FINANCIALS

P 98 —— DIRECTORS' STATEMENT
P 102 —— INDEPENDENT AUDITOR'S REPORT
P 106 —— CONSOLIDATED INCOME STATEMENT
P 107 —— CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
P 108 —— BALANCE SHEETS
P 110 —— STATEMENTS OF CHANGES IN EQUITY
P 115 —— CONSOLIDATED CASH FLOW STATEMENT
P 117 —— NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Banyan Tree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet 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 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

Directors

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

Ho KwonPing
Karen Tay Koh
Paul Beh Jit Han
Tan Chian Khong
Arnoud De Meyer
Gaurav Bhushan
Jason Chew Van Hoong
Mohamed Al-Hashmi (Alternate Director to Jason Chew Van Hoong)
Ho Ren Hua
Ding Changfeng
Parnsiree Amatayakul
Lien Choong Luen

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 object 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, other than pursuant to the Banyan Tree Share Award Scheme 2016.

Banyan Tree Share Award Scheme 2016

The Company adopted the Banyan Tree Share Award Scheme 2016 ("Share Award Scheme") at the annual general meeting of the Company on 28 April 2016. Ho KwonPing, the Executive Chairman and controlling shareholder*, is not entitled to participate in the Share Award Scheme.

At the date of this statement, the Share Award Scheme is the only share incentive scheme of the Company in force and administered by the Remuneration Committee ("RC") which comprises Karen Tay Koh, Paul Beh Jit Han and Arnoud De Meyer, all of whom are Independent Directors of the Company.

The Share Award Scheme enable eligible participants to participate in the equity of the Company with the aim of motivating them towards better performance. More information about the Share Award Scheme and details of performance shares and awards granted to eligible participants during the financial year under the Share Award Scheme, can be found in Note 43 to the financial statements.

* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Manual.

Founder's Grant

Ho KwonPing is entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). The entitlement has ended at financial year ended 31 December 2019. Ho KwonPing was entitled to be paid a total amount of $734,492 in cash pursuant to the Founder's Grant in respect of financial year ended 31 December 2019. Ho KwonPing has requested for payment to be deferred which was approved by the Board of Directors on 28 February 2020. Payment of the Founder's Grant will be deferred to such date as may be agreed with Management. The Board of Directors and Remuneration Committee will be duly informed when payment is made. For avoidance of doubt, save for the said deferred payment, the Founder's Grant has otherwise expired and does not apply to financial year ended 31 December 2020 or subsequent financial years. Details of the Founder's Grant can be found in Note 43 to the financial statements.

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 Companies Act 1967 of Singapore (the "Companies Act"), an interest in shares and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Holdings registered in the name of director or nominee			Holdings in which a director is deemed to have an interest		
Name of directors and companies in which interests are held	**At the beginning of financial year/date of appointment**	**At the end of financial year**	**As at 21 January 2022**	**At the beginning of financial year/date of appointment**	**At the end of financial year**	**As at 21 January 2022**
Banyan Tree Holdings Limited ("BTH") (Incorporated in Singapore)						
Ordinary shares						
Ho KwonPing	–	–	–	301,948,882	301,948,882	301,948,882
Ho Ren Hua	–	–	–	994,700	994,700	994,700
Arnoud De Meyer	–	–	–	–	83,000	83,000
Debentures – Convertible Bonds[1]						
Ho KwonPing	–	–	–	$21,670,481	$21,670,481	$21,670,481
Ho Ren Hua	–	–	–	$202,949	$202,949	$202,949
Bangtao Laguna Limited (formerly known as Bangtao Development Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Phuket Grande Resort Limited (formerly known as Phuket Resort Development Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Twin Waters Limited (formerly known as Twin Waters Development Company Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	2	2	2	–	–	–

[1] Renounceable and Non-Underwritten Rights Issue of $50,402,608 in aggregate principal amount of 7.5 per cent convertible bonds.

DIRECTORS' STATEMENT

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

By virtue of Section 7 of the Companies Act, Ho KwonPing is deemed to have interests in shares of the subsidiaries held by the Company.

Except as disclosed in the financial statements, no director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Audit and Risk Committee ("ARC")

As at the date of this statement, the members of the ARC are as follows:

Tan Chian Khong	(Chairman, appointed on 28 January 2021)
Karen Tay Koh	
Lien Choong Luen	(Appointed on 28 April 2021)

All ARC members are Non-Executive Independent Directors.

The ARC has adopted a Charter that is approved by the Board of Directors (the "Board") and which clearly set out its responsibilities as follows:

1. assisting the Board in the discharge of its statutory responsibilities on financial and accounting matters;
2. review of the audit plans, and the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
3. review of the co-operation given by the Company's officers to the external auditors;
4. making recommendations to the Board on (a) the proposals to the shareholders on the appointment, re-appointment and removal of external auditors, and (b) the remuneration and terms of engagement of the external auditors;
5. review of the significant financial reporting issues and judgements so as to ensure the integrity of any financial information presented to the Company's shareholders; including financial statements of the Group and any announcements relating to the Group's financial performance;
6. review of the assurance from the Executive Chairman, the President & Group Managing Director and Senior Vice President, Group Finance and Corporate Affairs on the financial records and financial statements;
7. review of interested person transactions;
8. review at least annually of adequacy and effectiveness of the Company's internal controls and risk management systems, and oversight of the risk management processes and activities to mitigate and manage risk at levels that are determined to be acceptable to the Board;
9. where necessary, commission and review of the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation; and
10. review of 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 ARC performed the functions specified in the Companies Act. The functions performed are detailed in the Corporate Governance Report.

Auditor

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

On behalf of the Board of Directors,

Ho KwonPing
Director

Tan Chian Khong
Director

Singapore
18 March 2022

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Banyan Tree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement 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 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 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 judgment, 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, including any commentary on the findings or outcome of our procedures, 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.

1. Adequacy of loss allowance for a trade receivable (non-property sales) and current amounts due from associates (non-trade)

As at 31 December 2021, the Group has a trade receivable (non-property sales) of approximately $7.3 million and current amounts due from associates (non-trade) of approximately $27.8 million (the "Receivables"). The Receivables represent approximately 2.5% of the Group's total assets. Management has assessed the recoverability of the Receivables and considered the loss allowance based on debtor-specific assessments of the expected impairment loss. The assessment of the expected loss allowance requires significant management judgment. As such, we determined this to be a key audit matter.

We assessed the Group's processes and controls for identifying and monitoring of the Receivables, including the Group's assessment of changes in loss rates applied. We performed audit procedures, amongst others, requesting confirmations from certain debtors, assessing the facts and circumstances surrounding the outstanding Receivables, and reviewing for evidence of collection by way of receipts from debtors after the year end. We also inquired with management if there is any dispute with the debtors. We evaluated the reasonableness of management's estimate of the future repayment by the debtors, by taking into consideration the debtor's past payment history, nature of business and economic environment as well as the debtors' repayment plan. In addition, we assessed the reasonableness of the loss rates applied by management, taking into consideration the latest available financial information of the debtors and current economic information in markets where the debtors operate.

Key Audit Matters (cont'd)

1. Adequacy of loss allowance for a trade receivable (non-property sales) and current amounts due from associates (non-trade) (cont'd)

The results of our evaluation show that management's assessment of the Group's allowance for the expected losses of the Receivables is reasonable.

We also assessed the adequacy of the Group's disclosures on the Receivables in Notes 21 and 30 and the related risks such as credit risk and liquidity risk in Notes 46(a) and 46(b) to the financial statements.

2. Fair value measurement of freehold land and buildings and investment properties

As at 31 December 2021, the carrying values of freehold land and buildings and investment properties amounted to approximately $496.9 million and $79.7 million respectively, which accounted for 40.5% of the Group's total assets. The valuation of freehold land and buildings and investment properties are complex and dependent on a range of estimates (amongst others, discount rates, yield adjustments, and growth rates) made by management, of which the levels of estimation uncertainties and required judgment are heightened by the changes in market and economic conditions arising from the COVID-19 pandemic. As such, we determined this to be a key audit matter.

The management engaged professional independent property valuers to support the determination of the fair value of freehold land and buildings and investment properties as at 31 December 2021. Our audit work in assessing the reasonableness of management's judgments and estimations of these fair values, included among others, considered the objectivity, independence and competency of the external property valuers. We held discussions with management and external property valuers to understand the valuation models and the basis for the key assumptions used, including key valuation adjustments made in response to the changes in market and economic conditions arising from the COVID-19 pandemic.

For the Group's significant freehold land and buildings and investment properties, we involved our internal real estate and valuation specialists to assist us in assessing the appropriateness of the valuation models and the reasonableness of significant assumptions on discount rates, yield adjustments, and growth rates used by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We also assessed the overall reasonableness of the fluctuations in the fair value of freehold land and buildings and investment properties.

Based on the work performed, we considered the methodology and key assumptions used by management to be appropriate.

We also assessed the adequacy of the disclosures related to freehold land and buildings and investment properties in Notes 13, 14 and 48 to the financial statements.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

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 judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Yew Chung.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
18 March 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000
Revenue	3	**221,228**	157,832
Other income	4	**13,224**	1,747
		234,452	159,579
Costs and expenses			
Cost of operating supplies		**(9,916)**	(9,682)
Cost of properties sold		**(100,824)**	(36,186)
Salaries and related expenses	5	**(50,602)**	(55,943)
Administrative expenses		**(28,691)**	(55,777)
Sales and marketing expenses		**(7,123)**	(7,933)
Other operating expenses	6	**(25,646)**	(27,041)
Impairment losses on financial assets	10	**(7,111)**	(2,135)
		(229,913)	(194,697)
Profit/(Loss) before interests, taxes, depreciation and amortisation		**4,539**	(35,118)
Depreciation of property, plant and equipment and right-of-use assets	13/38	**(21,845)**	(25,557)
Amortisation expense		**(825)**	(779)
Loss from operations and other gains	7	**(18,131)**	(61,454)
Finance income	8	**3,638**	7,016
Finance costs	9	**(39,974)**	(33,448)
Share of results of associates		**2,647**	(6,686)
Loss before taxation		**(51,820)**	(94,572)
Income tax expense	11	**(9,454)**	(7,936)
Loss after taxation		**(61,274)**	(102,508)
Attributable to:			
Owners of the Company		**(55,192)**	(95,838)
Non-controlling interests		**(6,082)**	(6,670)
		(61,274)	(102,508)
Earnings per share attributable to owners of the Company (in cents):			
Basic	12	**(6.50)**	(11.41)
Diluted	12	**(6.50)**	(11.41)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Group 2021 $'000	Group 2020 $'000
Loss after taxation	**(61,274)**	(102,508)
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss		
Realisation of currency translation reserves	**(139)**	–
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	**(34,720)**	(11,985)
	(34,859)	(11,985)
Items that will not be reclassified to profit or loss		
Adjustment on property revaluation reserve, net of deferred tax	**115**	(550)
Net fair value gain/(loss) on equity instruments at fair value through other comprehensive income	**914**	(447)
Actuarial loss arising from defined benefit plan, net of deferred tax	**–**	(1,222)
	1,029	(2,219)
Other comprehensive loss for the financial year, net of tax	**(33,830)**	(14,204)
Total comprehensive loss for the financial year	**(95,104)**	(116,712)
Total comprehensive loss attributable to:		
Owners of the Company	**(83,578)**	(107,924)
Non-controlling interests	**(11,526)**	(8,788)
	(95,104)	(116,712)

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

BALANCE SHEETS

For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current assets					
Property, plant and equipment	13	**567,671**	651,822	**–**	–
Right-of-use assets	38	**17,718**	18,769	**–**	–
Investment properties	14	**79,689**	62,065	**–**	–
Intangible assets	15	**36,723**	35,198	**3,730**	3,815
Land use rights	16	**2,647**	2,338	**–**	–
Subsidiaries	17	**–**	–	**562,806**	637,063
Associates	18	**111,135**	155,606	**869**	3,529
Long-term investments	19	**29,010**	100,245	**–**	–
Deferred tax assets	39	**21,042**	23,266	**–**	–
Prepaid island rental	20	**17,557**	17,962	**–**	–
Prepayments		**1,555**	433	**–**	–
Long-term receivables	21	**20,418**	41,530	**–**	5,720
Other receivables	22	**4,511**	4,883	**–**	–
Amounts due from related parties	31	**2,042**	17,074	**–**	–
		911,718	1,131,191	**567,405**	650,127
Current assets					
Property development costs	24	**211,391**	314,091	**–**	–
Inventories	25	**4,050**	4,987	**–**	–
Prepayments and other non-financial assets	26	**11,220**	13,461	**699**	13
Trade receivables	27	**41,884**	38,163	**5,347**	4,317
Other receivables	28	**13,245**	18,045	**509**	666
Contract assets	3	**1,666**	2,592	**–**	–
Amounts due from subsidiaries	29	**–**	–	**169,789**	185,428
Amounts due from associates	30	**41,869**	2,756	**7,202**	1,430
Amounts due from related parties	31	**52**	132	**16**	–
Investments	23	**74,159**	2,006	**2,010**	2,006
Cash and short-term deposits	32	**112,326**	51,287	**63,060**	15,386
		511,862	447,520	**248,632**	209,246
Total assets		**1,423,580**	1,578,711	**816,037**	859,373

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

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Current liabilities					
Tax payable		**11,524**	9,290	**–**	16
Other non-financial liabilities	33	**13,321**	14,297	**1,051**	1,009
Interest-bearing loans and borrowings	34	**153,576**	226,204	**58,825**	91,561
Convertible bonds	35	**42,473**	–	**42,473**	–
Derivative liability conversion option in convertible bonds	36	**16,193**	–	**16,193**	–
Trade payables		**21,825**	32,166	**–**	–
Other payables	37	**115,123**	116,612	**70,411**	66,867
Contract liabilities	3	**69,286**	52,853	**–**	–
Lease liabilities	38	**2,291**	2,130	**–**	–
Amounts due to subsidiaries	29	**–**	–	**33,677**	17,570
Amounts due to associates	30	**17,873**	17,886	**–**	17,831
Amounts due to related parties	31	**648**	270	**13**	13
		464,133	471,708	**222,643**	194,867
Net current assets/(liabilities)		**47,729**	(24,188)	**25,989**	14,379
Non-current liabilities					
Deferred tax liabilities	39	**128,889**	138,017	**–**	–
Defined and other long-term employee benefits	40	**5,210**	6,727	**–**	–
Deposits received		**1,901**	1,939	**–**	–
Other non-financial liabilities		**16,847**	7,792	**–**	–
Interest-bearing loans and borrowings	34	**233,173**	233,096	**33,548**	18,813
Convertible bonds	35	**–**	41,318	**–**	41,318
Derivative liability conversion option in convertible bonds	36	**–**	15,182	**–**	15,182
Other payables		**3,239**	3,034	**–**	–
Lease liabilities	38	**32,103**	32,298	**–**	–
Amounts due to subsidiaries		**–**	–	**133,852**	130,476
		421,362	479,403	**167,400**	205,789
Total liabilities		**885,495**	951,111	**390,043**	400,656
Net assets		**538,085**	627,600	**425,994**	458,717
Equity attributable to owners of the Company					
Share capital	41	**247,578**	241,750	**247,578**	241,750
Treasury shares	42	**(706)**	(758)	**(706)**	(758)
Reserves	42	**241,378**	325,247	**179,122**	217,725
		488,250	566,239	**425,994**	458,717
Non-controlling interests		**49,835**	61,361	**–**	–
Total equity		**538,085**	627,600	**425,994**	458,717

