1,253,335
Current liabilities	**(789)**	(662)	**(71)**	(62)	**(29)**	(28)	**(26,713)**	(479,233)
Non-current liabilities	**(4,101)**	–	**(698)**	(668)	**–**	–	**(636,870)**	(753,797)
Total liabilities	**(4,890)**	(662)	**(769)**	(730)	**(29)**	(28)	**(663,583)**	(1,233,030)
Net assets	**15,133**	15,499	**3,614**	3,607	**2,813**	2,877	**72,711**	20,305
Proportion of Group's ownership	**10%**	10%	**35%**	35%	**42%**	42%	**35%**	35%
Group's share of net assets	**1,513**	1,550	**1,265**	1,262	**1,182**	1,208	**25,449**	7,107
Other adjustments	**18***	18*	**1***	1*	**1***	1*	**1***	1*
Carrying amount of investment	**1,531**	1,568	**1,266**	1,263	**1,183**	1,209	**25,450**	7,108

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. INTERESTS IN ASSOCIATES (CONT'D)

Summarised balance sheet (cont'd)

	Unique Capital		SH Sapporo		BJHTD		Sino-KSHEC		Hebei Yuezhi	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	**47**	22	**465**	128	**40,220**	41,960	**21,045**	22,448	**42,004**	40,625
Non-current assets	**6,935**	9,264	**19,415**	23,576	**34,833**	35,805	**–**	–	**–**	–
Total assets	**6,982**	9,286	**19,880**	23,704	**75,053**	77,765	**21,045**	22,448	**42,004**	40,625
Current liabilities	**(227)**	(154)	**(74)**	(129)	**(38,449)**	(39,170)	**(7,968)**	(10,051)	**–**	–
Non-current liabilities	**(3,537)**	(4,939)	**(9,333)**	(11,245)	**–**	–	**–**	–	**–**	–
Total liabilities	**(3,764)**	(5,093)	**(9,407)**	(11,374)	**(38,449)**	(39,170)	**(7,968)**	(10,051)	**–**	–
Net assets	**3,218**	4,193	**10,473**	12,330	**36,604**	38,595	**13,077**	12,397	**42,004**	40,625
Proportion of Group's ownership	**25%**	25%	**10%**	10%	**45%**	45%	**50%**	50%	**22.5%**	22.5%
Group's share of net assets	**804**	1,048	**1,047**	1,233	**16,472**	17,368	**6,539**	6,199	**9,451**	9,141
Other adjustments	**–**	–	**–**	–	**–**	–	**–**	–	**(7)***	(7)*
Carrying amount of investment	**804**	1,048	**1,047**	1,233	**16,472**	17,368	**6,539**	6,199	**9,444**	9,134

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

7. INTERESTS IN ASSOCIATES (CONT'D)

Summarised statement of comprehensive income

	Dawa Hospitality		Unique Development		Unique Rezi		Rio Casa	
	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	**–**	–	**–**	–	**–**	–	**508,651**	287,635
(Loss)/profit after taxation	**(366)**	(939)	**7**	1,001	**(64)**	(41)	**52,406**	20,093
Total comprehensive income for the year	**(366)**	(939)	**7**	1,001	**(64)**	(41)	**52,406**	20,093

	Unique Capital		SH Sapporo		BJHTD		Sino-KSHEC		Hebei Yuezhi	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	**–**	–	**–**	–	**894**	5,450	**–**	–	**–**	–
(Loss)/profit after taxation	**(976)**	(2,840)	**(1,858)**	37	**(2,398)**	(541)	**187**	(242)	**(154)**	(122)
Other comprehensive income, net of tax	**–**	–	**–**	–	**407**	808	**494**	264	**1,533**	847
Total comprehensive income for the year	**(976)**	(2,840)	**(1,858)**	37	**(1,991)**	267	**681**	22	**1,379**	725

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

8. INTERESTS IN JOINT VENTURES

Details of the joint ventures are as follows:

	Group	
	2022 **$'000**	**2021** **$'000**
Shares, at cost	**250**	250
Share of post-acquisition reserves	**35,110**	32,439
Dividends received	**(28,819)**	(25,333)
Carrying amount of investments	**6,541**	7,356
Loans due from joint ventures^	**4,305**	62,854
Amounts due from joint ventures (non-trade) (non-current)	**6,521**	8,474
Amount due from a joint venture (non-trade) (current)	**40,373**	–
	57,740	78,684

^ Amount includes share of losses of joint ventures amounting to $6,330,000 (2021: $6,028,000) applied to loans due from joint ventures.

Loans due from joint ventures amounting to $4,305,000 (2021: $62,854,000) are unsecured and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 1.10% to 1.53% (2021: 5.25%) per annum and are to be settled in cash.

Amounts due from joint ventures (non-trade) (non-current) 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.

Amount due from a joint venture (non-trade) (current) are unsecured, non-interest bearing and are expected to be repaid within the next twelve months. This balance is to be settled in cash.

Expected credit loss

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

	Group	
	2022 **$'000**	**2021** **$'000**
Movement in allowance account:		
At beginning of the year	**–**	513
Write-back during the year	**–**	(513)
At end of the year	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

8. INTERESTS IN JOINT VENTURES (CONT'D)

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

	Group	
	2022	**2021**
	$'000	**$'000**
Unique Residence Pte. Ltd.	**1,048**	4,348
Unique Real Estate Pte. Ltd.	**5,214**	3,008
Other joint ventures	**279**	–
Carrying amount of investments in joint ventures	**6,541**	7,356

The Group has not recognised losses relating to Phileap Pte. Ltd. where its share of losses exceeds the Group's interest in this joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was $601,000 (2021: $399,000), of which $202,000 (2021: $399,000) was the share of the current years' losses. The Group has no obligation in respect of these losses.

	Name of joint venture (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	2021 %
	Held by a subsidiary			
#	Phileap Pte. Ltd. ("Phileap") (Republic of Singapore)	Property development	**25**	25
#	Unique Residence Pte. Ltd. ("Unique Residence") (Republic of Singapore)	Investment holding	**50**	50
#	Unique Real Estate Pte. Ltd. ("Unique Real Estate") (Republic of Singapore)	Investment holding	**50**	50
# (1)	SLB (MB) Pte. Ltd. ("SLB (MB)") (Republic of Singapore)	Investment holding	**50**	50
# (2)	Ultra Infinity Pte. Ltd. ("ULTRA") (Republic of Singapore)	Property development	**33.3**	–
# (3)	TK 189 Development Pte. Ltd. ("TK 189") (Republic of Singapore)	Property development	**50**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

8. INTERESTS IN JOINT VENTURES (CONT'D)

	Name of joint venture (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2022 %	2021 %
	Held by a joint venture			
#	Fernvale Development Pte. Ltd. ("Fernvale Development") (Republic of Singapore)	Property development	**20**	20
#	CEL Unique Pte. Ltd. ("CEL Unique") (Republic of Singapore)	Investment holding	**20**	20
#	CEL Unique Holdings Pte. Ltd. ("CEL Unique Holdings") (Republic of Singapore)	Investment holding	**20**	20
#	CEL Unique Development Pte. Ltd. ("CEL Unique Development") (Republic of Singapore)	Property development	**20**	20
# (4)	Sophia Commercial Pte. Ltd ("Sophia Commercial") (Republic of Singapore)	Property development	**9.9**	–
# (4)	Sophia Residential Pte. Ltd. ("Sophia Residential") (Republic of Singapore)	Property development	**9.9**	–

\# Audited by Ernst & Young LLP, Singapore

(1) On 25 September 2020, Dev88, a wholly-owned subsidiary of the Company, acquired 50% equity interest in SLB (MB) for a cash consideration of $10.