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 December 2021

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 42(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2021											
At 1 January 2021	**241,750**	**(758)**	**7,973**	**8,280**	**206,123**	**(29,243)**	**20,571**	**111,543**	**566,239**	**61,361**	**627,600**
Loss after taxation	–	–	–	–	–	–	–	**(55,192)**	**(55,192)**	**(6,082)**	**(61,274)**
Other comprehensive income											
Realisation of currency translation reserves	–	–	–	–	–	**(139)**	–	–	**(139)**	–	**(139)**
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	–	–	–	–	–	**(29,280)**	–	–	**(29,280)**	**(5,440)**	**(34,720)**
Adjustment on property revaluation reserve, net of deferred tax	–	–	–	–	**115**	–	–	–	**115**	–	**115**
Net fair value gain on equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	**918**	–	**918**	**(4)**	**914**
Total other comprehensive gain/(loss) for the financial year	–	–	–	–	**115**	**(29,419)**	**918**	–	**(28,386)**	**(5,444)**	**(33,830)**
Total comprehensive gain/(loss) for the financial year	–	–	–	–	**115**	**(29,419)**	**918**	**(55,192)**	**(83,578)**	**(11,526)**	**(95,104)**
Contributions by and distributions to owners											
Treasury shares reissued pursuant to Share-based Incentive Plan	–	**52**	**(33)**	–	–	–	**(19)**	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	**(26)**	–	–	–	–	–	**(26)**	–	**(26)**
Issue of new shares	**5,828**	–	–	–	–	–	–	–	**5,828**	–	**5,828**
Total transactions with owners in their capacity as owners	**5,828**	**52**	**(59)**	–	–	–	**(19)**	–	**5,802**	–	**5,802**
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	**(213)**	**(213)**	–	**(213)**
Transfer to accumulated profits upon disposal of asset	–	–	–	–	**(1,015)**	–	–	**1,015**	–	–	–
Transfer to legal reserve	–	–	–	**104**	–	–	–	**(104)**	–	–	–
Total other changes in equity	–	–	–	**104**	**(1,015)**	–	–	**698**	**(213)**	–	**(213)**
At 31 December 2021	**247,578**	**(706)**	**7,914**	**8,384**	**205,223**	**(58,662)**	**21,470**	**57,049**	**488,250**	**49,835**	**538,085**

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 December 2021

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 42(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2020											
At 1 January 2020	241,520	(900)	8,111	8,280	208,723	(18,980)	21,100	206,381	674,235	73,178	747,413
Loss after taxation	–	–	–	–	–	–	–	(95,838)	(95,838)	(6,670)	(102,508)
Other comprehensive income											
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	–	–	–	–	–	(10,263)	–	–	(10,263)	(1,722)	(11,985)
Adjustment on property revaluation reserve, net of deferred tax	–	–	–	–	(323)	–	–	–	(323)	(227)	(550)
Net fair value loss on equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	(447)	–	(447)	–	(447)
Actuarial loss arising from defined benefit plan, net of deferred tax	–	–	–	–	–	–	–	(1,053)	(1,053)	(169)	(1,222)
Total other comprehensive loss for the financial year	–	–	–	–	(323)	(10,263)	(447)	(1,053)	(12,086)	(2,118)	(14,204)
Total comprehensive loss for the financial year	–	–	–	–	(323)	(10,263)	(447)	(96,891)	(107,924)	(8,788)	(116,712)
Contributions by and distributions to owners											
Treasury shares reissued pursuant to Share-based Incentive Plan	–	142	(60)	–	–	–	(82)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	(78)	–	–	–	–	–	(78)	–	(78)
Issue of new shares	230	–	–	–	–	–	–	–	230	–	230
Total transactions with owners in their capacity as owners	230	142	(138)	–	–	–	(82)	–	152	–	152
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(224)	(224)	–	(224)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	(3,029)	(3,029)
Transfer to accumulated profits upon disposal of asset	–	–	–	–	(2,277)	–	–	2,277	–	–	–
Total other changes in equity	–	–	–	–	(2,277)	–	–	2,053	(224)	(3,029)	(3,253)
At 31 December 2020	241,750	(758)	7,973	8,280	206,123	(29,243)	20,571	111,543	566,239	61,361	627,600

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 December 2021

Company	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Other reserves $'000 Note 42(f)	Accumulated profits $'000	Total equity $'000
At 1 January 2021	**241,750**	**(758)**	**7,973**	**4,581**	**205,171**	**458,717**
Loss after taxation	–	–	–	–	**(38,525)**	**(38,525)**
Total comprehensive loss for the financial year	–	–	–	–	**(38,525)**	**(38,525)**
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	**52**	**(33)**	**(19)**	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	**(26)**	–	–	**(26)**
Issue of new shares	**5,828**	–	–	–	–	**5,828**
Total transactions with owners in their capacity as owners	**5,828**	**52**	**(59)**	**(19)**	–	**5,802**
At 31 December 2021	**247,578**	**(706)**	**7,914**	**4,562**	**166,646**	**425,994**
At 1 January 2020	241,520	(900)	8,111	4,663	222,467	475,861
Loss after taxation	–	–	–	–	(17,296)	(17,296)
Total comprehensive loss for the financial year	–	–	–	–	(17,296)	(17,296)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	142	(60)	(82)	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	(78)	–	–	(78)
Issue of new shares	230	–	–	–	–	230
Total transactions with owners in their capacity as owners	230	142	(138)	(82)	–	152
At 31 December 2020	241,750	(758)	7,973	4,581	205,171	458,717

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Loss before taxation		**(51,820)**	(94,572)
Adjustments for:			
Share of results of associates		**(2,647)**	6,686
Depreciation of property, plant and equipment and right-of-use assets	13/38	**21,845**	25,557
(Gain)/Loss on disposal of property, plant and equipment, net	7	**(558)**	9
Write-off of property, plant and equipment	7	**156**	559
Impairment loss on property, plant and equipment	7	**433**	6,252
Allowance for impairment loss on right-of-use assets	7	**87**	–
Finance income	8	**(3,638)**	(7,016)
Finance costs	9	**39,974**	33,448
Amortisation expense		**825**	779
Impairment losses on financial assets	10	**7,111**	2,135
Write-off of property development costs	7	**1,596**	15,862
Allowance for inventory obsolescence	7	**158**	4
Defined and other long-term employee benefits expense	5	**447**	5,250
Share-based payment expenses	5	**164**	(70)
Gain on disposal of investment in subsidiary	17	**(167)**	–
Fair value loss on derivatives	7	**2,708**	5,702
Net fair value (gain)/loss on investment properties	4/7	**(1,060)**	27
Currency realignment		**1,422**	(6,723)
		68,856	88,461
Operating profit/(loss) before working capital changes		**17,036**	(6,111)
Decrease in inventories		**539**	827
Decrease/(Increase) in property development costs		**84,564**	(365)
Decrease in trade and other receivables and contract assets		**10,393**	5,791
Decrease in amounts due from related parties		**2,771**	384
Increase in trade and other payables, and contract liabilities		**26,429**	7,635
		124,696	14,272
Cash flows generated from operating activities		**141,732**	8,161
Interest received		**3,662**	3,319
Interest paid		**(21,863)**	(22,930)
Tax paid		**(2,680)**	(3,493)
Payment of employee benefits	40	**(1,411)**	(4,196)
Payment of cash-settled share grants		**(34)**	(14)
Net cash flows generated from/(used in) operating activities		**119,406**	(19,153)

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(6,751)**	(9,196)
Proceeds from disposal of property, plant and equipment		**1,027**	114
Dividend income from an associate		**494**	520
Additions to intangible assets	15	**–**	(478)
Net cash flows used in investing activities		**(5,230)**	(9,040)
Cash flows from financing activities			
Proceeds from bank loans		**69,386**	88,145
Repayment of bank loans		**(116,456)**	(82,294)
Repayment of notes payable		**–**	(100,000)
Payment of principal portion of lease liabilities	38	**(3,234)**	(3,560)
Payment of dividends			
- by subsidiaries to non-controlling interests		**–**	(3,029)
- by subsidiaries to loan stockholders		**(213)**	(224)
Proceeds from issue of bonds	35	**–**	50,403
Net cash flows used in financing activities		**(50,517)**	(50,559)
Net increase/(decrease) in cash and cash equivalents		**63,659**	(78,752)
Net foreign exchange difference		**(2,620)**	(763)
Cash and cash equivalents at beginning of the financial year		**51,287**	130,802
Cash and cash equivalents at end of the financial year	32	**112,326**	51,287

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 December 2021

1. Corporate information

Banyan Tree Holdings Limited (the "Company") is a limited liability company, which is incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office of the Company is located at 211 Upper Bukit Timah Road, Singapore 588182.

The principal activities of the Company are those of investment holding and the provision of project design and management services. The principal activities of the subsidiaries are set out in Note 17 to the financial statements. There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet 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 a historical cost basis except as disclosed in the accounting policies below.

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

Fundamental accounting concept

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as and when they fall due within the next twelve months.

As at 31 December 2021, the Group recorded net current assets of $47,729,000 which was an improvement of $71,917,000 as compared to net current liabilities of $24,188,000 as at 31 December 2020.

2.2 Changes 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 revised standards which are effective for the annual financial periods beginning on or after 1 January 2021. The adoption of these standards, did not have any material effect on the financial performance or position of the Group and the Company.

COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to SFRS(I) 16

On 28 May 2020, the ASC issued COVID-19-Related Rent Concessions – amendment to SFRS(I) 16 Leases. The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic is continuing, on 31 March 2021, the ASC extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received COVID-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

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

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 on *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-8 on *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12 on *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendment to SFRS(I) 1-1 on *Classification of Liabilities as Current or Non-current – Deferral of Effective Date*	Date to be determined
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *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 standards above will have no material impact to the financial statements in the year of initial application.

2.4 Significant accounting estimates and judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impact of COVID-19 on the Group

The Group has considered the impact of COVID-19 in preparing its financial statements for the year. The critical accounting estimates and key judgement areas of the Group have required additional consideration and analysis due to the impact of COVID-19. Other than adjusting events that provide evidence of conditions that existed at the end of the financial year, the impact of events that arise after the reporting period will be accounted for in future reporting periods. The impact of COVID-19 increases the level of judgement required in measurement of assets and projected cash flows. The COVID-19 assumptions and considerations for the critical accounting estimates and key judgement areas of the Group relating to recognition and measurement of the assets as at 31 December 2021 are outlined in further detail in Note 48(d)(iii) Level 3 fair value measurements policies and procedures.

As at 31 December 2021, the Group has current loans and borrowings of $153.6 million of which $84.2 million relates to revolving and working capital facilities ("RCF") which would be rolled over periodically based on past history with its relationship banks and another $21.6 million relates to short term funding for its Property Sales business segment which would be repayable from proceeds of unit completion and handover to contracted buyers. Amount of RCF has decreased by $41.0 million or 33% as compared to same period in prior year. The balance of $47.8 million relates to term loans repayable within the next 12 months, of which $17.0 million has secured commitments subject to documentation for another term loan extension.

In addition to the above measures to roll over and term out its loans, the Group has cash balance of $112.3 million, trade receivables and current amount due from associates totalling $83.8 million, which would provide adequate liquidity to meet its current loans, borrowings and Convertible bonds.

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

2.4 Significant accounting estimates and judgments (cont'd)

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the 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.

(i) Impairment of intangible assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill and trademarks including a sensitivity analysis, are given in Note 15 to the financial statements.

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. The carrying amounts of the Group's property, plant and equipment at 31 December 2021 are disclosed in Note 13 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

(iii) Loss allowance for trade and non-trade receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. For the current financial year, the Group also assessed and made changes to loss rates applied as a result of the impact of COVID-19 on trade and non-trade receivables. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effects in the economic conditions in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's trade and non-trade receivables at the end of each reporting period are disclosed in Note 46(a) to the financial statements.

The Group uses the general and simplified approaches to calculate the allowance for expected credit losses ("ECLs") for its trade and non-trade receivables. Under the general approach, the Group would assess if there is any significant increase in credit risk of the debtors, by evaluating qualitative and quantitative factors that are indicative of the risk of default (including but not limited to the latest available financial results, repayment history, economic environment and cash flow projections, if available, and applying the loss rates). The loss allowance is measured on the 12-month expected credit loss basis, if it is assessed that there has not been a significant increase in credit risk of the debtors since initial recognition.

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

2.4 Significant accounting estimates and judgments (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(iii) Loss allowance for trade and non-trade receivables (cont'd)

For the simplified approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward looking information. At every reporting date, historical default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the estimated future repayments, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and non-trade receivables is disclosed in Note 46(a).

The carrying amounts of trade and non-trade receivables as at 31 December 2021 are disclosed in Notes 3, 21, 22, 27, 28, 30 and 31.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses. The carrying values of recognised tax losses and unrecognised tax losses at 31 December 2021 are disclosed in Note 39.

(v) Revaluation of freehold and investment properties

The Group carries its freehold and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The Group engaged professional independent property valuers to determine the fair values for its freehold properties and investment properties in Singapore, Thailand, Sri Lanka and Morocco on a regular basis. The fair value is determined using recognised valuation techniques which require the use of estimates such as market comparables, future cash flows and discount rates applicable to these assets. These estimates are based on local market conditions existing at each valuation date. The professional independent property valuers have considered available information as at 31 December 2021 relating to COVID-19 and have made necessary adjustments due to the COVID-19 pandemic on the valuation. Certain valuation reports also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case.

The carrying amounts, key assumptions and valuation techniques used to determine the fair value of the freehold and investment properties of the Group are stated in Notes 13, 14 and 48 respectively.

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

2.4 Significant accounting estimates and judgments (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(vi) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select the appropriate valuation model and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The inputs to this model are derived from market data where possible, but where not feasible, a degree of judgment is required in establishing fair values. For details of the valuation methods and key assumptions used, refer to Notes 18, 19, 23, 36 and 48(d).

(b) Judgments made in applying accounting policies

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

(i) Investment in associates

Management has assessed and is of the view that the Group exercises significant influence over associates, as disclosed in Note 18, notwithstanding that the Group holds less than 20% voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities.

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 December 2021 are disclosed in the balance sheet and Note 39 respectively.

(iii) Determination of functional currency

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

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

2.5 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 operation.

(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 interests and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 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 any impairment losses.

2.7 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.

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

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

(a) Basis of consolidation (cont'd)

Losses within a subsidiary are attributed to the non-controlling interests 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 for the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interests;
- 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;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

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 administrative expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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 an asset or liability are recognised in profit or loss.

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests 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.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

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

2.8 Transactions with non-controlling interests

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

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

2.9 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 represents 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 associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains or losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

Where 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 investment 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.

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

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such 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 2.21. 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.

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

2.10 Property, plant and equipment (cont'd)

Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost or valuation less accumulated depreciation and any accumulated impairment losses. The Group segregates land and buildings into two classes: leasehold and freehold. For leasehold land and buildings, the Group adopts the cost model and no revaluation will be carried out on these classes of assets. For freehold land and buildings, the Group adopts the revaluation model. Fair value is determined based on appraisal undertaken by professional independent property valuers, using market-based evidence.

Valuations are performed with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount is credited to other comprehensive income and accumulated in equity under the property revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the property revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the property revaluation reserve in respect of an asset is transferred directly to accumulated profits on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use. Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings	-	40 to 50 years
Leasehold buildings	-	10 to 50 years
Furniture, fittings and equipment	-	3 to 20 years
Computers	-	3 years
Motor vehicles	-	5 to 10 years

The Group reviews the estimated residual value and expected useful life of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful life and estimated residual value.

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

2.11 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 an investment property 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 derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any 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.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.10 up to the date of change in use.

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

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives except those classified as other intangible assets 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 each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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.

(a) Trademarks

The trademarks acquired are measured on initial recognition at cost. Following initial recognition, the trademarks are carried at cost less any accumulated impairment loss. The useful life of trademarks is estimated to be indefinite as management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flows for the Group.

(b) Other intangible assets

Sales commission costs arising from property sales are recognised as an intangible asset when the Group can demonstrate that these are incremental costs directly attributable to securing a property sales contract and are recoverable in the gross margin of the contract. Incremental cost is one that would not have been incurred if the Group had not secured the property sales contract.

Following initial recognition of the sales commission costs as an intangible asset, it is carried at cost and expensed off to profit or loss upon the recognition of revenue from property sales.

(c) Club membership

Club membership was acquired separately and is amortised on a straight-line basis over its remaining useful life of underlying assets.

2.13 Impairment of non-financial assets

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

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

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

2.13 Impairment of non-financial assets (cont'd)

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 increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Reversal of an impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as a revaluation increase recognised in other comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.14 Financial instruments

(a) Financial assets

<u>Initial recognition and measurement</u>

Financial assets 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 assets at initial recognition.

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

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.

<u>Subsequent measurement</u>

Investments in debt instruments

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

(i) *<u>Amortised cost</u>*

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 fair value and subsequently at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) *<u>Fair value through other comprehensive income ("FVOCI")</u>*

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

(iii) *<u>Fair value through profit or loss</u>*

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 instrument 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.

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

2.14 Financial instruments (cont'd)

(a) *Financial assets* (cont'd)

Subsequent measurement (cont'd)

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 other comprehensive income. 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 other comprehensive income, changes in fair value are recognised in profit or loss.

Derivatives

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

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- The contractual rights to receive cash flows from the asset has expired; or
- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income for debt instruments is recognised in profit or loss.

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. Financial liabilities include trade payables, which are normally settled on 30 to 90 days' terms, other payables, amounts due to subsidiaries, associates and related parties, interest-bearing loans and borrowings, convertible bonds and lease liabilities.

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 expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) *Offsetting of financial instruments*

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

(d) *Derivative financial instruments*

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from the changes in fair value are recognised in profit or loss.

2.15 Investments

Investments are classified as equity investments at FVOCI or fair value through profit or loss as disclosed in Notes 19 and 23 to the financial statements.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

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

2.17 Property development costs

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Costs comprise cost of land, design fee, infrastructure and construction and related interest and are assigned by using specific identification. Included in the property development costs are completed properties which are held for sale in the ordinary course of business.

Non-refundable commissions paid to sales or marketing agents on the sale are capitalised and amortised to profit or loss when the Group recognises the related revenue.

Net realisable value of the development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.18 Impairment of financial assets

The Group recognises an allowance for ECLs for all non-trade financial assets at amortised costs. 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 under the general approach. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, contract assets, amounts due from associates (trade) and amounts due from related parties (trade), 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 geographical locations, aging of the debts and historical information that reflects high levels of default risk (e.g. in financial difficulty, outstanding legal law suits and amounts in dispute).

The Group considers a financial asset in default when contractual payments are 90 days past due or if there are significant deterioration in credit rating. 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.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Food and beverage - cost of purchase on a weighted average basis;
- Trading goods and supplies - cost of purchase on a weighted average basis; and
- Materials and others - cost of purchase on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

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

2.20 Segment reporting

For management reporting 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 the 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 49, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 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.

2.22 Provisions

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

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

2.23 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 as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.18 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.24 Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

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

2.24 Employee benefits (cont'd)

(c) Share-based payment

Performance share plan and restricted share plan

The Group's Performance Share Plan ("PSP") and Restricted Share Plan ("RSP") are both equity-settled and cash-settled share-based payment transactions.

The cost of these equity-settled share-based payment transactions is measured by reference to the fair value at the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The cost of cash-settled share-based payment transactions is measured initially at fair value at the grant date. This fair value is recognised in profit or loss over the vesting period with recognition of a corresponding liability. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to liability over the remaining vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss and a corresponding adjustment to liability for the period.

The share-based payment reserve is transferred to accumulated profits reserve upon expiry of the plan. Where shares are issued under the PSP or RSP, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the plan is satisfied by the reissuance of treasury shares.

No expense is recognised for shares under both PSP and RSP that do not ultimately vest, except where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

(d) Post employment benefits and other long term employment benefits plans

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The LSP scheme is a defined benefit plan which pays employees a lump sum benefit computed based on their number of years of service and their basic salary upon retirement or early termination of their employment contracts.

The LSA scheme is a long-term employee benefit which rewards employees in cash and/or in gold. To be entitled to the award, employees will have to complete certain number of years of service with the Group.

The benefit schemes are assessed using the projected unit credit actuarial valuation method. The cost of providing for the employee benefits are charged to profit or loss so as to spread the service cost over the service lives of employees in accordance with the actuarial valuation carried out during the year. The provision for the employee benefits is measured as the present value of the estimated future cash outflows by reference to the interest rates of government bonds in Thailand that have terms to maturity approximating the terms of the related liabilities. Actuarial gains and losses arising from LSP are recognised in other comprehensive income and for those arising from LSA to be recognised in profit or loss in the year these gains and losses arise.

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a scheme, past service costs are recognised immediately.

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

2.24 Employee benefits (cont'd)

(e) Defined benefits plans

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality long-term bonds that are denominated in Indonesian Rupiah in which the benefits will be paid and that have terms of maturity similar to the related pension liability.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier between:

(i) the date of the plan amendment or curtailment, and

(ii) the date the related restructuring costs and termination benefits are recognised.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The following changes in the net defined benefit obligation are recognised in the profit or loss:

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and

(ii) Net interest expense or income.

2.25 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 leases of 'low value' assets and short-term leases. The Group recognises lease liabilities to make a lease payment and right-of-use assets representing the right to use the underlying assets during the lease term.

(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, as follows:

Land	-	34 to 44 years
Buildings	-	2 to 4 years

If the ownership of the lease asset transfers to the Group at the end of the lease 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 of non-financial assets is set out in Note 2.13.

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

2.25 Leases (cont'd)

(a) As lessee (cont'd)

(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 a 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 payments occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilites is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg. 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 of equipment (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 of office equipment 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 of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.27(i).

2.26 Prepaid island rental and land use rights

Prepaid island rental and land use rights are initially measured at cost. Following initial recognition, prepaid island rental and land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid island rental and land use rights are amortised over the lease term as stipulated in the respective island rental and land use rights agreements.

2.27 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. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

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

2.27 Revenue (cont'd)

(a) Hotel investments

Revenue from hotel investments mainly comprises room rental, food and beverage sales and auxiliary activities, and represents the invoiced value of services rendered after deducting discounts. Revenue is recognised at a point in time when the services are rendered.

(b) Property sales

– Sale of completed development property

Revenue from sale of a development property is recognised at a point in time when control over the property is transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

– Sale of development property under construction

Where development property is under construction and agreement has been reached to sell such property when construction is completed, revenue is recognised at a point in time when control over the property is transferred to the buyer.

(c) Management services

Management services comprises the management of hotels and resorts, the management of an asset-backed club, the management of private-equity funds and the management of golf courses. In addition, the Group also collects royalty fees from licensing its Brands for branded residences development.

Revenue from management services is recognised over time as the relevant services are rendered over the duration of the service contracts.

(d) Spa operation

Revenue from operating spas is recognised over time as the relevant services are rendered over the duration of the service contracts.

(e) Merchandise sales

Revenue is recognised at a point in time when control of the goods is transferred to the customer, and generally coincides with delivery and acceptance of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

Payment of the transaction price is due immediately at the point the customer purchases the goods for retail customer. Otherwise, invoices are issued on a monthly basis and are payable within 30 days.

(f) Project and design services

Revenue from the provision of project and design services is recognised over time based on completion of certain performance obligation according to the stage of completion as certified by qualified professionals.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified project 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 advance payments from the customer.

(g) Dividend income

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

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

2.27 Revenue (cont'd)

(h) Interest income

Interest income is recognised using the effective interest method.

(i) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2.28 Government grants

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

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

2.29 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

- Where the deferred tax 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 interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused tax losses can be utilised.

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

2.29 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.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction of goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) Sales tax

Revenue, 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.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.30 Share capital and share issuance expenses

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

2.31 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

2.32 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, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.33 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Revenue

(a) Disaggregation of revenue

Revenue of the Group represents revenue from operation and management of hotels, property sales and fee-based segment after eliminating intercompany transactions. The amount of each significant category of revenue recognised during the year is as follows:

Segments	Hotel investments		Property sales		Fee-based segment		Total revenue	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000	**2021** $'000	**2020** $'000	**2021** $'000	**2020** $'000
Primary geographical markets								
Singapore	**–**	–	**–**	–	**469**	594	**469**	594
South East Asia	**22,238**	44,714	**30,969**	69,398	**15,173**	15,091	**68,380**	129,203
Indian Oceania	**37,145**	17,031	**–**	–	**157**	215	**37,302**	17,246
Middle East	**–**	–	**–**	–	**1,637**	219	**1,637**	219
North East Asia	**–**	–	**–**	–	**10,762**	6,134	**10,762**	6,134
Rest of the world	**107**	431	**91,819**	–	**10,752**	4,005	**102,678**	4,436
	59,490	62,176	**122,788**	69,398	**38,950**	26,258	**221,228**	157,832
Major product or services line								
Hotel investments	**59,490**	62,176	**–**	–	**–**	–	**59,490**	62,176
Property sales	**–**	–	**122,788**	69,398	**–**	–	**122,788**	69,398
Management services	**–**	–	**–**	–	**27,847**	14,127	**27,847**	14,127
Spa operation	**-**	-	**-**	-	**2,638**	3,250	**2,638**	3,250
Project and design services	**–**	–	**–**	–	**3,450**	2,571	**3,450**	2,571
Merchandise sales	**–**	–	**–**	–	**3,837**	4,677	**3,837**	4,677
Rental income	**–**	–	**–**	–	**1,178**	1,633	**1,178**	1,633
	59,490	62,176	**122,788**	69,398	**38,950**	26,258	**221,228**	157,832
Timing of transfer of goods or services								
At a point in time	**59,490**	62,176	**122,788**	69,398	**3,837**	4,677	**186,115**	136,251
Over time	**–**	–	**–**	–	**35,113**	21,581	**35,113**	21,581
	59,490	62,176	**122,788**	69,398	**38,950**	26,258	**221,228**	157,832

3. Revenue (cont'd)

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2021 $'000	**2020** $'000
Long-term receivables – Trade (Note 21)	**20,418**	41,530
Trade receivables (Note 27)	**41,884**	38,163
Contract assets	**1,666**	2,592
Contract liabilities	**(69,286)**	(52,853)

The Group has recognised write back on impairment losses on receivables arising from contracts with customers amounting to $108,000 (2020: $31,000).

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

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from customers for project and design services, hotel operations and property sales.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	Group	
	2021 $'000	**2020** $'000
Contract asset reclassified to receivables	**(2,592)**	(2,638)

(ii) Significant changes in contract liabilities are explained as follows:

	Group	
	2021 $'000	**2020** $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**32,318**	26,820

3. Revenue (cont'd)

(c) Transaction price allocated to remaining performance obligations

Property sales

The Group expects to recognise $120,700,000 (2020: $108,821,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2021 within the next 3 years.

Management services

Other than revenue from the management of hotels and resorts, the Group expects to recognise royalties from branded residences development of $7,327,000 (2020: $10,407,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2021 within the next 5 years.

Spa operation

The Group expects to recognise $1,560,000 (2020: $1,422,000) as management fees relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2021 within the next 3 years.

Project and design services

The Group expects to recognise $5,782,000 (2020: $5,238,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2021 within the next 3 years.

The above amounts have not included 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 from the management of hotels and resorts based on the underlying hotel performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

4. Other income

	Group	
	2021 $'000	**2020** $'000
Management and service fees	**57**	195
Net fair value gain on investment properties (Note 14)	**1,060**	–
Rental income	**855**	849
Fair value gain on investments (Note 23)	**4**	6
Gain on disposal of investment in subsidiary (Note 17)	**167**	–
Compensation from early termination of Hotel Management Agreement	**9,812**	–
Others	**1,269**	697
	13,224	1,747

5. Salaries and related expenses

	Group	
	2021 $'000	**2020** $'000
Salaries, wages and other related costs	**47,883**	41,181
Defined and other long-term employee benefits expense (Note 40)	**447**	5,250
Share-based payment expenses	**164**	(70)
Contributions to defined contribution plans	**2,108**	2,327
Severance payments	**–**	7,255
The above amounts include salaries and related expenses of key management personnel	**50,602**	55,943

Salaries, wages and other related costs are net of the government grants of $319,000 (2020: $2,844,000), which relates to Jobs Support Scheme funded by the Singapore Government under the COVID-19 (Temporary Measures) Act 2020.

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	2021 $'000	**2020** $'000
Utilities and communication	**8,550**	7,716
Repair and maintenance	**5,618**	6,241
Printing and stationery	**665**	737
Travelling and transportation	**458**	271
Commission expenses	**3,681**	3,538
Laundry and valet	**793**	896
Guest expendable supplies	**1,372**	1,441

7. Loss from operations and other gains

Loss from operations is stated after charging/(crediting):

	Group	
	2021 $'000	**2020** $'000
Audit fees:		
- Auditor of the Company	**397**	491
- Other auditors	**543**	650
Non-audit fees:		
- Auditor of the Company	**46**	51
- Other auditors	**9**	9
Allowance for inventory obsolescence (Note 25)	**158**	4
Write-off of property, plant and equipment (Note 13)	**156**	559
Impairment loss on property, plant and equipment (Note 13)	**433**	6,252
Impairment loss on right-of-use assets (Note 38)	**87**	–
Exchange gain	**(3,795)**	(1,802)
(Gain)/Loss on disposal of property, plant and equipment, net	**(558)**	9
Fair value loss on derivatives (Note 36)	**2,708**	5,702
Write-off of property development costs (Note 24)	**1,596**	15,862
One-off settlement cost from a claim provision	**–**	4,252
Net fair value loss on investment properties (Note 14)	**–**	27

8. Finance income

	Group	
	2021 $'000	**2020** $'000
Interest received and receivable from:		
- Banks	**68**	517
- Related parties	**–**	108
- Interest accretion on amount due from associates	**664**	3,033
- Interest from long-term receivables from property sales	**1,966**	2,217
- Others	**940**	1,141
	3,638	7,016

The finance income of the Group is mainly derived from loans and receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. Finance costs

	Group	
	2021 $'000	2020 $'000
Interest expense on:		
- Bank loans and bank overdrafts carried at amortised cost	**19,102**	22,128
- Lease liabilities (Note 38)	**2,248**	2,325
- Convertible bonds (Note 35)	**5,286**	1,916
- Modification loss on amounts due from related parties (Note 31)	**13,703**	7,360
	40,339	33,729
Less: interest expense capitalised in:		
- Property development costs (Note 24)	**(365)**	(281)
	39,974	33,448

10. Impairment losses on financial assets

The following items have been included in arriving at impairment losses:

	Group	
	2021 $'000	2020 $'000
Impairment losses on financial assets:		
- Long-term amount due from associates (Note 18)	–	116
- Long-term receivables (Note 21)	**704**	269
- Amount due from associates (Note 30)	**(62)**	51
- Trade receivables (Note 27)	**1,969**	1,699
- Other receivables (Note 28)	**2,436**	–
- Amount due from related parties (Note 31)	**2,064**	–
	7,111	2,135

Included in the Long-term receivables and Trade receivables are reversal of impairment losses from amount due from Banyan Tree Assets (China) Holdings Pte Ltd. ("BTAC") of $2,835,000 (2020 impairment losses: $758,000).