(2) On 28 May 2021, the Group's effective interest in ULTRA decreased from 100% to 33.3% and ULTRA became a 33.3%-owned joint venture of the Group.

(3) On 3 August 2021, KSHR, a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, TK 189, for a cash consideration of $1. On 14 January 2022, the Group's effective interest in TK 189 decreased from 100% to 50% and TK 189 became a 50%-owned joint venture of the Group.

(4) On 14 December 2021, ULTRA, a 33.3%-owned joint venture of the Group, acquired 30% equity interest in Sophia Commercial and 30% equity interest in Sophia Residential for a cash consideration of $3 each.

There is no significant restriction in the ability of the Group's joint ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

8. INTERESTS IN JOINT VENTURES (CONT'D)

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

	2022 $'000	2021 $'000
Profit/(loss) after taxation, representing total comprehensive income for the year	**555**	(15)

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	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**
Cash and cash equivalents	**3,499**	364	**16**	43	**168**	157
Development property	**5,954**	12,622	**–**	–	**–**	–
Other current assets	**15**	118	**–**	1	**1**	1
Current assets	**9,468**	13,104	**16**	44	**169**	158
Non-current assets	**–**	–	**2,088**	8,943	**151,062**	141,351
Total assets	**9,468**	13,104	**2,104**	8,987	**151,231**	141,509
Current liabilities	**3,490**	18	**8**	18	**60,041**	3
Non-current liabilities	**31,273**	37,169	**–**	273	**80,762**	135,489
Total liabilities	**34,763**	37,187	**8**	291	**140,803**	135,492
Net (liabilities)/assets	**(25,295)**	(24,083)	**2,096**	8,696	**10,428**	6,017
Proportion of the Group's ownership	**25%**	25%	**50%**	50%	**50%**	50%
Group's share of net (liabilities)/assets	**(6,324)**	(6,021)	**1,048**	4,348	**5,214**	3,008
Share of losses applied to loans due from joint ventures	**6,324**	6,021	**–**	–	**–**	–
Carrying amount of investments in joint ventures	**–**	–	**1,048**	4,348	**5,214**	3,008

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

8. INTERESTS IN JOINT VENTURES (CONT'D)

Summarised statement of comprehensive income

	Phileap		Unique Residence		Unique Real Estate	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	**7,769**	15,785	**–**	–	**–**	–
Interest income	**–**	–	**–**	–	**1,465**	1,327
Interest expense	**–**	–	**–**	–	**(1,848)**	(1,351)
Profit/(loss) after taxation, representing total comprehensive income for the year	**390**	(5,362)	**372**	1,198	**4,411**	9,888

9. INVESTMENT SECURITIES

Financial assets

	Group and Company	
	2022	2021
	$'000	$'000
At fair value through profit or loss		
– Debt securities (quoted)		
Oxley MTN 6.9%[1]	**1,975**	–
Oxley MTN 6.5%[1]	**2,992**	2,691
Heeton MTN 6.8%[1]	**1,018**	974
	5,985	3,665

(1) The Group and the Company have elected to measure these debt securities at fair value through profit or loss. Fair value of these debt securities is determined by reference to published price quotations in an active market.

10. INVESTMENT PROPERTIES

	Group	
	2022	2021
	$'000	$'000
At beginning of the year	**117,130**	117,604
Loss on fair value adjustments of investment properties, net	**(1,126)**	(2,633)
Translation difference	**4,003**	2,159
At end of the year	**120,007**	117,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

10. INVESTMENT PROPERTIES (CONT'D)

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	
	2022	2021
	$'000	$'000
Rental generating properties	**889**	738

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

	Name of property	Description	Fair value	
			2022	2021
			$'000	$'000
[1]	Sheares Ville	Freehold residential property at 9 Holt Road #12-05 Singapore 249446, comprising an estimated floor area of 443 square metres	**6,450**	5,800
[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)	**102,647**	100,890
[3]	Centennia Suites	Freehold residential property at 100 Kim Seng Road #13-01 Singapore 239427, comprising an estimated floor area of 115 square metres	**3,160**	2,900
[3]	Lincoln Suites	Freehold residential property at Blk 1 Khiang Guan Avenue #23-02 Singapore 308380, comprising an estimated floor area of 150 square metres	**3,640**	3,540
[3]	Lincoln Suites	Freehold residential property at Blk 1 Khiang Guan Avenue #23-01 Singapore 308380, comprising an estimated floor area of 171 square metres	**4,110**	4,000
			120,007	117,130

(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 September 2021 and October 2020.

(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 2022 and March 2021.

(3) The fair values have been determined based on valuations performed by TEHO Property Consultants Pte. Ltd., an independent professional valuer, carried out in March 2022 and March 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

10. INVESTMENT PROPERTIES (CONT'D)

Rental income earned by the Group for the year ended 31 March 2022 from its investment properties, all of which are leased out under operating leases and comprising only minimum lease payments, amounted to $5,159,000 (2021: $4,056,000).

The investment properties have been pledged as securities for banking facilities granted by the banks (Note 22).

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

As at 31 March 2021, this amount was unsecured, non-interest bearing and was not expected to be repaid within the next twelve months. This amount was fully repaid during the year.

12. CLUB MEMBERSHIP

	Group	
	2022	**2021**
	$'000	**$'000**
Cost		
As at beginning and end of the year	**60**	60
Accumulated amortisation		
As at beginning of the year	**34**	31
Charge for the year	**1**	3
As at end of the year	**35**	34
Net carrying amount		
As at end of the year	**25**	26

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. TRADE RECEIVABLES

	Group	
	2022	**2021**
	$'000	**$'000**
Trade receivables due from external parties	**7,246**	16,281
Sales tax receivable	**–**	129
	7,246	16,410

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

13. TRADE RECEIVABLES (CONT'D)

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 $4,466,000 (2021: $5,131,000) which has been assigned to the banks for banking facilities granted to the Group as disclosed in Note 22.

Expected credit losses

There is no allowance made for the expected credit losses of trade receivables as at 31 March 2022 and 31 March 2021.

14. STRUCTURED DEPOSITS

		Group	
	Maturity date	2022 $'000	2021 $'000
Structured deposits	October 2022	**4,715**	–

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.

15. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Grant receivable	**68**	506	**–**	7
Sundry debtors	**1,540**	1,174	**–**	10
Deposits	**958**	318	**–**	–
Interest receivable	**96**	206	**95**	202
Dividends receivable	**382**	366	**–**	–
	3,044	2,570	**95**	219
Less: Allowance for impairment	**(597)**	(574)	**–**	–
	2,447	1,996	**95**	219

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

15. OTHER RECEIVABLES AND DEPOSITS (CONT'D)

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

	Group	
	2022	2021
	$'000	$'000
Chinese Renminbi	**1,325**	967

Expected credit losses

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

	Group	
	2022	2021
	$'000	$'000
Movement in allowance account:		
At beginning of the year	**574**	561
Exchange differences	**23**	13
At end of the year	**597**	574

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

Amounts due from subsidiaries (non-trade) amounting to $72,397,000 (2021: $114,400,000) 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 1.39 to 5.28% (2021: 1.08% to 5.28%) per annum and are to be settled in cash.

The remaining amounts due from subsidiaries (non-trade) amounting to $116,419,000 (2021: $100,094,000) 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 $91,231,000 (2021: $81,604,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

16. AMOUNTS DUE FROM SUBSIDIARIES (NON-TRADE)/AMOUNTS DUE TO SUBSIDIARIES (NON-TRADE) (CONT'D)

Expected credit losses

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

	Company	
	2022	2021
	$'000	$'000
Movement in allowance account:		
At beginning and end of the year	**1,782**	1,782

17. AMOUNTS DUE FROM ASSOCIATES (NON-TRADE)

As at 31 March 2021, amounts due from associates (non-trade) were unsecured and were expected to be settled within the next twelve months. These amounts were fully settled during the year.