11. Income tax expense

Major components of income tax expense

Major components of income taxes for the financial years ended 31 December 2021 and 2020 are:

	Group	
	2021 $'000	2020 $'000
Consolidated income statement:		
Current income tax		
Current income taxation	**2,969**	6
Under provision in respect of prior years	**129**	698
	3,098	704
Deferred income tax		
Origination and reversal in temporary differences	**2,311**	457
Expiry or write-off of previously recognised deferred tax assets	**1,858**	5,510
	4,169	5,967
Withholding tax expense		
Current year provision	**2,158**	1,264
Under provision in respect of prior years	**29**	1
	2,187	1,265
Income tax expense recognised in profit or loss	**9,454**	7,936
Statement of comprehensive income:		
Deferred tax credit related to other comprehensive income:		
- Adjustment on property revaluation reserve	–	(413)
- Actuarial loss on Legal Severance Pay	–	(314)

11. Income tax expense (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 2020 respectively are as follows:

	Group	
	2021 $'000	2020 $'000
Accounting loss before taxation	(51,820)	(94,572)
Income tax using Singapore tax rate of 17% (2020: 17%)	(8,809)	(16,077)
Effect of different tax rates in other countries	(801)	(3,116)
Expenses not deductible for tax purposes	5,893	9,171
Tax exempt income	(197)	56
Under provision in respect of prior years	129	698
Deferred tax assets not recognised	9,644	9,292
Withholding tax	2,187	1,265
Expiry or write-off of previously recognised deferred tax assets	1,858	5,510
Share of results of associates	(450)	1,137
Income tax expense recognised in profit or loss	9,454	7,936

Group royalty fees income derived from Indonesia, Thailand and Maldives is subject to withholding tax at 15%, 8% and 10% respectively (2020: 15%, 8% and 10%).

12. Earnings per share

Basic earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit after taxation for the year that is 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.

Potential ordinary shares are weighted for the period they are outstanding. Potential ordinary shares that are cancelled or allowed to lapse during the period are included in the calculation of diluted earnings per share only for the portion of the period during which they are outstanding. Potential ordinary shares that are converted into ordinary shares during the period are included in the calculation of diluted earnings per share from the beginning of the period to the date of conversion; from the date of conversion, the resulting ordinary shares are included in both basic and diluted earnings per share.

The following table reflects the loss after taxation and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2021 $'000	2020 $'000
Loss after taxation attributable to owners of the Company used in computation of basic and diluted earnings per share	(55,192)	(95,838)
	No. of Shares	No. of Shares
Weighted average number of ordinary shares for basic earnings per share computation	849,029,337	840,028,634
Weighted average number of ordinary shares for diluted earnings per share computation	849,029,337	840,028,634

Earnings per share computation

For the financial year ended 31 December 2021, 906,553 contingently issuable shares under the Banyan Tree Performance Share Plan and 192,693,362 conversion shares under Convertible Bonds had been excluded from the calculation of diluted earnings per share as their effects would be anti-dilutive (i.e. loss per share would have been reduced in the event that dilutive potential shares issued are converted into ordinary shares). Thus, the dilutive earnings per share was the same as the basic earnings per share.

13. Property, plant and equipment

Group	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Cost or valuation:								
At 1 January 2020	402,487	294,642	40,305	208,872	16,654	14,939	8,420	986,319
Additions	21	299	–	3,003	446	247	5,180	9,196
Disposals	–	–	–	(310)	(163)	(790)	(36)	(1,299)
Write-off	(11)	(45)	–	(20,128)	(838)	(470)	(556)	(22,048)
Revaluation surplus	1,425	(2,387)	–	–	–	–	–	(962)
Elimination of accumulated depreciation on revaluation	–	(2,295)	–	–	–	–	–	(2,295)
Transfer to property development costs	(1,235)	(9,027)	(323)	–	–	–	–	(10,585)
Transfer in/(out)	–	11,181	–	(6,432)	62	49	(4,860)	–
Net exchange differences	(7,661)	(5,581)	(1,166)	(5,581)	(231)	(302)	(719)	(21,241)
At 31 December 2020 and 1 January 2021	**395,026**	**286,787**	**38,816**	**179,424**	**15,930**	**13,673**	**7,429**	**937,085**
Additions	**30**	**496**	**167**	**1,477**	**159**	**82**	**4,340**	**6,751**
Disposals	–	**(425)**	**(252)**	**(1,434)**	**(199)**	**(232)**	–	**(2,542)**
Write-off	–	–	–	**(21,616)**	–	–	**(131)**	**(21,747)**
Revaluation surplus	**(3)**	**118**	–	–	–	–	–	**115**
Elimination of accumulated depreciation on revaluation	–	**(118)**	–	–	–	–	–	**(118)**
Transfer to investment properties	**(20,006)**	**(2,889)**	–	–	–	–	–	**(22,895)**
Transfer (out)/in	**(670)**	**2,137**	**60**	**(1,135)**	**1,058**	**(526)**	**(924)**	–
Net exchange differences	**(30,772)**	**(26,331)**	**1,303**	**(15,010)**	**(482)**	**(840)**	**1,931**	**(70,201)**
At 31 December 2021	**343,605**	**259,775**	**40,094**	**141,706**	**16,466**	**12,157**	**12,645**	**826,448**

Transfer to property development costs relates to freehold buildings and other related assets that the Group will be using for its hospitality business.

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

Group (cont'd)	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Accumulated depreciation and impairment losses:								
At 1 January 2020	2,127	94,675	18,605	147,347	13,188	11,251	–	287,193
Depreciation charge for the financial year	–	8,746	918	11,789	1,518	646	–	23,617
Disposals	–	–	–	(229)	(157)	(790)	–	(1,176)
Write-off	(11)	(43)	–	(20,127)	(838)	(470)	–	(21,489)
Impairment loss	1,721	3,577	–	954	–	–	–	6,252
Elimination of accumulated depreciation on revaluation	–	(2,295)	–	–	–	–	–	(2,295)
Transfer in/(out)	–	3,365	–	(3,364)	(1)	–	–	–
Net exchange differences	3	(3,924)	(295)	(2,248)	(145)	(230)	–	(6,839)
At 31 December 2020 and 1 January 2021	**3,840**	**104,101**	**19,228**	**134,122**	**13,565**	**10,407**	–	**285,263**
Depreciation charge for the financial year	**2**	**7,538**	**848**	**10,235**	**1,049**	**563**	–	**20,235**
Disposals	–	**(118)**	**(199)**	**(1,361)**	**(182)**	**(213)**	–	**(2,073)**
Write-off	–	–	–	**(21,591)**	–	–	–	**(21,591)**
Impairment loss	**95**	**338**	–	–	–	–	–	**433**
Elimination of accumulated depreciation on revaluation	–	**(118)**	–	–	–	–	–	**(118)**
Transfer to investment properties	–	**(739)**	–	–	–	–	–	**(739)**
Transfer in/(out)	**24**	**(103)**	**(2)**	**(307)**	**976**	**(588)**	–	–
Net exchange differences	**(4)**	**(8,358)**	**357**	**(13,710)**	**(320)**	**(598)**	–	**(22,633)**
At 31 December 2021	**3,957**	**102,541**	**20,232**	**107,388**	**15,088**	**9,571**	–	**258,777**
Net carrying amount:								
At 31 December 2020	391,186	182,686	19,588	45,302	2,365	3,266	7,429	651,822
At 31 December 2021	**339,648**	**157,234**	**19,862**	**34,318**	**1,378**	**2,586**	**12,645**	**567,671**

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

The freehold land and freehold buildings of the Group are carried at valuation. The remaining items of property, plant and equipment are carried at cost.

Revaluation of freehold land and buildings

Freehold land and buildings in Singapore were revalued on 17 November 2021 by professional independent property valuers.

Freehold land and buildings in Thailand were revalued by a professional independent property valuer on 30 December 2021.

The hotel properties in Morocco, which comprise of freehold land and buildings, were appraised by a professional independent property valuer on 15 December 2021.

Freehold land in Sri Lanka was appraised by a professional independent property valuer on 8 December 2021.

Revaluation and details of valuation techniques and inputs used are disclosed in Note 48.

If the freehold land and freehold buildings were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2021 $'000	**2020** $'000
Freehold land		
- Cost and net carrying amount	**78,530**	89,727
Freehold buildings		
- Cost	**262,408**	297,470
- Accumulated depreciation	**(110,985)**	(114,552)
- Net carrying amount	**151,423**	182,918

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

As at 31 December 2021, certain properties with net carrying amount amounting to $393,121,000 (2020: $460,103,000) were mortgaged to banks to secure credit facilities for the Group (Note 34).

Company	Furniture, fittings and equipment $'000	Computers $'000	Total $'000
Cost:			
At 1 January 2020, 31 December 2020 and 1 January 2021	17	183	200
At 31 December 2021	**17**	**183**	**200**
Accumulated depreciation:			
At 1 January 2020, 31 December 2020 and 1 January 2021	17	183	200
At 31 December 2021	**17**	**183**	**200**
Net carrying amount:			
At 31 December 2020	–	–	–
At 31 December 2021	–	–	–

14. Investment properties

	Group	
	2021 $'000	**2020** $'000
Balance sheet:		
At 1 January	**62,065**	63,504
Transfer from property, plant and equipment	**22,156**	–
Net gain/(loss) from fair value adjustments recognised in profit or loss (Notes 4 and 7)	**1,060**	(27)
Net exchange differences	**(5,592)**	(1,412)
At 31 December	**79,689**	62,065
Income statement:		
Rental income from investment properties		
- Minimum lease payments	**1,746**	1,578
Direct operating expense (including repairs and maintenance) arising from:		
- Rental generating properties	**1,114**	1,142
- Non-rental generating properties	**62**	52

14. Investment properties (cont'd)

Valuation of investment properties

Investment properties in Thailand and Singapore are stated at fair value, which has been determined based on valuation report dated 31 December 2021 and 17 December 2021 respectively. The revaluations were performed by professional independent property valuers with recognised and relevant professional qualifications and with recent experience in the location and category of the properties being valued.

Freehold land and buildings were revalued using the market value approach.

Details of valuation techniques and inputs used are disclosed in Note 48.

Properties pledged as security

Certain investment properties amounting to $56,361,000 (2020: $35,158,000) are mortgaged to secure bank loans (Note 34).

The investment properties held by the Group as at 31 December 2021 are as follows:

Description and Location	Existing Use	Tenure
Shopping centre with more than 50 leased outlets, Phuket, Thailand	Shops	Freehold
Land located at the shopping centre, Phuket, Thailand	Land for shopping centre	Freehold
63 office units in a 24-storey office tower, Bangkok, Thailand	Offices	Freehold
Land located in northern Thailand	Land awaiting development	Freehold
Angsana House, 24 Cheong Chin Nam Road	Offices	Freehold

15. Intangible assets

Group	Goodwill $'000	Trademarks $'000	Club membership $'000	Other intangible assets $'000	Total $'000
Cost:					
At 1 January 2020	2,603	24,300	3,752	14,328	44,983
Additions	–	–	478	1,569	2,047
Net exchange differences	–	–	–	(225)	(225)
At 31 December 2020 and 1 January 2021	**2,603**	**24,300**	**4,230**	**15,672**	**46,805**
Additions	–	–	–	**2,968**	**2,968**
Write-off	–	–	–	**(609)**	**(609)**
Net exchange differences	–	–	–	**(1,153)**	**(1,153)**
At 31 December 2021	**2,603**	**24,300**	**4,230**	**16,878**	**48,011**
Accumulated amortisation and impairment losses:					
At 1 January 2020	–	–	338	9,406	9,744
Amortisation	–	–	77	1,916	1,993
Net exchange differences	–	–	–	(130)	(130)
At 31 December 2020 and 1 January 2021	–	–	**415**	**11,192**	**11,607**
Amortisation	–	–	**85**	**867**	**952**
Write-off	–	–	–	**(609)**	**(609)**
Net exchange differences	–	–	–	**(662)**	**(662)**
At 31 December 2021	–	–	**500**	**10,788**	**11,288**
Net carrying amount:					
At 31 December 2020	2,603	24,300	3,815	4,480	35,198
At 31 December 2021	**2,603**	**24,300**	**3,730**	**6,090**	**36,723**

Other intangible assets

Other intangible assets include sales commission incurred that are directly attributable to securing property sales contracts. The sales commission will be amortised as the Group recognises the related revenue.

15. Intangible assets (cont'd)

Company	Club membership $'000
Cost:	
At 1 January 2020	3,752
Additions	478
At 31 December 2020 and 1 January 2021	**4,230**
At 31 December 2021	**4,230**
Accumulated amortisation and impairment losses:	
At 1 January 2020	338
Amortisation	77
At 31 December 2020 and 1 January 2021	**415**
Amortisation	**85**
At 31 December 2021	**500**
Net carrying amount:	
At 31 December 2020	3,815
At 31 December 2021	**3,730**

Impairment testing of goodwill

Goodwill acquired through business combination was related to Thai Wah Plaza Limited, which has been identified as the single cash-generating unit ("CGU") for impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows for the five-year period are computed using the estimated rates stated below.

Key assumptions used for value in use calculations:

	Thai Wah Plaza Limited	
	2021	**2020**
Growth rate	**4.6%**	7.5%
Discount rate	**7.4%**	5.9%

The above assumptions have been used for analysis of the CGU. Management determined the budgeted growth rate based on past performance and its expectation for market development factoring the impact caused by the COVID-19 pandemic. The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is derived from its weighted average cost of capital ("WACC") which takes into account both debt and equity. The cost of equity is derived from the expected return on investment and the cost of debt is based on servicing obligations over the interest-bearing borrowings. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are derived annually based on publicly available market data.

15. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

Sensitivity to changes in assumptions

With regards to the assessment of value in use, if the growth rate has been revised downward by 50%, the estimated recoverable amount would still exceed the carrying value.

Impairment testing of trademarks

The trademarks comprise of "Banyan Tree" and "Angsana" brands. Trademarks have been allocated to individual CGUs, which are the Group's reportable operating segments, for impairment testing as follows:

- Property Sales Segment;
- Fee-based Segment

Carrying amounts of trademarks are allocated to each of the Group's CGUs based on a valuation performed by a professional and independent valuer at acquisition date, using the projected discounted cash flows on future royalties from each of the reportable operating segments. The allocated amounts to each CGU are as follows:

	Property Sales Segment		Fee-based Segment		Total	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000	**2021** $'000	**2020** $'000
Carrying amount of trademarks	**630**	630	**23,670**	23,670	**24,300**	24,300

The recoverable amount for all the individual reportable operating segment is determined based on value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period.

The discount rate applied to the cash flow projections of each reportable operating segment is 12.48% (2020: 8.36%). The growth rate used to extrapolate the cash flows of each business segment beyond the five-year period is 1% (2020: 2%). Management determined the budgeted growth rate based on past performance and its expectation for market development factoring the impact caused by the COVID-19 pandemic. The discount rate, which reflects the WACC rate used, is consistent with forecasts used in industry. The discount rate reflects specific risks relating to the relevant companies.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of trademarks:

- Budgeted hotel occupancy rates - the basis used to determine the budgeted annual hotel occupancy rates is the average of expected guest arrivals for each month taking into consideration the seasonality and guest arrivals.

- Budgeted hotel room rates - the basis used to determine the budgeted hotel room rates is the average of the expected monthly revenues to be generated for each room type, considering the seasonality and competitive environment.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, if both the discount rate has been 100 basis points higher and growth rate has been revised downwards by 1%, the estimated recoverable amount would still exceed the carrying value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. Land use rights

	Group 2021 $'000	Group 2020 $'000
Cost		
At 1 January	**2,594**	2,830
Net exchange differences	**397**	(236)
At 31 December	**2,991**	2,594
Accumulated amortisation:		
At 1 January	**256**	271
Amortisation for the financial year	**59**	2
Net exchange differences	**29**	(17)
At 31 December	**344**	256
Net carrying amount	**2,647**	2,338

	Group 2021 $'000	Group 2020 $'000
Amount to be amortised:		
- Within 1 year	**113**	63
- Between 2 to 5 years	**451**	252
- After 5 years	**2,083**	2,023

The Group has land use rights over the following plots of land:

Location	Tenure 2021	Tenure 2020
People's Republic of China		
Zhongdian Jiantang Hotel	**27 years**	28 years
Indonesia		
PT. Heritage Resorts & Spas	**25 years**	26 years
PT. Cassia Resorts Investments	**21 years**	22 years

17. Subsidiaries

	Company 2021 $'000	Company 2020 $'000
Unquoted shares, at cost	**262,092**	267,189
Capital contribution through issue of ordinary shares to employees of subsidiaries at no consideration under SFRS(I) 2 Share-based Payment	**5,863**	5,863
Impairment losses	**(49,061)**	(49,561)
	218,894	223,491
Loans and receivables		
Loans to subsidiaries	**358,509**	419,928
Less: Expected credit losses	**(2,862)**	(2,862)
Less: Impairment losses	**(11,735)**	(3,494)
	343,912	413,572
	562,806	637,063

In appointing the auditing firms for the Company and subsidiaries, the Group have complied with Listing Rules 712, 715 and 716.

During the financial year ended 31 December 2021, the Company has re-assessed the carrying amounts of investment in subsidiaries and has recognised a reversal of impairment loss of $500,000 (2020: impairment loss of $500,000).

For the financial year ended 31 December 2021, the Company has reclassified $Nil (2020: $13,731,000) from amounts due from subsidiaries to loans to subsidiaries.

As at 31 December 2021, included in the loans made to subsidiaries is an unsecured loan of $4,100,000 (2020: $4,013,000) bearing interest at a rate of 7.0% (2020: 7.0%) with no fixed terms of repayment.

Except for the above interest-bearing loan, the loans made to subsidiaries are interest-free, unsecured and the settlement of the amounts were neither planned nor likely to occur in the foreseeable future. As agreed with its subsidiaries, the Company will not demand repayment of the loan and its subsidiaries will have the discretion to determine when the loans will be repaid. During the financial year ended 31 December 2021, the Company has re-assessed the carrying amounts of loans to subsidiaries and has recognised an impairment loss of $8,241,000 (2020: $Nil).

17. Subsidiaries (cont'd)

Receivables that are impaired

The Company's interest-bearing loans to subsidiaries that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2021 $'000	2020 $'000
Loans to subsidiaries - nominal amounts	**4,100**	4,013
Less: Expected credit losses	**(2,862)**	(2,862)
	1,238	1,151

Expected credit losses

The movement in allowance for expected credit losses of amount due from subsidiaries is as follows:

	Company	
	2021 $'000	2020 $'000
Movement in allowance accounts:		
At 1 January	**2,862**	2,869
Exchange differences	**–**	(7)
At 31 December	**2,862**	2,862

Disposal of subsidiary

On 1 August 2021, the Group entered into a sale agreement to dispose 100% of its wholly-owned subsidiary, Tibet Lhasa Banyan Tree Resorts Limited at its carrying value.

The value of assets and liabilities of the disposed subsidiary recorded in the consolidated financial statements as at 1 August 2021, and the effects of the disposal were:

	Group
	2021 $'000
Amount due from holding company	**5,151**
Carrying value of net assets of subsidiary disposed	**5,151**
Net cash inflow on disposal of subsidiary	**–**
Gain on disposal:	
Sales proceeds receivable	**5,151**
Net assets derecognised	**(5,151)**
Cumulative exchange differences in respect of the net asset of the subsidiary reclassified from equity on loss of control of subsidiary	**167**
Gain on disposal (Note 4)	**167**

17. Subsidiaries (cont'd)

Details of the subsidiaries at the end of the financial year are as follows:

	Name of subsidiary	Principal activities	Place of Incorporation	Cost of investment		Effective equity held by the Group	
				2021 $'000	2020 $'000	2021 %	2020 %
(i)	***Held by the Company***						
[1]	Banyan Tree Hotels & Resorts Pte Ltd.	Provision of resort, spa, project and golf management services	Singapore	**5,466**	5,466	**100**	100
[1]	Banyan Tree Investments Pte. Ltd.	Property holding	Singapore	**15,673**	15,673	**100**	100
[8]	Banyan Tree Capital Pte. Ltd.	Business management and consultancy services	Singapore	**500**	500	**100**	100
[8]	Prestige Global Services Pte. Ltd.	Own and manage intellectual property for and on behalf of Banyan Tree Group	Singapore	*****	*	**100**	100
[1]	Banyan Tree Indochina Holdings Pte. Ltd.	Investment holding	Singapore	*****	*	**100**	100
[8]	Banyan Tree Indochina Management (Singapore) Pte. Ltd.	Investment holding	Singapore	*****	*	**100**	100
[1]	Banyan Tree Services Pte. Ltd.	Investment holding	Singapore	*****	*	**100**	100
[18]	Brand Management Pte. Ltd.	Provision of Consultancy services	Singapore	**-**	*	**-**	100
[1] [21]	Banyan Tree China Pte. Ltd.	Investment holding	Singapore	**152,678**	152,678	**98.53**	98.53
[1]	Hill View Resorts Holdings Pte. Ltd.	Investment holding	Singapore	**25,692**	25,692	**100**	100
[11]	Banyan Tree Assets (Thailand) Company Limited	Holding company	Thailand	**91**	91	**100**	100
[17]	Tibet Lhasa Banyan Tree Resorts Limited	Construction and management of hotels and spas	China	**-**	5,097	**-**	100
[2]	Banyan Tree Properties (HK) Limited	Investment holding	Hong Kong	*****	*	**100**	100

For the financial year ended 31 December 2021

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Cost of investment 2021 $'000	Cost of investment 2020 $'000	Effective equity held by the Group 2021 %	Effective equity held by the Group 2020 %
(i)	***Held by the Company*** (cont'd)						
(2)	Maldives Bay Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**49,934**	49,934	**100**	100
(2)	Maldives Cape Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	*	*	**100**	100
(2)	Banyan Tree Resorts & Spas (Morocco) S.A.	Provision of management, operation services and ancillary services related to the hospitality industry	Morocco	**9,883**	9,883	**100**	100
(3)	Beruwela Walk Inn Limited	Operation of Hotel resorts	Sri Lanka	**856**	856	**100**	100
(2)	PT. Heritage Resorts & Spas	Hotel operations and property development	Indonesia	**1,319**	1,319	**100**	100
				262,092	267,189		

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group 2021 %	Effective equity held by the Group 2020 %
(ii)	***Held through subsidiaries***				
(1)	Hotelspa Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Banyan Tree Gallery (Singapore) Pte Ltd	Sale of merchandise	Singapore	**93**	93
(8)	Banyan Tree Dunhuang (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Architrave Design & Planning Services Pte. Ltd.	Provision of design, planning and consultancy services for hotels, resorts and spas	Singapore	**100**	100
(1)	GPS Development Services Pte. Ltd.	Provision of purchasing and project services for hotels, resorts and spas	Singapore	**100**	100
(1)	Banyan Tree Marketing Group Pte. Ltd.	Provision of marketing services	Singapore	**100**	100
(1)	BT Development Singapore Pte. Ltd.	Investment holding	Singapore	**100**	100
(8)	Banyan Tree Management (S) Pte. Ltd.	Hotel management	Singapore	**100**	100
(1)	Banyan Tree Spas Pte. Ltd.	Operation of spas	Singapore	**100**	100
(1)	Banyan Tree Businesses Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Lindere Villas Pte. Ltd.	Investment holding	Singapore	**100**	100
(8)	ACAP International Investments Pte. Ltd.	Investment holding	Singapore	**100**	100
(2)	Banyan Tree Mkg (HK) Limited	Provision of marketing services	Hong Kong	**100**	100
(2) **	Laguna Resorts & Hotels Public Company Limited	Hotel and Property development business	Thailand	**86.28**	86.28
(2)	Banyan Tree Resorts & Spas (Thailand) Company Limited	Provision of spa services	Thailand	**100**	100
(2)	Banyan Tree Hotels & Resorts (Thailand) Limited	Provision of hotel management services	Thailand	**100**	100
(2)	TWR - Holdings Limited	Investment holding and property development	Thailand	**86.28**	86.28
(2)	Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	**86.28**	86.28

For the financial year ended 31 December 2021

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group 2021 %	2020 %
	***(ii) Held through subsidiaries** (cont'd)*				
(11)	Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	**86.28**	86.28
(2)	Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	**93**	93
(11)	Pai Samart Development Company Limited	Holds land plots for future development	Thailand	**86.28**	86.28
(11)	Mae Chan Property Company Limited	Holds land plots for future development	Thailand	**86.28**	86.28
(2)	Phuket Grande Resort Limited	Property development and hotel operations	Thailand	**86.28**	86.28
(2)	Laguna Grande Limited	Operation of golf club and property development	Thailand	**86.28**	86.28
(2)	Laguna Banyan Tree Limited	Hotel operations, property development, sales and marketing service for holiday club membership	Thailand	**86.28**	86.28
(11) (14)	Talang Development Company Limited	Property development	Thailand	**43.14**	43.14
(2)	Twin Waters Limited	Property development	Thailand	**86.28**	86.28
(11)	Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(11)	Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(11)	Bangtao (3) Limited	Property development	Thailand	**86.28**	86.28
(11)	Bangtao (4) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(2)	Bangtao Laguna Limited	Owns land on which a hotel is situated and property development	Thailand	**86.28**	86.28
(2)	Bangtao Grande Limited	Hotel operations and property development	Thailand	**86.28**	86.28
(2)	Laguna Service Company Limited	Provision of utilities and other services to hotels owned by the subsidiaries	Thailand	**62.90**	62.90

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group 2021 %	2020 %
	***(ii) Held through subsidiaries** (cont'd)*				
(2)	Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	**86.28**	86.28
(2)	Thai Wah Tower Company Limited	Lease of office building space	Thailand	**86.28**	86.28
(11)	Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	**86.28**	86.28
(2) (14)	Laguna Excursions Limited	Travel operations	Thailand	**42.28**	42.28
(2)	Laguna Lakes Limited	Property development	Thailand	**81.97**	81.97
(11)	Laguna Jobs Co., Ltd (formerly known as Laguna Village Limited)	Employment services	Thailand	**86.28**	86.28
(11)	Vision 9 Farm Limited	Farming and restaurant	Thailand	**51.77**	51.77
(9)	Zhongdian Jiantang Hotel Limited	Hotel services	China	**80**	80
(12)	Dunhuang Banyan Tree Hotel Company Limited	Develop, own and operate hotels and resorts in China	China	**100**	100
(12)	Tianjin Banyan Tree Capital Investment Management Co., Ltd.	Investment management and related consulting services	China	**100**	100
(12)	Rong Yuan (Shanghai) Business Management Co., Ltd.	Provision of marketing and management consulting services	China	**100**	100
(5)	BT Development No. 1 Pty Ltd	Development of residential property	Australia	**100**	100
(2)	Banyan Tree Resorts Limited	Provision of resort management services	Hong Kong	**100**	100
(2)	Banyan Tree Spa (HK) Limited	Provision of spa management services	Hong Kong	**100**	100
(4)	Cheer Golden Limited	Investment holding	Hong Kong	**86.28**	86.28
(2)	Triumph International Holdings Limited	Investment holding	Hong Kong	**80**	80
(2)	Northpoint Investments Limited	Investment holding	Hong Kong	**100**	100
(2)	Banyan Tree Investment Holdings (HK) Limited	Investment holding	Hong Kong	**100**	100

For the financial year ended 31 December 2021

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group 2021 %	2020 %
(ii)	***Held through subsidiaries*** (cont'd)				
(2)	Vabbinvest Maldives Pvt Ltd	Operation of holiday resorts	Maldives	**100**	100
(15)	Banyan Tree Hotels & Resorts Korea Limited	Provision of hotel management services	Korea	**100**	100
(8)	Banyan Tree Indochina (GP) Company Limited	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	Cayman Islands	**100**	100
(15)	Jayanne International Limited	Investment holding	British Virgin Islands	**100**	100
(15)	Club Management Limited	Provision of resort and hotel management and operation services and ancillary services related to the hospitality industry	British Virgin Islands	**100**	100
(10)	PT. AVC Indonesia	Holiday club membership and golf club operations	Indonesia	**86.28**	86.28
(2)	PT. Management Banyan Tree Resorts & Spas	Provision of consultation and management services of the international hotels marketing	Indonesia	**100**	100
(2)	PT. Banyan Tree Management	Provision of hotel management services	Indonesia	**100**	100
(2)	PT Cassia Resorts Investments	Hotel operations and property development	Indonesia	**100**	100
(5)	PT Leisure Development Bintan	Hotel operations and property development	Indonesia	**100**	100
(13)	Banyan Tree MX S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(5)	Banyan Tree Servicios S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(20)	Banyan Tree Spas Sdn. Bhd.	Operation of spas	Malaysia	**100**	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group 2021 %	2020 %
(ii)	***Held through subsidiaries*** (cont'd)				
(15)	Banyan Tree Japan Yugen Kaisha	Operation of spas	Japan	**100**	100
(2)	Banyan Tree (Private) Limited	Operation of spas	Sri Lanka	**100**	100
(6)	Heritage Spas South Africa (Pty) Ltd	Operation and investment in resorts, spas and retail outlets	South Africa	**100**	100
(2)	Maldives Angsana Pvt Ltd	Operation of holiday resorts	Maldives	**100**	100
(5)	Keelbay Pty Ltd	Development of residential property	Australia	**100**	100
(7)	Banyan Tree Mkg (UK) Ltd	Provision of marketing services	United Kingdom	**100**	100
(2)	BT Investments Holdings Phils. Inc.	Investment holding	Philippines	**97.85**	97.85
(19)	Banyan Tree Hotels (Cyprus) Ltd	Provision of management consultancy and hotel design services	Cyprus	**–**	100
(16)	Green Transportation SARL AU	Provision of tourist transportation activities	Morocco	**100**	100

17. Subsidiaries (cont'd)

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by Tudor V.P. & Co.

(4) Audited by RSM Nelson Wheeler.

(5) Not required to be audited as the company is exempted from audit.

(6) Audited by Mazars.

(7) Audited by MHA MacIntyre Hudson.

(8) Audited by A Garanzia LLP.

(9) Audited by Beijing Zhongtian Huaqing Certified Public Accountants Co., Ltd..

(10) Audited by RSM AAJ Associates.

(11) Audited by SD Audit and Consultancy Limited.

(12) Audited by Shanghai Lixin Jiacheng Dongshen Certified Public Accountants Co., Ltd.

(13) Audited by Galaz, Yamazaki, Ruiz Urquiza, S.C.

(14) These companies are subsidiaries of LRH which in turn are subsidiaries of the Group. Management of the Group is of the view that these companies should be consolidated as subsidiaries in the consolidated financial statements as the Group has control over them through LRH.

(15) Not required to be audited under the laws of country of incorporation.

(16) Not required to be audited as the company has not commenced operation as at 31 December 2021.

(17) Disposed during the year.

(18) Dissolved with effect from 8 April 2021.

(19) Dissolved with effect from 20 August 2021.

(20) In the process of strike-off.

(21) Effective interest held by the company is 89.31%. Including all the effective interest held by the subsidiaries, the Group effective interest is 98.53%.

* Cost of investment is less than $1,000.

** As at 31 December 2021, 0.03% (2020: 0.03%) of the issued and paid up capital of Laguna Resorts & Hotels Public Company Limited ("LRH") is held by Thai NVDR Company Limited (a subsidiary wholly-owned by the Stock Exchange of Thailand issuing "Non-Voting Depository Receipt" ("TNVDR")). Pursuant to the provisions of their prospectus, TNVDR will not attend nor vote in any shareholders' meeting of LRH other than delisting.

Taking into account the issued and paid up capital of LRH held by TNVDR, the voting rights held by the Group in the subsidiary amount to 86.31% (2020: 86.31%) and the voting rights held by the non-controlling interest in the subsidiary amount to 13.69% (2020: 13.69%).