18. FIXED DEPOSITS

Fixed deposits have maturities ranging from 1 week to 1 year (2021: 1 week to 1 year) and earn interest at the respective short-term deposit rates. The interest rates for the year ended 31 March 2022 for the Group and the Company range from 0.01% to 1.30% (2021: 0.01% to 2.20%) per annum and from 0.10% to 0.55% (2021: 0.05% to 1.67%) per annum respectively.

Fixed deposits of the Group and the Company amounting to $48,915,000 (2021: $53,872,000) and $29,329,000 (2021: $32,653,000) respectively have been pledged to the banks for banking facilities granted to the Group and the Company as disclosed in Notes 22 and 23.

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

	Group	
	2022	2021
	$'000	$'000
Malaysian Ringgit	**199**	198

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

19. 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:

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash and bank balances		**56,919**	60,764	**3,442**	18,507
Fixed deposits	18	**86,150**	62,136	**66,364**	37,663
		143,069	122,900	**69,806**	56,170
Less:					
Pledged fixed deposits		**(48,915)**	(53,872)	**(29,329)**	(32,653)
Cash and cash equivalents		**94,154**	69,028	**40,477**	23,517

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

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

	Group	
	2022 $'000	2021 $'000
Chinese Renminbi	**5,541**	4,263
United States Dollar	**28**	28
Hong Kong Dollar	**14**	14
Malaysian Ringgit	**21**	17

20. TRADE PAYABLES

	Group	
	2022 $'000	2021 $'000
Trade payables	**25,495**	18,933
Sales tax payable	**1,310**	–
	26,805	18,933

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

21. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Other payables	**3,830**	3,630	**248**	261
Accrued operating expenses	**53,508**	47,690	**2,203**	549
Advance payments	**492**	455	**–**	–
Interest payable	**225**	233	**211**	169
Provision for legal compensation[1]	**6,397**	–	**–**	–
	64,452	52,008	**2,662**	979
Represented by:				
Current	**64,216**	51,798	**2,662**	979
Non-current	**236**	210	**–**	–
	64,452	52,008	**2,662**	979

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

[1] The provision for legal compensation represents the estimated cost of compensation relating to a claim against one of the Group's 45%-owned associate involved in a residential property development project and the estimated cost of compensation relating to a claim against a wholly-owned subsidiary for rectification of defects.

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

	Group	
	2022	**2021**
	$'000	**$'000**
Chinese Renminbi	**4,063**	4,069
Hong Kong Dollar	**30**	21
Malaysian Ringgit	**2**	3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

22. BANK TERM LOANS, SECURED

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
SGD 3-year Term loan A	(a)	**37,100**	47,700	**37,100**	47,700
SGD 3-year Term loan B	(b)	**–**	6,960	**–**	6,960
SGD 3-year Term loan C	(c)	**–**	10,400	**–**	10,400
SGD 5-year Term loan A	(d)	**48,620**	26,250	**48,620**	26,250
SGD 5-year Term loan B	(e)	**9,167**	5,000	**–**	–
SGD 3-year Term loan D	(f)	**25,000**	30,000	**25,000**	30,000
		119,887	126,310	**110,720**	121,310
Represented by:					
Current		**24,762**	40,793	**22,470**	39,960
Non-current		**95,125**	85,517	**88,250**	81,350
		119,887	126,310	**110,720**	121,310

(a) This bank loan bears interest ranging from 1.33% to 1.64% (2021: 1.25% to 1.71%) per annum. The term loan is repayable by quarterly instalments over 3 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).

(b) This bank loan was fully repaid during the year and was secured by a charge on fixed deposits amounting to $5,196,000 (Note 18) as at 31 March 2021.

(c) This bank loan was fully repaid during the year and was secured by a charge on fixed deposits amounting to $$4,108,000 (Note 18) as at 31 March 2021.

(d) This bank loan bears interest ranging from 1.75% to 2.10% (2021: 1.71% to 3.02%) 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 $14,154,000 (2021: $7,117,000) (Note 18);

(ii) third party first legal mortgage on the investment properties (Note 10) located at 1 Khiang Guan Avenue and 100 Kim Seng Road;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

22. BANK TERM LOANS, SECURED (CONT'D)

(iii) third party legal assignment of leases and/or tenancies and rental proceeds on the investment properties located at 1 Khiang Guan Avenue and 100 Kim Seng Road (Note 10); and

(iv) corporate guarantee from Kim Seng Heng Engineering Construction (Pte) Ltd, a wholly-owned subsidiary of the Group (Note 39).

(e) These bank loans bear interest with an average effective interest rate of 2.0% (2021: 2.0%) per annum. The term loans commencing on 26 June 2020 and 5 May 2021 respectively are repayable by monthly instalments over 5 years.

The term loans are secured by a corporate guarantee from the Company (Note 39).

(f) This bank loan bears interest ranging from 2.01% to 2.52% (2021: 2.01% to 2.15%) per annum. The term loan is repayable by monthly instalments over 3 years, commencing on 13 November 2020.

The term loan is secured by a charge on fixed deposits amounting to $9,011,000 (2021: $9,000,000) (Note 18).

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

	1 April 2021 $'000	Cash flows $'000	Non-cash changes		31 March 2022 $'000
			Remeasurement $'000	Other $'000	
Bank term loans, secured					
– current	40,793	(44,923)	–	28,892	**24,762**
– non-current	85,517	38,500	–	(28,892)	**95,125**
Lease liabilities					
– current	780	(625)	(25)	609	**739**
– non-current	4,505	–	–	(609)	**3,896**
Bills payable to banks, secured	16,910	(16,910)	–	–	**–**
Total	148,505	(23,958)	(25)	–	**124,522**

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

The "Remeasurement' column relates to remeasurement of lease liabilities arising from a change in lease term.

NOTES TO THE FINANCIAL STATEMENTS

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22. BANK TERM LOANS, SECURED (CONT'D)

	1 April 2020 $'000	Cash flows $'000	Non-cash changes Remeasurement $'000	Non-cash changes Other $'000	31 March 2021 $'000
Bank term loans, secured					
– current	27,857	(51,190)	–	64,126	40,793
– non-current	114,643	35,000	–	(64,126)	85,517
Lease liabilities					
– current	823	(668)	(28)	653	780
– non-current	5,158	–	–	(653)	4,505
Bills payable to banks, secured	10,720	6,190	–	–	16,910
Total	159,201	(10,668)	(28)	–	148,505

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

The "Remeasurement' column relates to remeasurement of lease liabilities arising from a change in rate used to determine lease payments.

23. BILLS PAYABLE TO BANKS, SECURED

As at 31 March 2021, bills payable to banks bore interest ranging from 1.43% to 1.83% (2021: 1.41% to 1.45%) per annum. These bills payable were fully repaid during the year.

As at 31 March 2021, bills payable to banks were secured by the following:

(i) charge on fixed deposits amounting to $4,162,000 (Note 18);

(ii) first charge over the contract proceeds and project account arising from a construction project (Note 13); and

(iii) corporate guarantee from the Company (Note 39).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

24. SHARE CAPITAL

	2022		2021	
Group and Company	**Number of shares**	**$'000**	**Number of shares**	**$'000**
Issued and fully paid ordinary shares:				
At the beginning and end of the year	**569,735,645**	**50,915**	569,735,645	50,915

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.

25. TREASURY SHARES

	2022		2021	
Group and Company	**Number of shares**	**$'000**	**Number of shares**	**$'000**
At beginning of the year	**6,339,400**	**2,128**	4,873,400	1,645
Acquired during the year	**–**	**–**	1,466,000	483
At end of the year	**6,339,400**	**2,128**	6,339,400	2,128

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

The Company acquired nil (2021: 1,466,000) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $nil (2021: $483,000) and this was presented as a component within shareholders' equity.

26. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

27. OTHER RESERVES

		Group		Company	
		2022	2021	2022	2021
		$'000	$'000	$'000	$'000
Statutory reserves	(a)	**1,556**	1,504	**–**	–
General reserves	(b)	**155**	150	**–**	–
Warrant reserves	(c)	**2,629**	2,629	**2,629**	2,629
Other reserves	(d)	**1,402**	1,402	**–**	–
		5,742	5,685	**2,629**	2,629

Movement

(a) Statutory reserves

	Group	
	2022	2021
	$'000	$'000
At beginning of the year	**1,504**	1,504
Transferred from accumulated profits	**52**	–
At end of the year	**1,556**	1,504

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

27. OTHER RESERVES (CONT'D)

(b) General reserves

	Group	
	2022	**2021**
	$'000	**$'000**
At beginning of the year	**150**	150
Transferred from accumulated profits	**5**	–
At end of the year	**155**	150

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 (2021: $1,514,000) and $1,115,000 (2021: $1,115,000) respectively.

(d) Other reserves

	Group	
	2022	**2021**
	$'000	**$'000**
At beginning and end of the year	**1,402**	1,402

Other reserves include the premium paid on acquisition of non-controlling interests of $107,000 and the transfer of fair value adjustment reserve amounting to $1,290,000 to other reserves as the Group had gained significant influence over an investee due to a change in circumstances.

28. PROJECT REVENUE

	Group	
	2022	**2021**
	$'000	**$'000**
Construction contract revenue	**235,165**	149,038

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

28. PROJECT REVENUE (CONT'D)

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

	Group	
	2022	**2021**
	$'000	**$'000**
Contract assets	**30,441**	37,470
Receivables from contracts with customers	**7,246**	16,281
Contract liabilities	**(27,566)**	(22,287)

Contract assets primarily relate to the Group's right to consideration for work completed for construction but not yet billed at the reporting date. 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.

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 2022 is $652,943,000 (2021: $620,535,000). 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 $235,610,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2022 in the financial year 2023, with the remaining $417,333,000 after the financial year 2023.

Provision for onerous contract

At the end of the reporting period, the Group recorded $252,000 (2021: $nil) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

29. OTHER INCOME

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Interest income	**5,896**	5,884	**5,104**	4,993
Government grant*	**143**	3,724	**–**	97
Gain on fair value adjustments of investment properties	**1,120**	26	**–**	–
Gain on disposal of plant and equipment	**–**	300	**–**	–
Foreign exchange gain	**446**	2,048	**1**	1
Dividend income from a subsidiary	**–**	–	**–**	30,000
Management and administrative fee income from associates/ subsidiaries	**354**	504	**2,117**	2,539
Fair value gain on quoted debt instruments (investment securities)	**322**	–	**322**	–
Gain on disposal of an associate	**66**	–	**–**	–
Others	**1,918**	4,274	**–**	–
	10,265	16,760	**7,544**	37,630

* Grant income of $143,000 (2021: $3,724,000) and $nil (2021: $97,000) was recognised during the financial year under the Jobs Support Scheme (JSS) for the Group and the Company respectively. JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

30. PERSONNEL EXPENSES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Salaries, wages and bonuses	**7,700**	6,238	**3,518**	1,827
Central Provident Fund and other pension costs	**1,119**	1,026	**44**	44
Directors' fees	**155**	155	**155**	155
Other personnel expenses	**1,402**	1,417	**31**	32
	10,376	8,836	**3,748**	2,058

The above includes compensation of key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

30. PERSONNEL EXPENSES (CONT'D)

	Company	
	2022	2021
	$'000	$'000
Compensation of key management personnel		
Salaries, wages and bonuses	**3,517**	1,827
Central Provident Fund and other pension costs	**44**	44
Directors' fees	**155**	155
Total compensation paid to key management personnel	**3,716**	2,026
Comprise amounts paid to:		
– Directors of the Company	**3,253**	1,763
– Other key management personnel	**463**	263
	3,716	2,026

31. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Interest expense on:				
– lease liabilities	**187**	208	**–**	–
– term loans	**2,161**	2,109	**1,976**	1,999
– bills payable	**156**	135	**–**	–
	2,504	2,452	**1,976**	1,999
Others				
– bank charges	**256**	386	**80**	351
	2,760	2,838	**2,056**	2,350

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

32. OTHER OPERATING EXPENSES

The following items have been included in other operating expenses:

	Group		Company	
	2022 **$'000**	**2021** **$'000**	**2022** **$'000**	**2021** **$'000**
Audit fees payable to auditor of the Company	**333**	323	**143**	135
Non-audit fees payable to auditor of the Company	**77**	22	**11**	18
Impairment losses on financial assets	**–**	1,375	**–**	–
Foreign exchange loss	**1,987**	495	**–**	–
Short-term lease expenses	**132**	133	**–**	–
Amortisation of club membership	**1**	3	**–**	–
Loss on fair value adjustments of investment properties	**2,246**	2,659	**–**	–
Fair value loss on quoted debt instruments (investment securities)	**–**	248	**–**	–
Loss on disposal of plant and equipment	**6**	12	**–**	–
Provision for legal compensation	**6,405**	–	**–**	–
Write-off of bad debts	**54**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

33. INCOME TAX EXPENSE/(CREDIT) AND DEFERRED TAX LIABILITIES/(ASSETS)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 31 March are:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current income tax				
– Current income taxation	**1,074**	898	**546**	706
– (Over)/under provision in respect of previous years	**(9)**	175	**43**	6
Deferred tax				
– Origination and reversal of temporary differences	**(521)**	(1,544)	**(256)**	(58)
Income tax expense/(credit) recognised in profit or loss	**544**	(471)	**333**	654

Relationship between income tax expense/(credit) and accounting profit/(loss)

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

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(Loss)/profit from operations before share of results of associates and joint ventures	**(4,266)**	(1,753)	**1,354**	32,587
Tax at the domestic rates applicable to (losses)/profits in the countries where the Group operates[1]	**(763)**	(399)	**230**	5,540
Tax effect of:				
– Expenses not deductible	**3,138**	1,124	**77**	243
– Tax rebates and exemption	**(50)**	(54)	**(17)**	(17)
– Non-taxable income	**(1,770)**	(1,320)	**–**	(5,118)
– (Over)/under provision in respect of previous years	**(9)**	175	**43**	6
– Others	**(2)**	3	**–**	–
Income tax expense/(credit) recognised in profit or loss	**544**	(471)	**333**	654

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

33. INCOME TAX EXPENSE/(CREDIT) AND DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

Deferred tax liabilities/(assets)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax liabilities:				
Differences in depreciation	**–**	60	**–**	–
Tax effect on revaluation of investment properties	**13,786**	13,803	**–**	–
Others	**3,489**	2,504	**–**	–
	17,275	16,367	**–**	–
Deferred tax asset:				
Employee benefits	**(494)**	(217)	**(308)**	(52)
Differences in depreciation	**(190)**	–	**–**	–
Provision for general defects liability period for completed projects	**(264)**	(296)	**–**	–
Provision for onerous contract	**(43)**	–	**–**	–
Unutilised tax losses	**(185)**	–	**–**	–
Others	**(73)**	–	**–**	–
Deferred tax liabilities/(assets), net	**16,026**	15,854	**(308)**	(52)

34. EARNINGS/(LOSS) PER SHARE

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

Diluted earnings/(loss) per share is calculated by dividing the Group's profit/(loss) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