Of the effective equity held by the non-controlling interest of 13.72% (2020: 13.72%) in LRH, 0.03% (2020: 0.03%) is held by TNVDR respectively. Taking into account of the issued and paid up capital of LRH held by TNVDR, the voting rights held by the non-controlling interest in the subsidiary amount to 13.69% (2020: 13.69%).

17. Subsidiaries (cont'd)

Interest in subsidiary with material non-controlling interest (NCI)

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

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2021:					
Laguna Resorts & Hotels Public Company Limited	**Thailand**	**13.72%**	**(6,049)**	**50,254**	**–**
31 December 2020:					
Laguna Resorts & Hotels Public Company Limited	Thailand	13.72%	(6,674)	61,731	3,029

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	Laguna Resorts & Hotels Public Company Limited 2021 $'000	2020 $'000
Current		
Assets	**230,196**	252,939
Liabilities	**(174,362)**	(200,465)
Net current assets	**55,834**	52,474
Non-current		
Assets	**687,942**	771,531
Liabilities	**(348,151)**	(347,843)
Net non-current assets	**339,791**	423,688
Net assets	**395,625**	476,162

17. Subsidiaries (cont'd)

Summarised financial information about subsidiary with material NCI (cont'd)

Summarised statement of comprehensive income

	Laguna Resorts & Hotels Public Company Limited	
	2021 $'000	2020 $'000
Revenue	62,162	124,474
Loss before taxation	(39,778)	(35,029)
Income tax expense	(3,293)	(7,421)
Loss after taxation	(43,071)	(42,450)
Other comprehensive loss	(160)	(3,398)
Total comprehensive loss	(43,231)	(45,848)
Other summarised information		
Net increase/(decrease) in cash and cash equivalents	6,813	(2,802)
Acquisition of significant property, plant and equipment	(3,573)	(7,165)

18. Associates

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Quoted and unquoted equity shares, at cost	109,087	112,236	869	869
Share of post-acquisition reserves, net of dividend received	5,194	3,042	–	–
Impairment loss	(679)	(679)	–	–
Net exchange differences	(2,467)	(3,336)	–	–
	111,135	111,263	869	869
Loans and receivables				
Long-term amount due from associates				
– trade	–	3,862	–	–
– non-trade	–	40,734	–	2,660
Less: Expected credit losses	–	(253)	–	–
	–	44,343	–	2,660
	111,135	155,606	869	3,529
Fair value of investment in an associate for which there is a published price quotation	19,613	15,005	–	–

Included within quoted and unquoted equity shares, at cost is an aggregate amount of $17,831,000 (2020: $17,831,000) of RCPS which can be offset against the amounts due to associates subject to certain conditions being met (Note 30).

The Group has pledged 10 million ordinary shares of Thai Wah Public Company Limited with a bank to secure a long-term loan of the Group as at 31 December 2021 and 31 December 2020.

During the financial year ended 31 December 2021, the long-term amounts due from associates has been reclassified to short-term amounts due from associates as the Group expects to receive these receivables within the next 12 months.

18. Associates (cont'd)

Significant foreign currency denominated balances

	Group	
	2021 $'000	2020 $'000
US Dollars	–	552

Expected credit losses

The movement in allowance for expected credit losses of amount due from associates is as follows:

	Group	
	2021 $'000	2020 $'000
Movement in allowance accounts:		
At 1 January	253	–
Charge for the financial year (Note 10)	–	116
Transfer of allowance (to)/from amount due from associates (Note 30)	(253)	137
At 31 December	–	253

The details of the material associates at the end of the financial year are as follows:

	Name of associate	Principal activities	Place of Incorporation	Proportion of ownership interest	
				2021 %	2020 %
	Held through subsidiaries				
[2] [3]	Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	10.03	10.03
[1] [3]	Banyan Tree Indochina Hospitality Fund, L.P.	Business of a real estate development fund, focused on the hospitality sector in Vietnam	Cayman Islands	17.80	17.80

[1] Audited by Ernst & Young LLP, Singapore.

[2] Audited by member firms of Ernst & Young Global in the respective countries.

[3] The results of these associates were equity accounted for 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/governing committees of these entities. The Group's direct interest in these associates differ from the corresponding effective interest as these associates are held by subsidiaries with non-controlling interests.

18. Associates (cont'd)

The summarised financial information in respect of Thai Wah Public Company Limited and Banyan Tree Indochina Hospitality Fund, L.P. and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Thai Wah Public Company Limited		Banyan Tree Indochina Hospitality Fund, L.P.	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Assets and liabilities:				
Current assets	**162,325**	153,589	**12**	13
Non-current assets	**181,839**	203,693	**263,743**	265,710
Current liabilities	**(89,322)**	(43,714)	**(1,711)**	(1,551)
Non-current liabilities	**(33,488)**	(84,520)	**–**	–
Non-controlling interests	**(14,837)**	(13,696)	**–**	–
Net assets	**206,517**	215,352	**262,044**	264,172
Proportion of the Group's ownership	**10.03%**	10.03%	**17.80%**	17.80%
Group's share of net assets	**20,714**	21,600	**46,644**	47,022
Goodwill on acquisition	**3,934**	4,327	**–**	–
Difference between fair value and cost of identifiable assets and liabilities	**6,087**	6,786	**–**	–
Other adjustments	**–**	–	**–**	75
Carrying amount of the investment	**30,735**	32,713	**46,644**	47,097

Aggregate information about the Group's investments in associates that are not individually material, not adjusted for the proportion of ownership interests held by the Group, are as follows:

	Group	
	2021 $'000	2020 $'000
Results:		
Revenue	**29,498**	30,711
Loss for the financial year	**(6,057)**	(20,140)
Other comprehensive income	**919**	9,695
Total comprehensive loss *	**(5,138)**	(10,445)

The Group has not recognised its share of losses and deficit in the currency translation reserve relating to one of its associates, Tropical Resorts Limited where its share of deficit in equity has exceeded the Group's interest in this associate. At the end of the reporting period, the Group's cumulative share of unrecognised losses and currency translation surplus were $14,225,000 (2020: $12,016,000) and $1,206,000 (2020: $1,412,000) respectively. The Group's share of the current year's unrecognised loss was $2,209,000 (2020: $1,746,000).

The Group has no obligation in respect of these losses.

* Included in total comprehensive loss of associates is Tropical Resorts Limited's total comprehensive loss of $14,255,000 (2020: $10,906,000).

19. Long-term investments

	Group	
	2021 $'000	2020 $'000
At fair value through other comprehensive income		
Equity securities (quoted)	**2**	2
Equity securities (unquoted)	**29,008**	100,243
	29,010	100,245

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	2021 $'000	2020 $'000
At fair value through other comprehensive income		
- Equity securities (quoted)		
Others	**2**	2
- Equity securities (unquoted)		
Mayakoba Thai S.A. De C.V. ("Mayakoba")	**10,629**	10,521
La Punta Resorts S.A. De C.V. ("La Punta")	**2,733**	1,670
BTAC	**15,646**	88,052
	29,010	100,245

For the financial year ended 31 December 2020, included within BTAC is an aggregate amount of $72,149,000 of redeemable convertible preference shares ("RCPS") which can be settled against the amounts due to BTAC subject to conditions being met. A subsidiary of the Group entered into an agreement with the holding company of BTAC with effect from 31 December 2021 where it was contractually agreed that the RCPS will be redeemed on or before 31 December 2022 based on a step-by-step approach as prescribed in the agreement. As a result, an aggregate amount of $72,149,000 of RCPS has been reclassified to Current Investments (Note 23).

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

As at 31 December 2021, the Group has carried out an assessment on the fair value of the investment in Mayakoba and La Punta using the discount rate and growth rate of 10.6% and 1.0% and 10.6% and 2.0% (2020: 9.0% and 4.0% for both Mayakoba and La Punta) respectively, and a fair value gain of $1,171,000 (2020: fair value loss of $50,000) had been recognised in fair value adjustment reserve through other comprehensive income.

19. Long-term investments (cont'd)

Sensitivity to changes in assumptions

If growth rate has been 1% lower and discount rate has been 100 basis points higher, the Group's fair value gain for La Punta would decrease by $516,000 and if growth rate has been 1% higher and discount rate has been 100 basis points lower, the Group's fair value gain would increase by $830,000.

If growth rate has been 1% lower and discount rate has been 100 basis points higher, the Group would have recorded fair value loss for Mayakoba of $732,000 and if growth rate has been 1% higher and discount rate has been 100 basis points lower, the Group would have recorded a fair value gain of $4,487,000.

As at 31 December 2021, the Group has carried out an assessment on the fair value of investment in BTAC (5.2% ownership interest in BTAC as at 31 December 2021 and 31 December 2020) and recorded a fair value loss of $257,000 (2020: $402,000) in fair value reserve through other comprehensive income.

20. Prepaid island rental

	Group	
	2021 $'000	**2020** $'000
At 1 January	**18,740**	19,809
Net exchange differences	**293**	(369)
	19,033	19,440
Less: Amortisation of prepaid island rental during the financial year	**(681)**	(700)
At 31 December	**18,352**	18,740
Amount chargeable within 1 year (Note 26)	**795**	778
Amount chargeable after 1 year	**17,557**	17,962
	18,352	18,740

The above amounts were paid to the owners of the Vabbinfaru Island for the lease payments for the following periods:

Island	**Lease period 2021**	**Lease period 2020**
Maldives		
Vabbinfaru Island	**1 May 1993 - 9 Apr 2045**	1 May 1993 - 9 Apr 2045

21. Long-term receivables

	Group	
	2021 $'000	**2020** $'000
Loans and receivables		
- trade (property sales) (i)	**31,829**	46,930
- trade (non-property sales)	**8,205**	13,739
Long-term receivables (current and non-current)	**40,034**	60,669
Long-term receivables are repayable as follows:		
Within 12 months		
- trade (property sales) (i)	**12,233**	14,787
- trade (non-property sales) (ii)	**10,446**	5,891
Less: Expected credit losses (non-property sales)	**(3,063)**	(1,539)
Long-term receivables (current) (Note 27)	**19,616**	19,139
Between 2 to 5 years		
- trade (property sales) (i)	**19,596**	32,143
- trade (non-property sales)	**2,323**	11,641
Less: Expected credit losses (non-property sales)	**(2,074)**	(2,882)
After 5 years		
- trade (non-property sales)	**573**	628
Long-term receivables (non-current)	**20,418**	41,530

Long-term receivables consist of:

(i) Trade receivables from property sales bear interest at rates ranging from 0% to 7%, Minimum Lending Rate ("MLR") plus 0.5% per annum (2020: 5% to 7%, MLR plus 0.5% per annum) and are repayable over an instalment period of 3 to 10 years (2020: 3 to 10 years).

(ii) Included in the trade receivables (non-property sales) is a net amount of $7,306,000 (current) (2020: $2,641,000) and $Nil (non-current) (2020: $5,282,000) which bear interest rate of 5.33%.

21. Long-term receivables (cont'd)

Significant foreign currency denominated balances

	Group	
	2021 $'000	2020 $'000
US Dollars	**1,736**	1,849

Expected credit losses

The movement in allowance for expected credit losses of long-term receivables (current and non-current) is as follows:

	Group	
	2021 $'000	2020 $'000
Movement in allowance accounts:		
At 1 January	**4,421**	4,160
Charge for the financial year (Note 10)	**3,539**	565
Write-back of allowance for the financial year (Note 10)	**(2,835)**	(296)
Exchange differences	**12**	(8)
At 31 December	**5,137**	4,421

Receivables subject to offsetting arrangements

During the period ended 31 December 2021 and 31 December 2020, none of the Group's trade receivables and trade payables are subject to offsetting arrangements.

22. Other receivables – non-current

	Group	
	2021 $'000	2020 $'000
Loans and receivables		
Deposits	**4,458**	4,883
Loan to third party	**53**	–
	4,511	4,883

Included in the deposits is an amount of $1,524,000 (2020: $1,674,000) of long-term restricted deposit pledged with a financial institution as security for bank guarantee and short-term facilities of a subsidiary (Note 34).

Loan to third party is an unsecured loan, bearing interest at a rate of 3.0% with fixed terms of repayment.

23. Investments

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
At fair value through other comprehensive income				
- Equity securities (unquoted)	**72,149**	–	–	–
At fair value through profit or loss				
- Equity fund (quoted)	**2,010**	2,006	**2,010**	2,006
	74,159	2,006	**2,010**	2,006

A subsidiary of the Group entered into an agreement with the holding company of BTAC with effect from 31 December 2021 where it was contractually agreed that the RCPS issued to the subsidiary will be redeemed on or before 31 December 2022 based on a step-by-step approach as prescribed in the agreement. As a result, an aggregate amount of $72,149,000 has been reclassified from Long-term Investments (Note 19). The RCPS can be settled simultaneously with loan from BTAC subject to certain conditions being met (Note 37).

The Group has invested in an equity fund of $2,000,000 on 25 November 2020. For the financial year ended 31 December 2021, there is a fair value gain adjustment of $4,000 (2020: $6,000) recorded in profit or loss (Note 4).

The fair value measurement is categorised in Level 2 of the fair value hierarchy.

24. Property development costs

	Group	
	2021 $'000	2020 $'000
Properties under development		
Cost incurred to date	**140,990**	217,275
Add: Transfer from property, plant and equipment (Note 13)	–	10,585
Less: Write-off of property development costs (Note 7)	**(1,596)**	(15,862)
Less: Write-down to realisable value	**(3,801)**	(4,181)
	135,593	207,817
Properties held for sale	**75,798**	106,274
	211,391	314,091

During the financial year, borrowing costs of $365,000 (2020: $281,000) arising from borrowings obtained specifically for the development property were capitalised under properties under development. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.2% to 3.8% (2020: 2.2% to 5.5%), which is the effective interest rate of the specific borrowing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

24. Property development costs (cont'd)

Details of the properties as at 31 December 2021 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,353	Completed	86.28
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	1,865	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	2,110	Completed	86.28
Cassia Phuket Phase 3	Phuket, Thailand	100	Held for sale	102	Completed	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	95	Under construction	2,770	December 2022	86.28
Laguna Village Residences	Phuket, Thailand	44	Under construction	6,710	December 2024	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	34	Under construction	12,848	December 2028	86.28
Angsana Beach Front	Phuket, Thailand	99	Under construction	3,841	December 2022	86.28
Angsana Oceanview Residences	Phuket, Thailand	43	Under construction	7,367	December 2025	86.28
Dhawa apartments	Phuket, Thailand	43	Under construction	5,217	December 2022	86.28
Skypark	Phuket, Thailand	48	Under construction	16,269	December 2024	86.28
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	475	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

24. Property development costs (cont'd)

Details of the properties as at 31 December 2020 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,353	Completed	86.28
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	2,371	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	2,110	Completed	86.28
Cassia Phuket Phase 3	Phuket, Thailand	100	Held for sale	358	Completed	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	66	Under construction	9,316	December 2022	86.28
Laguna Village Residences	Phuket, Thailand	44	Under construction	7,381	December 2024	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	34	Under construction	12,848	December 2028	86.28
Angsana Beach Front	Phuket, Thailand	91	Under construction	6,953	December 2022	86.28
Angsana Oceanview Residences	Phuket, Thailand	43	Under construction	7,367	December 2025	86.28
Dhawa apartments	Phuket, Thailand	43	Under construction	5,217	December 2022	86.28
Banyan Tree Residences, Brisbane	Brisbane, Australia	–	Under construction	27,375	–	100
Northpoint, Australia	Northpoint, Australia	–	Under construction	4,424	–	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	475	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

25. Inventories

	Group	
	2021 $'000	**2020** $'000
Balance sheet:		
Food and beverage, at cost	**1,232**	1,224
Trading goods and supplies, at cost	**1,718**	2,435
Materials, at cost	**1,100**	1,328
	4,050	4,987
Income statement inclusive of the following charge:		
- Inventories recognised as an expense in cost of sales	**9,916**	9,682
- Inventories written down (Note 7)	**158**	4

26. Prepayments and other non-financial assets - current

	Group		Company	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Prepayments	**3,962**	4,681	**699**	13
Prepaid island rental – current portion (Note 20)	**795**	778	**–**	–
Advances to suppliers	**1,294**	1,608	**–**	–
Goods and services tax/value-added tax receivable	**2,744**	2,804	**–**	–
Others	**2,425**	3,590	**–**	–
	11,220	13,461	**699**	13

27. Trade receivables

	Group	
	2021 $'000	**2020** $'000
Loans and receivables		
Trade receivables	**26,543**	23,042
Less: Expected credit losses	**(4,275)**	(4,018)
	22,268	19,024
Current portion of long-term trade receivables (Note 21)	**22,679**	20,678
Less: Expected credit losses (Note 21)	**(3,063)**	(1,539)
	19,616	19,139
	41,884	38,163

Other than the current portion of long-term trade receivables (Note 21), trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Significant foreign currency denominated balances

	Group	
	2021 $'000	**2020** $'000
US Dollars	**5,877**	5,215

Expected credit losses

The movement in allowance for expected credit losses of trade receivables is as follows:

	Group	
	2021 $'000	**2020** $'000
Movement in allowance accounts:		
At 1 January	**4,018**	2,560
Charge for the financial year (Note 10)	**1,969**	1,922
Write-back of allowance for the financial year (Note 10)	**–**	(223)
Write-off for the financial year	**(1,459)**	(134)
Exchange differences	**(253)**	(107)
At 31 December	**4,275**	4,018

27. Trade receivables (cont'd)

Receivables subject to offsetting arrangements

The Group regularly provides spa treatment services to in-house guests of Vineyard Hotel & Spa. The Group will be regularly charged by Vineyard Hotel & Spa for rental, utilities and other miscellaneous expenses incurred on behalf of the Group. Both parties have an arrangement to settle the net amount due to or from each other on a 30 days' term basis.