34. EARNINGS/(LOSS) PER SHARE (CONT'D)

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

	Group	
	2022	**2021**
	$'000	**$'000**
Profit/(loss) for the year attributable to owners of the Company used in the computation of earnings/(loss) per share	**24,159**	(3,794)
	2022	**2021**
	'000	**'000**
Weighted average number of ordinary shares (excluding treasury shares) for computing basic and diluted earnings/(loss) per share	**563,396**	563,898
Basic and diluted earnings/(loss) per share (cents per share)	**4.29**	(0.67)

35. 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:

	Group	
	2022	**2021**
	$'000	**$'000**
Net assets attributable to owners of the Company	**336,322**	320,357
	2022	**2021**
	'000	**'000**
Total number of issued ordinary shares (excluding treasury shares) as at 31 March	**563,396**	563,396
Net asset value per share (cents per share)	**59.70**	56.86

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

36. DIVIDENDS

	Group and Company	
	2022	2021
	$'000	$'000
Dividends paid during the year:		
Dividends on ordinary shares:		
– Interim exempt (one-tier) dividend for 2022: 1.00 cents (2021: nil cent) per share	**5,634**	–
– Final exempt (one-tier) dividend for 2021: 1.00 cents (2020: 1.20 cents) per share	**5,634**	6,766
	11,268	6,766
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
– Final exempt (one-tier) dividend for 2022: 1.00 cent (2021: 1.00 cents) per share	**5,634**	5,634

The Directors have proposed a final tax-exempt (one-tier) dividend of 1.00 cent per share ("Proposed Final Dividend for FY 2022"), amounting to approximately $5,634,000 to be paid in respect of the year ended 31 March 2022. 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.

37 . RELATED PARTY TRANSACTIONS

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

	Group	
	2022	2021
	$'000	$'000
Construction services rendered to:		
– Associate	**36**	228

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

38. 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 provision of services mainly to property developers in both the private and public sectors.

The property development and investment segments relate to the development and sales of properties and holding of investment properties.

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

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38. SEGMENT INFORMATION (CONT'D)

(a) Business segments

The following tables present revenue and results information regarding the Group's business segments for the years ended 31 March 2022 and 31 March 2021.

There are no inter-segment sales within the Group.

	Construction $'000	Property development and investment $'000	Others $'000	Eliminations $'000	Total $'000
Year ended 31 March 2022					
Revenue					
External sales	235,165	5,159	–	–	240,324
Results					
Interest income	88	32	13,738	(7,962)	5,896
Finance costs	(468)	(2)	(10,252)	7,962	(2,760)
Depreciation of property, plant and equipment	(2,200)	(20)	–	–	(2,220)
Share of results of associates and joint ventures	–	28,761	–	–	28,761
Other non-cash items:					
Provision for onerous contracts	(252)	–	–	–	(252)
Provision for legal compensation	(150)	(6,255)	–	–	(6,405)
Fair value gain on quoted debt securities (investment securities)	–	–	322	–	322
Fair value loss on investment properties, net	–	(1,126)	–	–	(1,126)
Profit/(loss) before taxation	3,909	22,573	(1,987)	–	24,495
Income tax (expense)/ credit	(362)	116	(298)	–	(544)
Profit/(loss) for the year	3,547	22,689	(2,285)	–	23,951
Attributable to:					
Owners of the Company	3,547	22,897	(2,285)	–	24,159
Non-controlling interests	–	(208)	–	–	(208)
Assets and liabilities:					
Interests in associates	–	224,008	6,543	–	230,551
Interests in joint ventures	–	17,367	–	–	17,367
Additions to non-current assets:					
Property, plant and equipment	417	1	–	–	418
Segment assets	247,927	402,427	157,214	(184,961)	622,607
Segment liabilities	114,053	42,324	248,859	(142,857)	262,379

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38. SEGMENT INFORMATION (CONT'D)

(a) Business segments (cont'd)

	Construction $'000	Property development and investment $'000	Others $'000	Eliminations $'000	Total $'000
Year ended 31 March 2021					
Revenue					
External sales	149,038	4,056	–	–	153,094
Results					
Interest income	152	19	13,637	(7,924)	5,884
Finance costs	(485)	(1)	(10,276)	7,924	(2,838)
Depreciation of property, plant and equipment	(2,164)	(18)	–	–	(2,182)
Share of results of associates and joint ventures	–	(2,929)	–	–	(2,929)
Other non-cash items:					
Fair value loss on investment properties, net	–	(2,633)	–	–	(2,633)
Impairment losses on financial assets	–	(1,375)	–	–	(1,375)
Fair value loss on quoted debt instruments (investment securities)	–	–	(248)	–	(248)
(Loss)/profit before taxation	(1,115)	(4,388)	821	–	(4,682)
Income tax credit/ (expense)	1,295	(99)	(725)	–	471
Profit/(loss) for the year	180	(4,487)	96	–	(4,211)
Attributable to:					
Owners of the Company	180	(4,904)	96	–	(4,682)
Non-controlling interests	–	(417)	–	–	(417)
Assets and liabilities:					
Interests in associates	–	195,512	6,200	–	201,712
Interests in joint ventures	–	78,684	–	–	78,684
Additions to non-current assets:					
Property, plant and equipment	1,380	76	–	–	1,456
Segment assets	247,810	393,188	140,028	(177,335)	603,691
Segment liabilities	115,334	43,526	236,031	(134,753)	260,138

38. SEGMENT INFORMATION (CONT'D)

(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 2022 and 31 March 2021.

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
Year ended 31 March 2022									
Revenue	235,468	–	–	–	–	–	4,856	–	240,324
Segment assets	321,165	297	–	–	–	53	122,529	(69,355)	374,689
Interests in associates	164,442	–	1,601	3,729	3,014	20,920	36,845	–	230,551
Interests in joint ventures	17,367	–	–	–	–	–	–	–	17,367
Total assets									622,607
Other segment information:									
Capital expenditures	417	–	–	–	–	–	1	–	418

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

38. SEGMENT INFORMATION (CONT'D)

(b) *Geographical segments (cont'd)*

	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
Year ended 31 March 2021									
Revenue	149,327	–	–	–	–	–	3,767	–	153,094
Segment assets	285,680	292	–	–	–	68	120,953	(83,698)	323,295
Interests in associates	134,757	–	1,638	5,230	2,315	22,178	35,594	–	201,712
Interests in joint ventures	78,684	–	–	–	–	–	–	–	78,684
Total assets									603,691
Other segment information:									
Capital expenditures	1,380	–	–	–	–	–	76	–	1,456

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39. 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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Guarantees given to financial institutions in connection with facilities given to:				
(i) subsidiaries*	**–**	–	**483,254**	499,814
(ii) associates	**246,778**	299,978	**246,778**	299,978
(iii) joint ventures	**4,000**	54,173	**4,000**	54,173

* The Company acts as a corporate guarantor for credit facilities granted to subsidiaries, for total facilities amounting to $483,254,000 (2021: $499,814,000) of which $63,639,000 (2021: $39,756,000) 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 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 2 (2021: 3) years.