The Group's trade receivables and trade payables that are offset are as follows:

Description	Gross carrying amounts	2021 $'000 Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Trade receivables	44	(44)	–
Trade payables	66	(44)	22

Description	Gross carrying amounts	2020 $'000 Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Trade receivables	8	(8)	–
Trade payables	30	(8)	22

28. Other receivables - current

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Loans and receivables				
Deposits	220	235	–	3
Interest receivable	43	731	–	–
Staff advances	77	152	3	–
Insurance recoverable	8	15	–	–
Deferred cash receivable[1]	–	534	–	534
Other recoverable expenses	4,344	5,515	506	129
Other receivables[2]	8,553	10,744	–	–
Grant receivable[3]	–	119	–	–
	13,245	18,045	509	666

1 According to the sales and purchase agreement for the disposal of the Group's interest in Seychelles Group, part of the total sales consideration is deferred and recorded as deferred cash receivable.

2 Included in other receivables is an amount receivable from BTAC of RMB34,000,000 (2020: RMB34,000,000), which can be settled simultaneously against loan from BTAC based on a step-by-step approach agreed between a subsidiary of the Group and the holding company of BTAC with effect from 31 December 2021, subject to certain conditions being met (Note 37).

3 Grant receivable consists of Job Support Scheme funded by the Singapore Government.

28. Other receivables - current (cont'd)

During the financial year ended 31 December 2021, the Group has provided for an impairment loss of $2,436,000 (2020: $Nil) (Note 10) for other recoverable expenses and other receivables.

Significant foreign currency denominated balances

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
USD	–	534	–	534
RMB	7,276	6,936	–	–

29. Amounts due from/(to) subsidiaries

	Company 2021 $'000	Company 2020 $'000
Loans and receivables		
Amounts due from subsidiaries - non-trade	174,327	189,264
Less: Expected credit losses	(4,538)	(3,836)
	169,789	185,428
Financial liabilities at amortised cost		
Amounts due to subsidiaries (current) - non-trade	(33,677)	(17,570)

	Company 2021 $'000	Company 2020 $'000
Movement in allowance accounts:		
At 1 January	3,836	3,836
Charge for the financial year	702	–
At 31 December	4,538	3,836

Included in the amounts due from subsidiaries are unsecured loans of $30,000,000 (2020: $30,000,000), bearing interest at a rate of 3.74% (2020: 3.17%) and repayable on demand. Except for this loan, the amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

30. Amounts due from/(to) associates

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Loans and receivables				
Amounts due from associates				
- trade	**6,491**	2,756	**6,491**	1,430
- trade advances	**7,815**	–	**–**	–
- non-trade	**27,809**	–	**711**	–
	42,115	2,756	**7,202**	1,430
Less: Expected credit losses	**(246)**	–	**–**	–
	41,869	2,756	**7,202**	1,430
Financial liabilities at amortised cost				
Amounts due to associates				
- trade	**(42)**	(26)	**–**	–
- non-trade	**(17,831)**	(17,860)	**–**	(17,831)
	(17,873)	(17,886)	**–**	(17,831)

Included in the amounts due to associates (non-trade) are unsecured loans of $17,831,000 (2020: $17,831,000) that are non-interest bearing which can be offset against RCPS subject to certain conditions being met (Note 18). Except for this loan, the amounts due from/(to) associates are unsecured, non-interest bearing and repayable on demand.

During the financial year ended 31 December 2021, the long-term amounts due from associates has been reclassified to short-term amounts due from associates as the Group expects to receive these receivables within the next 12 months.

Expected credit losses

The movement in allowance for expected credit losses of amounts due from associates is as follows:

	Group 2021 $'000	Group 2020 $'000
Movement in allowance accounts:		
At 1 January	**–**	105
Charge for the financial year (Note 10)	**–**	51
Write-back of allowance for the financial year (Note 10)	**(62)**	–
Transfer of allowance from/(to) Associates (Note 18)	**253**	(137)
Exchange differences	**55**	(19)
At 31 December	**246**	–

30. Amounts due from/(to) associates (cont'd)

Significant foreign currency denominated balances

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
US Dollars	**9,352**	328	**–**	–

31. Amounts due from/(to) related parties

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Loans and receivables - Current				
Amounts due from related parties				
- trade	**78**	113	**–**	–
- non-trade	**–**	19	**16**	–
	78	132	**16**	–
Less: Expected credit losses	**(26)**	–	**–**	–
	52	132	**16**	–
Financial liabilities at amortised cost				
Amounts due to related parties				
- trade	**(230)**	(231)	**–**	–
- non-trade	**(418)**	(39)	**(13)**	(13)
	(648)	(270)	**(13)**	(13)

31. Amounts due from/(to) related parties (cont'd)

The amounts due from/(to) related parties (current) are unsecured, non-interest bearing and repayable on demand.

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Loans and receivables – Non-current				
Amounts due from related parties				
- trade	**4,000**	16,485	–	–
- non-trade	**18**	589	–	–
	4,018	17,074	–	–
Less: Expected credit losses	**(1,976)**	–	–	–
	2,042	17,074	–	–

The Group provides management services, under a long-term hotel management agreement, to two resorts in Bintan which are owned by certain related parties.

During the financial year ended 31 December 2020, the Bintan resorts were impacted by the COVID-19 pandemic. The Group had assessed the financial impact on the Bintan resorts to be short-term given the introduction of vaccine then and the ability of the Bintan resorts to isolate themselves from the rest of Indonesia through a travel bubble. As a result of these expectations on the impact to the related parties' cash flow projections, the Group expects a delay in repayment of outstanding debts and consequently reduced the previous carrying amount due from these related parties by 30%. A fair value adjustment (modification loss) of $7,360,000 (Note 9) was recorded in finance expenses for the year ended 31 December 2020, which represents a discount rate of 5.25% and the net carrying amount as at 31 December 2020 was $17,074,000.

During the financial year ended 31 December 2021, the onset of new COVID-19 variants had resulted in delays in re-opening of international borders which worsened the Bintan resorts' operational performance and cash flows. The Group had re-assessed and estimated the recovery of the amount owing from related parties to take an even longer period. As a result, the Group recorded a fair value adjustment (modification loss) of $13,703,000 (Note 9) in finance expenses for the year ended 31 December 2021 which represents a discount rate of 14% and an expected credit loss of $1,976,000, resulting in the previous carrying value of the amount due from related parties to further reduce by 92% to $2,042,000.

Expected credit losses

The movement in allowance for expected credit losses of amounts due from related parties (current and non-current) is as follows:

	Group	
	2021 $'000	2020 $'000
Movement in allowance accounts:		
At 1 January	–	1
Charge for the financial year (Note 10)	**2,064**	–
Write-off for the financial year	**(63)**	–
Exchange differences	**1**	(1)
At 31 December	**2,002**	–

Significant foreign currency denominated balances

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
US Dollars	**676**	8,194	**(13)**	(13)

32. Cash and short-term deposits

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Loans and receivables				
Cash on hand and at bank	**112,326**	51,287	**63,060**	15,386
Significant foreign currency denominated balances				
US Dollars	**26,584**	7,657	**17,024**	3,270

Cash at bank earns interest at floating rates based on daily bank deposit rates.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2021 $'000	2020 $'000
Cash and short-term deposits	**112,326**	51,287

33. Other non-financial liabilities - current

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Goods and services tax/value-added tax payable	**6,095**	6,394	**356**	402
Others	**7,226**	7,903	**695**	607
	13,321	14,297	**1,051**	1,009

34. Interest-bearing loans and borrowings

	Maturity	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Financial liabilities at amortised cost					
Current liabilities					
Secured bank loans	2022	**96,192**	179,303	**10,560**	60,600
Unsecured bank loans	2022	**57,384**	46,901	**48,265**	30,961
		153,576	226,204	**58,825**	91,561
Non-current liabilities					
Secured bank loans	2023-2038	**223,511**	223,330	**30,886**	15,167
Unsecured bank loans	2023-2025	**9,662**	9,766	**2,662**	3,646
		233,173	233,096	**33,548**	18,813
Total		**386,749**	459,300	**92,373**	110,374

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

	2020 $'000	Cash flows $'000	Non-cash changes: Accretion of interest/ Amortisation of transaction costs $'000	Fair value loss $'000	Foreign exchange movement $'000	New leases $'000	Other * $'000	2021 $'000
Interest bearing loans and borrowings - secured								
- Current	179,303	**(91,112)**	**–**	**–**	**(7,357)**	**–**	**15,358**	**96,192**
- Non-current	223,330	**33,663**	**–**	**–**	**(18,124)**	**–**	**(15,358)**	**223,511**
Interest bearing loans and borrowings - unsecured								
- Current	46,901	**(9,820)**	**–**	**–**	**–**	**–**	**20,303**	**57,384**
- Non-current	9,766	**20,199**	**–**	**–**	**–**	**–**	**(20,303)**	**9,662**
Convertible bonds – Non-current								
- Loan liability (Note 35)	41,318	**–**	**5,286**	**–**	**–**	**–**	**(46,604)**	**–**
- Derivative liability (Note 36)	15,182	**–**	**–**	**2,708**	**–**	**–**	**(17,890)**	**–**
Convertible bonds – Current								
- Loan liability (Note 35)	–	**–**	**–**	**–**	**–**	**–**	**42,473**	**42,473**
- Derivative liability (Note 36)	–	**–**	**–**	**–**	**–**	**–**	**16,193**	**16,193**
Leases (Note 38)								
- Current	2,130	**(3,234)**	**2,248**	**–**	**(63)**	**–**	**1,210**	**2,291**
- Non-current	32,298	**–**	**–**	**–**	**520**	**495**	**(1,210)**	**32,103**
Total	550,228	**(50,304)**	**7,534**	**2,708**	**(25,024)**	**495**	**(5,828)**	**479,809**

* Other relates to reclassification of non-current portion of loans and borrowings, capitalisation of transaction costs and conversion of Convertible Bonds to new shares.

34. Interest-bearing loans and borrowings (cont'd)

	2019 $'000	Cash flows $'000	Non-cash changes: Accretion of interest/ Amortisation of transaction costs $'000	Fair value loss $'000	Foreign exchange movement $'000	New leases $'000	Other * $'000	2020 $'000
Interest bearing loans and borrowings - secured								
- Current	126,026	(4,781)	–	–	(2,039)	–	60,097	179,303
- Non-current	269,600	17,965	–	–	(4,138)	–	(60,097)	223,330
Interest bearing loans and borrowings - unsecured								
- Current	51,940	(10,979)	–	–	–	–	5,940	46,901
- Non-current	12,060	3,646	–	–	–	–	(5,940)	9,766
Convertible bonds								
- Loan liability (Note 35)	–	40,923	1,916	–	–	–	(1,521)	41,318
- Derivative liability (Note 36)	–	9,480	–	5,702	–	–	–	15,182
Notes payable								
- Current	99,926	(100,000)	74	–	–	–	–	–
Leases (Note 38)								
- Current	1,428	(3,560)	2,325	–	(45)	33	1,949	2,130
- Non-current	33,442	–	–	–	(505)	1,310	(1,949)	32,298
Total	594,422	(47,306)	4,315	5,702	(6,727)	1,343	(1,521)	550,228

* Other relates to reclassification of non-current portion of loans and borrowings, capitalisation of transaction costs and conversion of Convertible Bonds to new shares.

The secured bank loans of the Group are secured by assets with the following net book values:

	Group 2021 $'000	Group 2020 $'000
Freehold land and buildings (Note 13)	**379,817**	446,547
Investment properties (Note 14)	**56,361**	35,158
Leasehold buildings (Note 13)	**13,304**	13,556
Property development costs	**42,844**	131,848
Unquoted shares	**4,136**	4,048
Prepaid island rental	**15,386**	15,735
Investment in associates	**3,479**	3,731
Long-term restricted deposit pledged (Note 22)	**1,524**	1,674
Other assets	**3,014**	1,399
	519,865	653,696

The secured bank loans of the Company amounting to $41,446,000 (2020: $75,767,000) are secured by freehold land and buildings of the Group's subsidiaries.

35. Convertible bonds

	Group and Company	
	2021 $'000	2020 $'000
At 1 January	**41,318**	–
Face value of convertible bonds issued	–	50,403
Capitalised transaction costs	–	(1,291)
Face value, net of transaction costs, of convertible bonds issued	**41,318**	49,112
Derivative liability conversion option of initial recognition (Note 36)	–	(9,480)
	41,318	39,632
Accretion of interest (Note 9)	**5,286**	1,916
Conversion of convertible bonds into ordinary shares	**(4,131)**	(230)
At 31 December	**42,473**	41,318

On 6 August 2020, the Company allotted and issued $50,402,608 in aggregate principal amount of 7.5% Convertible Bonds maturing on 6 August 2022. The issue of any ordinary shares upon conversion of the Convertible Bonds has been approved by the shareholders at the Annual General Meeting on 6 May 2020. Interest is payable semi-annually in arrears on 6 February and 6 August in each year commencing on 6 February 2021.

Consequently, the maximum number of conversion shares that may be issued pursuant to the conversion of the Convertible Bonds is 201,610,432 shares. During the financial year ended 31 December 2021, there were 16,525,512 (2020: 920,000) new shares being issued from conversion of $4,131,000 (2020: $230,000) of Convertible Bonds at $0.25 per share. As at 31 December 2021, there are up to 184,164,920 (2020: 200,690,432) new shares of the Company that may be issued upon the conversion of the Convertible Bonds.