Future minimum lease payments receivable under the non-cancellable operating leases as at 31 March are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Not later than one year	**3,019**	2,955
Later than one year but not later than five years	**1,952**	2,912
	4,971	5,867

(c) Share of commitment to associates and joint ventures

The Group has committed to provide working capital in the ratio of the shareholdings held by the Group in the respective associates and joint ventures required to develop and complete the development properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

40. 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 measured at fair value*

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

	Group 2022 $'000 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)**	**Total**
Assets measured at fair value				
Financial assets:				
Financial assets at fair value through profit or loss				
Investment securities (Note 9)	**5,985**	**–**	**–**	**5,985**
Structured deposits (Note 14)	**–**	**4,715**	**–**	**4,715**
Financial assets as at 31 March 2022	**5,985**	**4,715**	**–**	**10,700**
Non-financial assets:				
Investment properties (Note 10)				
– Commercial	**–**	**–**	**102,647**	**102,647**
– Residential	**–**	**–**	**17,360**	**17,360**
Non-financial assets as at 31 March 2022	**–**	**–**	**120,007**	**120,007**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

40. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

	Group 2021 $'000 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)**	**Total**
Assets measured at fair value				
Financial assets:				
Financial assets at fair value through profit or loss				
Investment securities (Note 9)	3,665	–	–	3,665
Financial assets as at 31 March 2021	3,665	–	–	3,665
Non-financial assets:				
Investment properties (Note 10)				
– Commercial	–	–	100,890	100,890
– Residential	–	–	16,240	16,240
Non-financial assets as at 31 March 2021	–	–	117,130	117,130

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

40. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

	Company 2022 $'000 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)**	**Total**
Assets measured at fair value				
Financial assets:				
Financial assets at fair value through profit or loss				
Investment securities (Note 9)	**5,985**	**–**	**–**	**5,985**
Financial assets as at 31 March 2022	**5,985**	**–**	**–**	**5,985**

	Company 2021 $'000 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)**	**Total**
Assets measured at fair value				
Financial assets:				
Financial assets at fair value through profit or loss				
Investment securities (Note 9)	3,665	–	–	3,665
Financial assets as at 31 March 2021	3,665	–	–	3,665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

40. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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.

(d) Level 3 fair value measurements

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

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 2022 $'000**	**Valuation techniques**	**Key unobservable inputs**	**Rate/Range**
Investment Properties:				
		Market comparable approach	Price per square metre	RMB 13,000 to RMB 23,000 (2021: RMB 14,000 to RMB 22,000)
Commercial	**102,647*** **(2021: 100,890)**	Discounted cash flow approach	Discount rate	5% (2021: 5%)
Residential	**17,360** **(2021: 16,240)**	Market comparable approach	Price per square metre	$14,000 to $31,000 (2021: $16,000 to $28,000)

* Fair value of the commercial investment property is obtained using the average of the market comparable approach and discounted cash flow approach at equal weightage.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

40. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

For residential investment properties, a higher/lower price per square metre would result in a higher/lower fair value.

For commercial investment property, a higher/lower discount rate would result in a lower/higher fair value whereas a higher/lower price per square metre would result in a higher/lower fair value.

(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	
	2022	**2021**
	$'000	**$'000**
Beginning of the year	**117,130**	117,604
– Net fair value loss recognised in profit or loss	**(1,126)**	(2,633)
– Exchange differences	**4,003**	2,159
End of the year	**120,007**	117,130

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

40. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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 approximate the market interest rates prevailing at the financial year end.

The carrying amounts of floating rate bank 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 amounts of fixed rate bank loans are reasonable approximation of their fair values as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

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.

41. 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.

(a) Liquidity risk

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

The 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 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities

The following tables set out the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations, including interest payments:

	Within 1 year $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2022				
Financial assets:				
Amount due from a joint venture (non-trade)	40,373	–	–	40,373
Trade receivables	7,246	–	–	7,246
Other receivables and deposits	2,447	–	–	2,447
Fixed deposits	86,150	–	–	86,150
Cash and bank balances	56,919	–	–	56,919
Total undiscounted financial assets	193,135	–	–	193,135
Financial liabilities:				
Trade and other payables (excluding advance payments and sales tax payable)	89,219	236	–	89,455
Loans and borrowings (excluding lease liabilities)	26,643	97,359	–	124,002
Lease liabilities	781	1,155	5,377	7,313
Total undiscounted financial liabilities	116,643	98,750	5,377	220,770
Total net undiscounted financial assets/(liabilities)	76,492	(98,750)	(5,377)	(27,635)

NOTES TO THE FINANCIAL STATEMENTS

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Liquidity risk (cont'd)*

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	Within 1 year $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2021				
Financial assets:				
Amount due from a minority shareholder of a subsidiary (non-trade)	–	2,269	–	2,269
Trade receivables (excluding sales tax receivable)	16,281	–	–	16,281
Other receivables and deposits	1,996	–	–	1,996
Amounts due from associates (non-trade)	10	–	–	10
Fixed deposits	62,136	–	–	62,136
Cash and bank balances	60,764	–	–	60,764
Total undiscounted financial assets	141,187	2,269	–	143,456
Financial liabilities:				
Trade and other payables (excluding advance payments)	70,277	210	–	70,487
Loans and borrowings (excluding lease liabilities)	59,707	87,597	–	147,304
Lease liabilities	816	1,701	5,612	8,129
Total undiscounted financial liabilities	130,800	89,508	5,612	225,920
Total net undiscounted financial assets/(liabilities)	10,387	(87,239)	(5,612)	(82,464)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Liquidity risk (cont'd)*

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	Within 1 year $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Company				
2022				
Financial assets:				
Amounts due from subsidiaries (non-trade)	**–**	**188,816**	**–**	**188,816**
Other receivables and deposits	**95**	**–**	**–**	**95**
Fixed deposits	**66,364**	**–**	**–**	**66,364**
Cash and bank balances	**3,442**	**–**	**–**	**3,442**
Total undiscounted financial assets	**69,901**	**188,816**	**–**	**258,717**
Financial liabilities:				
Other payables and accruals	**2,662**	**–**	**–**	**2,662**
Loans and borrowings	**24,295**	**90,295**	**–**	**114,590**
Total undiscounted financial liabilities	**26,957**	**90,295**	**–**	**117,252**
Total net undiscounted financial assets	**42,944**	**98,521**	**–**	**141,465**
Company				
2021				
Financial assets:				
Amounts due from subsidiaries (non-trade)	–	214,494	–	214,494
Other receivables and deposits	219	–	–	219
Fixed deposits	37,663	–	–	37,663
Cash and bank balances	18,507	–	–	18,507
Total undiscounted financial assets	56,389	214,494	–	270,883
Financial liabilities:				
Trade and other payables	979	–	–	979
Loans and borrowings	41,805	83,105	–	124,910
Total undiscounted financial liabilities	42,784	83,105	–	125,889
Total net undiscounted financial assets	13,605	131,389	–	144,994

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

Undiscounted loan payments with variable rates had been determined with reference to conditions existing as at the end of the reporting period.

The tables below show 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.

	Within 1 year $'000	1 to 5 years $'000	Total $'000
2022			
Group			
Financial guarantees	**250,778**	**–**	**250,778**
Company			
Financial guarantees	**734,032**	**–**	**734,032**

	Within 1 year $'000	1 to 5 years $'000	Total $'000
2021			
Group			
Financial guarantees	354,151	–	354,151
Company			
Financial guarantees	853,965	–	853,965

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Interest rate risk (cont'd)*

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10 (2021: 10) basis points higher with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation (2021: loss after taxation) would be $6,000 lower (2021: $21,000 higher); if the interest rates had been 10 (2021: 10) basis points lower with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation (2021: loss after taxation) would be $6,000 higher (2021: $21,000 lower).

(c) *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 ad 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 19.

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"), Sterling Pound ("GBP"), Japanese Yen ("JPY"), HKD and Australian Dollar ("AUD"). 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the RMB, MYR, USD, GBP, JPY, HKD and AUD exchange rates against the respective functional currencies of the Group entities, in SGD equivalent, with all other variables held constant.

	Group	
	2022 Profit before taxation $'000	**2021 Loss before taxation $'000**
USD – strengthened by 3% (2021: 3%)	114	(53)
– weakened by 3% (2021: 3%)	(114)	53
RMB – strengthened by 3% (2021: 3%)	353	(339)
– weakened by 3% (2021: 3%)	(353)	339
MYR – strengthened by 3% (2021: 3%)	(2)	2
– weakened by 3% (2021: 3%)	2	(2)
GBP – strengthened by 3% (2021: 3%)	521	(568)
– weakened by 3% (2021: 3%)	(521)	568
JPY – strengthened by 3% (2021: 3%)	27	(33)
– weakened by 3% (2021: 3%)	(27)	33
HKD – strengthened by 3% (2021: 3%)	34	(33)
– weakened by 3% (2021: 3%)	(34)	33
AUD – strengthened by 3% (2021: 3%)	139	(136)
– weakened by 3% (2021: 3%)	(139)	136

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) 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; and
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

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;
- There is 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; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

The following are credit risk management practices and quantitative information about trade receivables and contract assets.

31 March 2022	Contract assets $'000	Trade receivables: Current and more than 30 days past due $'000	Trade receivables: More than 60 days past due $'000	Trade receivables: More than 90 days past due $'000	Total $'000
Gross carrying amount	**30,441**	**7,136**	**1**	**109**	**37,687**

31 March 2021	Contract assets $'000	Trade receivables: Current and more than 30 days past due $'000	Trade receivables: More than 60 days past due $'000	Trade receivables: More than 90 days past due $'000	Total $'000
Gross carrying amount	37,470	13,220	2,946	115	53,751

<u>Loans and amounts due from associates and joint ventures</u>

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by SFRS(I) 9. Information regarding allowance for impairment movement of loans and amounts due from associates and joint ventures is disclosed in Note 7 and Note 8.

<u>Amount due from a minority shareholder of a subsidiary (non-trade)/amount due from a joint venture (non-trade)</u>

The assessment of provision for impairment was limited to 12-month ECL. The Group has assessed and considered the credit risk for amount due from a minority shareholder of a subsidiary and amount due from a joint venture to be low and as a result no provision for impairment is necessary.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Credit risk (cont'd)*

Amounts due from subsidiaries (non-trade)

The Company assessed the latest performance and financial position of the subsidiaries, adjusted for the future outlook of the industry in which the subsidiaries operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime expected credit loss and determined that the expected credit loss is insignificant.

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 39).

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:

	2022		2021	
	$'000	% of total	$'000	% of total
Group				
By country:				
Singapore	**7,246**	**100**	16,281	100
By industry sector:				
Construction	**7,246**	**100**	16,281	100

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.

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42. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following tables set out the financial instruments as at the end of the reporting period:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets at fair value through profit or loss – designated as such on initial recognition				
Structured deposits	**4,715**	–	**–**	–
Investment securities	**5,985**	3,665	**5,985**	3,665
Financial assets carried at amortised cost				
Loans due from associates	**138,067**	132,279	**–**	–
Amounts due from associates (non-trade)	**20,411**	21,420	**–**	–
Loans due from joint ventures	**4,305**	62,854	**–**	–
Amounts due from joint ventures (non-trade)	**46,894**	8,474	**–**	–
Amount due from a minority shareholder of a subsidiary (non-trade)	**–**	2,269	**–**	–
Amounts due from subsidiaries (non-trade)	**–**	–	**188,816**	214,494
Trade receivables (excluding sales tax receivable)	**7,246**	16,281	**–**	–
Other receivables and deposits	**2,447**	1,996	**95**	219
Fixed deposits	**86,150**	62,136	**66,364**	37,663
Cash and bank balances	**56,919**	60,764	**3,442**	18,507
	362,439	368,473	**258,717**	270,883
Financial liabilities measured at amortised cost				
Trade payables (excluding sales tax payable)	**25,495**	18,933	**–**	–
Other payables and accruals (excluding advance payments)	**63,957**	51,553	**2,662**	979
Amounts due to subsidiaries (non-trade)	**–**	–	**91,231**	81,604
Loans due to associates	**1,244**	1,244	**–**	–
Bank term loans, secured	**119,887**	126,310	**110,720**	121,310
Bills payable to banks, secured	**–**	16,910	**–**	–
Lease liabilities	**4,635**	5,285	**–**	–
	215,218	220,235	**204,613**	203,893

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43. 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 2022 and 31 March 2021.

As disclosed in Note 27, 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 2022 and 31 March 2021. 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.

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.

		Group	
	Note	**2022 $'000**	**2021 $'000**
Loans and borrowings (excluding lease liabilities arising from operating lease arrangements)		**119,887**	143,420
Trade and other payables		**91,257**	70,941
Less: Cash and bank balances and fixed deposits	19	**(143,069)**	(122,900)
Net debt		**68,075**	91,261
Equity attributable to the owners of the Company		**336,322**	320,357
Less: Statutory reserve fund		**(1,556)**	(1,504)
General reserve fund		**(155)**	(150)
Total capital		**334,611**	318,703
Capital and net debt		**402,686**	409,964
Gearing ratio		**17%**	22%

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 year ended 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

44. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 24 May 2022, the Company's wholly-owned subsidiary, KSHR, has incorporated a wholly-owned subsidiary, KSH Ultra Unity Pte. Ltd for a cash consideration of $1.

45. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Directors on 12 July 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 17 JUNE 2022

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)	:	563,396,245
Total no. of treasury shares	:	6,339,400

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	103	5.11	5,001	0.00
100 – 1,000	134	6.64	59,484	0.01
1,001 – 10,000	570	28.26	3,237,018	0.58
10,001 – 1,000,000	1,171	58.06	81,640,432	14.49
1,000,001 AND ABOVE	39	1.93	478,454,310	84.92
TOTAL	**2,017**	**100.00**	**563,396,245**	**100.00**

The percentage of shareholdings in the hands of the public as at 17 June 2022 was approximately 34.18% 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 6,339,400 treasury shares as at 17 June 2022. The percentage of such holding against the total number of issued shares excluding treasury shares is 1.13%.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	114,151,192	20.26
2	KWOK NGAT KHOW	81,255,273	14.42
3	TOK CHENG HOE	81,255,273	14.42
4	LIM KEE SENG	68,237,360	12.11
5	YIP SAU LEUNG	18,420,487	3.27
6	DBS NOMINEES PTE LIMITED	17,219,385	3.06
7	CHEE SWEE HENG	10,000,000	1.77
8	LIM AND TAN SECURITIES PTE LTD	7,611,100	1.35
9	PHILLIP SECURITIES PTE LTD	7,265,749	1.29
10	CHUA SIAK NENG	6,508,956	1.16
11	GOH KIA HUA	6,297,056	1.12
12	OCBC SECURITIES PRIVATE LTD	6,185,637	1.10
13	ANG JUI KHOON	4,446,325	0.79
14	SNG KAY BOON TERENCE	3,927,900	0.70
15	MAYBANK SECURITIES PTE. LTD.	3,276,425	0.58
16	OCBC NOMINEES SINGAPORE PTE LIMITED	2,959,109	0.53
17	LOONG SANG YEE	2,791,900	0.50
18	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,533,694	0.45
19	HUANG XIU YAN	2,359,625	0.42
20	RAFFLES NOMINEES (PTE) LIMITED	2,267,184	0.40
		448,969,630	**79.70**

STATISTICS OF SHAREHOLDINGS

AS AT 17 JUNE 2022

SUBSTANTIAL SHAREHOLDERS

(As shown in the Company's Register of Substantial Shareholders as at 17 June 2022)

NAME	DIRECT INTEREST (NO. OF SHARES)	%	DEEMED INTEREST (NO. OF SHARES)	%
CHOO CHEE ONN	108,843,298	19.32	–	–
KWOK NGAT KHOW	81,255,273	14.42	–	–
TOK CHENG HOE	81,255,273	14.42	–	–
LIM KEE SENG	68,237,360	12.11	–	–
YIP SAU LEUNG	28,275,887[1]	5.02	2,359,625[2]	0.42

Notes:

(1) Yip Sau Leung's shareholding interest of 28,275,887 shares in the Company comprises of 18,420,487 shares held in his name and 9,855,400 shares held through a nominee.

(2) Yip Sau Leung is deemed interested in the 2,359,625 shares held by his spouse.

NOTICE OF 16TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 16th Annual General Meeting of **KSH HOLDINGS LIMITED** will be held by way of electronic means on Friday, 29 July 2022 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 2022". 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 2022 and the Statement of the directors of the Company ("**Directors**") and the Auditor's Report. **Resolution 1**

2. To declare a final tax exempt (one-tier) cash dividend of 1.00 cent per share for the financial year ended 31 March 2022. **Resolution 2**

3. To approve Directors' fees of S$155,000 to be paid quarterly in arrears for the financial year ending 31 March 2023 to the Independent Directors. (2022: S$155,000) **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 Choo Chee Onn **Resolution 4**
   (b) Mr Lim Kee Seng **Resolution 5**
   (c) Mr Ko Chuan Aun **Resolution 6**

   Mr Choo Chee Onn will, upon re-election as a Director of the Company, remain as the Executive Chairman and Managing Director.

   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.

NOTICE OF 16TH ANNUAL GENERAL MEETING

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**"), shareholders to approve Mr Ko Chuan Aun's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Ko Chuan Aun'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))

6. That contingent upon the passing of Ordinary Resolution 7 above, and in accordance with Rule 210(5)(d)(iii) of the Listing Manual, shareholders (excluding directors, the chief executive officer, and their associates) to approve Mr Ko Chuan Aun's continued appointment as an Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Ko Chuan Aun'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**

NOTICE OF 16TH ANNUAL GENERAL MEETING

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 50 per centum (50%) of the total number of issued shares** **Resolution 10**

That pursuant to Section 161 of the Companies Act 1967 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 50% of the total number of issued shares excluding treasury shares 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 issued by the Company. For the purpose of this resolution, the total number of issued shares excluding treasury shares to be issued by the Company shall be based on the total number of issued shares excluding treasury shares issued by the Company at the time this resolution approving the mandate is passed (after adjusting for any new shares arising from conversion or exercise of convertible securities; or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and any subsequent bonus issue, consolidation or subdivision of shares in the Company), and 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))

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))

NOTICE OF 16TH ANNUAL GENERAL MEETING

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;

NOTICE OF 16TH ANNUAL 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);

"**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

NOTICE OF 16TH ANNUAL GENERAL MEETING

(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

14 July 2022

EXPLANATORY NOTES:

(i) Ordinary Resolutions 7 and 8 in items 5 and 6 above – Pursuant to 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 is not affected, the Company is seeking to obtain shareholders' approvals for Mr Ko Chuan Aun's continued appointment as an Independent Director, as he would have served for more than 9 years on the Board of the Company from 5 August 2022. 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, the Chief Executive Officer, and their associates.

(ii) 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 50% of the Company's total number of issued shares excluding treasury shares in the capital of the Company, with an aggregate sub-limit of 20% of the Company's total number of issued shares excluding treasury shares 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.

(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 16TH 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 14 July 2022 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 July 2022" 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://conveneagm.sg/kshholdingslimitedagm2022 by 9.30 a.m. on 26 July 2022. 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 July 2022. 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 6 p.m. on 21 July 2022:

(a) via the pre-registration website at the URL https://conveneagm.sg/kshholdingslimitedagm2022; 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 endeavour to address all relevant questions at least 48 hours prior to the closing date and time for the lodgement of the proxy forms, and subsequent to the AGM, will also post the minutes of the AGM proceedings on SGXNet.

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 2022" 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 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

(b) if submitted by email, be received by the Company's Share Registrar at 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.

NOTICE OF 16TH ANNUAL GENERAL MEETING

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) 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 18 July 2022 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 1967 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 2022 may be accessed at the Company's website at the URL http://kimsengheng.listedcompany.com/ar.html under "Annual Report 2022", 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 Choo Chee Onn, Mr Lim Kee Seng and Mr Ko Chuan Aun are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 29 July 2022 ("**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:

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
Date of Appointment	9 March 2006	22 March 2006	5 August 2013
Date of last re-appointment (if applicable)	26 July 2019	29 September 2020	29 September 2020
Age	71	71	64
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 ("**NC**") and has reviewed and considered the qualification, work experience and suitability of Mr Choo Chee Onn for re-appointment as the Executive Chairman and Managing Director of the Company. The Board has reviewed and concluded that Mr Choo Chee Onn 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 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 NC and Audit and Risk Committee 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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
Whether appointment is executive, and if so, the area of responsibility	Executive; responsible for the overall management, strategic planning and business development of the Group.	Executive; responsible for overseeing the entire construction function and business operations of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Managing Director	Executive Director	Independent Director, Chairman of the Remuneration Committee and a member of each of the NC and Audit and Risk Committee.
Professional qualifications and working experience and occupation(s) during the past 10 years	Mr Choo Chee Onn is presently an Executive Chairman and Managing Director of the Company. Mr Choo Chee Onn has more than 40 years of experience in the construction and property development industries.	Mr Lim Kee Seng is presently an Executive Director of the Company. Mr Lim Kee Seng has more than 40 years of experience in the construction, construction-related and property development industries.	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). Mr Ko Chuan Aun presently holds directorships in various private and public companies. Please refer to other principal commitments.
Shareholding interest in the listed issuer and its subsidiaries	108,843,298 shares as at 14 July 2022	68,237,360 shares as at 14 July 2022	Nil shares as at 14 July 2022

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
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
Other Principal Commitments* Including Directorships# (for the last 5 years) * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	Past (for the past 5 years): Directorships Nil Other Principal Commitments Nil Present: Directorships Directorships in the Group's subsidiaries Other Principal Commitments Nil	Past (for the past 5 years): Directorships Nil Other Principal Commitments Nil Present: Directorships Directorships in the Group's subsidiaries Other Principal Commitments Nil	Past (for the past 5 years): Directorships KOP Limited San Teh Ltd Super Group Ltd Koon Holdings Limited Other Principal Commitments Nil Present: Lian Beng Group Limited Pavillon Holdings Ltd. Sheng Siong Group Ltd. Other Principal Commitments Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	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	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
(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

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
(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

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
(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 (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 (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, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHOO CHEE ONN	MR LIM KEE SENG	MR KO CHUAN AUN
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. 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. 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).	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 2022" 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 14 July 2022 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 July 2022" which has been uploaded together with the Notice of Annual General Meeting dated 14 July 2022 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 18 July 2022.

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 Friday, 29 July 2022 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, Auditor's Report and Audited Accounts for the financial year ended 31 March 2022			
2.	To approve a final tax-exempt (one-tier) cash dividend of 1.00 cent per share for the financial year ended 31 March 2022			
3.	To approve Directors' Fees S$155,000 for the financial year ending 31 March 2023 to the Independent Directors			
4.	To re-elect Mr Choo Chee Onn as a Director retiring under Article 89			
5.	To re-elect Mr Lim Kee Seng as a Director retiring under Article 89			
6.	To re-elect Mr Ko Chuan Aun as a Director retiring under Article 89			
7.	Approval of Mr Ko Chuan Aun'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 ("**Listing Manual**")			
8.	Approval of Mr Ko Chuan Aun's continued appointment as an Independent Director by shareholders (excluding directors, the chief executive officer, and their associates) in accordance with Rule 210(5)(d)(iii) of the Listing Manual			
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 ______________ 2022

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 2001), 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 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

   (b) if submitted by email, be received by the Company's Share Registrar at 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 2523