The estimate of the fair value of the conversion and early redemption option derivatives is measured based on the Binomial Tree model. Details of the assumptions of conversion and early redemption option derivatives are as follows:

	Group and Company	
Date of valuation	**31 December 2021**	**31 December 2020**
Share price (S$)	**0.320**	0.265
Exercise price (S$)	**0.250**	0.250
Expected volatility	**28%**	37%
Maturity period	**0.6 years**	1.6 years
Conversion period	**0.57 years**	1.57 years

36. Derivative liability conversion option in convertible bonds

	Group and Company	
	2021 $'000	2020 $'000
At 1 January	**15,182**	–
Derivative liability conversion option of initial recognition (Note 35)	–	9,480
Fair value loss on derivatives (Note 7)	**2,708**	5,702
Conversion of convertible bonds into ordinary shares	**(1,697)**	–
	16,193	15,182

The derivative liability conversion option relates to the conversion option of the Convertible Bonds that is recognised at its fair value, determined by applying the Binomial Tree model. The fair value measurement is categorised in Level 3 of the fair value hierarchy. Details of valuation techniques and inputs used are disclosed in Note 48.

37. Other payables – current

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Financial liabilities at amortised cost				
Accrued operating expenses	**31,616**	30,807	**10,032**	6,515
Accrued service charges	**1,339**	785	–	–
Deposits	**140**	3,430	–	–
Loans from BTAC	**79,005**	79,005	**60,295**	60,295
Sundry creditors	**3,023**	2,585	**84**	57
	115,123	116,612	**70,411**	66,867

The loans from BTAC which can be settled simultaneously against RCPS based on a step-by-step approach agreed beween a subsidiary of the Group and the holding company of BTAC with effect from 31 December 2021, subject to certain conditions being met (Notes 23 and 28).

37. Other payables – current (cont'd)

Derivatives

Vanke call and put option

A subsidiary of the Group, Banyan Tree China Pte. Ltd. ("BTCN"), entered into a shareholder's agreement ("BTAC Shareholder's Agreement") with Tritonia Company Limited ("TCL"), which allows TCL to exercise a call option ("First Call Option") to purchase up to 99% of the Group's interest then held in BTAC on the date falling on and after 6 months after the second completion as defined in BTAC Shareholder's Agreement, and BTCN to exercise a put option ("First Put Option") to dispose up to 99% of the Group's interest then held in BTAC on and from the earlier of (i) BTAC having acquired China Fund Assets* and BTMC having acquired remaining 10% interest in Banyan Tree Hotels Management (Tianjin) Co., Ltd ("CHMC") before 30 September 2018, or (ii) 30 September 2018.

On 20 November 2018, BTCN exercised the First Put Option to dispose 18.6% shares in BTAC to TCL. After exercising the First Put Option, BTCN retained 4.2% interest in BTAC. On the same day, BTCN entered into a supplemental agreement to the shareholders' agreement ("BTAC Supplemental Shareholder's Agreement") with TCL which allows TCL to exercise a call option ("Second Call option") to purchase up to 99% of the Group's interest then held in BTAC and BTCN to exercise a put option ("Second Put Option") to dispose up to 99% of the Group's interest then held in BTAC on the date falling on or after the 8th anniversary of 20 November 2018.

On 30 December 2019, BTCN has increased its interest in BTAC to 5.2%, and the Second Put Option remains valid on the revised BTCN's interest in BTAC as at 31 December 2021.

As at 31 December 2021 and 2020, the Group has assessed that the fair value of all Vanke call and put options are immaterial.

* China Fund Assets refer to all projects, equity interests and other assets held by China Fund (other than 10% shareholding interest in CHMC held by China Fund).

38. Leases

The Group has lease contracts for land and buildings used in its operations. Leases of land generally have lease terms between 34 and 44 years and buildings generally have lease terms of 2 to 4 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

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

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group	
	Land and buildings	
	2021 $'000	2020 $'000
As at 1 January	18,769	19,559
Additions	317	1,447
Depreciation charge for the financial year	(1,610)	(1,940)
Impairment loss for the financial year (Note 7)	(87)	–
Exchange difference	329	(297)
As at 31 December	17,718	18,769

38. Leases (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	
	2021 $'000	2020 $'000
As at 1 January	34,428	34,870
Additions	495	1,343
Accretion of interest (Note 9)	2,248	2,325
Payments	(3,234)	(3,560)
Exchange difference	457	(550)
As at 31 December	34,394	34,428
Current	2,291	2,130
Non-current	32,103	32,298

The maturity analysis of lease liabilities are disclosed in Note 46.

The following are the amounts recognised in profit or loss:

	Group	
	2021 $'000	2020 $'000
Depreciation expense of right-of-use assets	1,610	1,940
Impairment loss of right-of-use assets (Note 7)	87	–
Interest expense on lease liabilities (Note 9)	2,248	2,325
Expense relating to short-term leases (included in Administrative expenses)	100	131
Variable lease payments (included in Other operating expenses and administrative expenses)	1,676	1,948
Total amount recognised in profit or loss	5,721	6,344

The Group had total cash outflows for leases of $3,234,000 in 2021 (2020: $3,560,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $317,000 and $495,000 (2020: $1,447,000 and $1,343,000) respectively in 2021.

39. Deferred tax

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Deferred tax liabilities:						
Differences in depreciation for tax purposes	**(85)**	(78)	**7**	–	–	–
Revaluation to fair value:						
- Freehold land and buildings	**(69,371)**	(74,093)	**2,102**	(1,294)	–	–
- Investment properties	**(8,004)**	(9,926)	**(1,064)**	79	–	–
Temporary differences arising from revenue recognition	**(48,760)**	(51,374)	**2,147**	8,560	–	–
Provisions	**(96)**	(96)	–	–	–	–
Other items	**(2,573)**	(2,450)	**357**	(1,984)	–	–
	(128,889)	(138,017)			–	–
Deferred tax assets:						
Differences in depreciation for tax purposes	**657**	1,168	**450**	(176)	–	–
Temporary differences arising from revenue recognition	**17**	17	**(2)**	–	–	–
Provisions	**2,293**	3,250	**695**	(590)	–	–
Unutilised tax losses	**1,556**	3,481	**1,936**	4,056	–	–
Property development costs	**14,580**	13,319	**(2,580)**	(2,674)	–	–
Other items	**1,939**	2,031	**121**	(10)	–	–
	21,042	23,266			–	–
Deferred tax expense			**4,169**	5,967		

Unrecognised tax losses

The Group has tax losses of $100,181,000 as at 31 December 2021 (2020: $89,888,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are subject to the agreement of the taxation authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

	Group	
	2021 $'000	2020 $'000
Year of expiry:		
Within 1 year	**5,272**	7,402
Between 2 to 5 years	**94,909**	60,070
No expiry	–	22,416
	100,181	89,888

39. Deferred tax (cont'd)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2020: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as the Group has determined that the majority of the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. The tax impact arising from any potential distribution will not be significant to the Group.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $67,047,000 (2020: $92,267,000). The unrecognised deferred tax liability is estimated to be $6,633,000 (2020: $9,305,000).

40. Defined and other long-term employee benefits

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation.

The following tables summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the balance sheets for the plans.

	LSP		LSA		MPB		Total	
Group	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Net benefit expense								
Current service cost	**254**	128	**121**	79	**10**	17	**385**	224
Interest cost on benefit obligation	**43**	41	**19**	21	–	–	**62**	62
Net actuarial loss recognised in the year	–	–	–	1,032	–	–	–	1,032
Loss/(gain) on settlements	–	4,199	–	(267)	–	–	–	3,932
Net benefit expense	**297**	4,368	**140**	865	**10**	17	**447**	5,250
Actuarial loss recognised in other comprehensive income	–	1,534	–	–	–	–	–	1,534

40. Defined and other long-term employee benefits (cont'd)

Changes in present value of the LSP, LSA and MPB obligations are as follows:

Group	LSP 2021 $'000	LSP 2020 $'000	LSA 2021 $'000	LSA 2020 $'000	MPB 2021 $'000	MPB 2020 $'000	Total 2021 $'000	Total 2020 $'000
At 1 January	**4,909**	3,069	**1,723**	1,080	**95**	87	**6,727**	4,236
Interest cost	**43**	41	**19**	21	**–**	–	**62**	62
Current service cost	**254**	128	**121**	79	**10**	17	**385**	224
Benefits paid	**(1,131)**	(3,997)	**(260)**	(199)	**(20)**	–	**(1,411)**	(4,196)
Actuarial loss on obligation	**–**	1,534	**–**	1,032	**–**	–	**–**	2,566
Loss/(gain) on settlements	**–**	4,199	**–**	(267)	**–**	–	**–**	3,932
Exchange differences	**(410)**	(65)	**(152)**	(23)	**9**	(9)	**(553)**	(97)
At 31 December	**3,665**	4,909	**1,451**	1,723	**94**	95	**5,210**	6,727

The principal assumptions used in determining the Group's employee benefits pertaining to LSP and LSA are as follows:

	2021	2020
Discount rates	**1.40%**	1.40%
Future salary increases	**2.00%**	2.00%
Gold price (per Baht weight of gold)	**BHT 26,000**	BHT 26,000
Gold inflation	**3.00%**	3.00%
Attrition rate	Based on LRH Group's withdrawal experiences in prior years	

Amounts for the LSP and LSA obligations for the current and previous two periods are as follows:

	2021 $'000	2020 $'000	2019 $'000
Group			
LSP and LSA obligations	**5,116**	6,631	4,149
<u>Experience adjustments on the plan liabilities</u>			
Effect of changes in demographic assumptions	**–**	1,938	–
Effect of changes in financial assumptions	**–**	271	–
Effect of experience adjustments	**–**	701	–

41. Share capital

	Group and Company 2021 No. of shares	2021 $'000	2020 No. of shares	2020 $'000
Issued and fully paid up				
At 1 January	**842,284,980**	**241,750**	841,364,980	241,520
New issue during the year	**16,525,512**	**5,828**	920,000	230
31 December	**858,810,492**	**247,578**	842,284,980	241,750

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

During the financial year ended 31 December 2021, there were 16,525,512 (2020: 920,000) new shares being issued from conversion of $5,828,000 (2020: $230,000) of Convertible Bonds.

42. Treasury shares and reserves

(a) Treasury shares

	Group and Company 2021 No. of shares	2021 $'000	2020 No. of shares	2020 $'000
At 1 January	**(1,321,500)**	**(758)**	(1,570,000)	(900)
Reissued pursuant to Share-based Incentive Plan	**91,300**	**52**	248,500	142
At 31 December	**(1,230,200)**	**(706)**	(1,321,500)	(758)

Treasury shares relate to ordinary shares of the Company that is held by the Company. In 2007 and 2018, the Company acquired 3,000,000 and 2,000,000 shares in the Company respectively through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $5,191,475 and $1,147,000 respectively, and this was presented as a component within shareholders' equity.

As of 31 December 2021, there are 1,230,200 (2020: 1,321,500) treasury shares held by the Company.

The Company reissued 91,300 (2020: 248,500) treasury shares pursuant to Share-based Incentive Plan at a weighted average exercise price of $0.363 (2020: $0.244) per share.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share grants granted to employees (Note 43). The reserve is made up of (i) the issue of free shares to employees in 2006 and (ii) the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share grants, less value of share grants issued to employees and value of share grants that are expired.

42. Treasury shares and reserves (cont'd)

(c) Legal reserve

The legal reserve is set up in accordance with the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand.

The Group is required to set aside a statutory reserve of at least 5% of its net profit until the reserve reaches 10% of its registered share capital for its listed subsidiary in Thailand.

(d) Property revaluation reserve

The property revaluation reserve is used to record increases in the fair value of revalued properties, net of deferred tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(e) Currency translation reserve

The currency 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 and exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries.

(f) Other reserves

Other reserves include the following:

(i) Merger deficit

The merger deficit comprises the difference between the consideration paid, in the form of the acquiring Company's shares and nominal value of the issued share capital of subsidiaries acquired.

(ii) Capital reserve

The capital reserve comprises a waiver of debt by the joint venture on amounts due by the Company and accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

(iii) Fair value adjustment reserve

The fair value adjustment reserve records the cumulative fair value changes, net of tax, of equity instruments until they are derecognised.

(iv) Premium paid on acquisition of non-controlling interests

Premium paid on acquisition of non-controlling interests represents the effects of changes in interest in subsidiaries when there is no change in control.

(v) Loss on reissuance of treasury shares

This represents the loss arising from the purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

42. Treasury shares and reserves (cont'd)

(f) Other reserves (cont'd)

A breakdown of the Group's and Company's other reserves is as follows:

Group	Merger deficit $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2021	(18,038)	7,852	(10,424)	44,452	(3,271)	20,571
Other comprehensive income						
Net fair value gain on equity instruments at fair value through other comprehensive income	–	–	918	–	–	918
Total comprehensive income for the financial year	–	–	918	–	–	918
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(19)	(19)
Total transactions with owners in their capacity as owners	–	–	–	–	(19)	(19)
At 31 December 2021	(18,038)	7,852	(9,506)	44,452	(3,290)	21,470

42. Treasury shares and reserves (cont'd)

(f) Other reserves (cont'd)

Group	Merger deficit $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2020	(18,038)	7,852	(9,977)	44,452	(3,189)	21,100
Other comprehensive income						
Net fair value loss on equity instruments at fair value through other comprehensive income	–	–	(447)	–	–	(447)
Total comprehensive income for the financial year	–	–	(447)	–	–	(447)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(82)	(82)
Total transactions with owners in their capacity as owners	–	–	–	–	(82)	(82)
At 31 December 2020	(18,038)	7,852	(10,424)	44,452	(3,271)	20,571

Company	Capital reserve $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2021	**7,852**	**(3,271)**	**4,581**
Contributions by and distributions to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	**(19)**	**(19)**
Total transactions with owners in their capacity as owners	–	**(19)**	**(19)**
At 31 December 2021	**7,852**	**(3,290)**	**4,562**
At 1 January 2020	7,852	(3,189)	4,663
Contributions by and distributions to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	(82)	(82)
Total transactions with owners in their capacity as owners	–	(82)	(82)
At 31 December 2020	7,852	(3,271)	4,581

43. Equity compensation benefits

Banyan Tree Share Award Scheme 2016

The Company adopted the Banyan Tree Share Award Scheme 2016 (the "Share Award Scheme") at the annual general meeting of the Company on 28 April 2016. The Share Award Scheme provide eligible participants with an opportunity to participate in the equity of the Company and motivate them towards better performance. The Share Award Scheme form an integral and important component of the compensation plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, is not entitled to participate in the Share Award Scheme.

At the date of this report, the Share Award Scheme is the only share incentive scheme in force in the Company. This is administered by the Remuneration Committee ("RC") which comprises three Independent Directors, Karen Tay Koh, as Chairman and Paul Beh Jit Han and Arnoud De Meyer as members.

The total number of shares which may be issued and/or transferred pursuant to awards granted under the Share Award Scheme, when added to the total number of shares issued and issuable and/or existing shares transferred and transferable in respect of all awards granted under the Share Award Scheme and all shares, options or awards granted under any share scheme of the Company then in force, shall not exceed 5% of the total number of issued shares (excluding treasury shares) on the day preceding the relevant date of the award.

The Share Award Scheme comprises the Performance Share Plan ("PSP") and the Restricted Share Plan ("RSP"). Participants who have attained from grade of Vice President and above are eligible to participate. PSP is targeted at a participant who is a key member of Senior Management with the ability to drive the growth of the Company through innovation, creativity and superior performance whereas RSP is intended to enhance the Group's overall compensation packages and strengthen the Group's ability to attract and retain high performing talent. The selection of a participant and the number of shares which are subject of each award to be granted to a participant in accordance with Share Award Scheme shall be determined at the absolute discretion of the RC, which shall take into account criteria such as rank, job performance, level of responsibility and potential for future development and his contribution to the success and development of the Group. A participant may be granted an award under the PSP and RSP although differing performance targets are likely to be set for each award.

Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof free of charge, upon the participant achieving prescribed performance target(s) and/or time-based service conditions. Awards are released once the RC is satisfied that the prescribed performance target(s) and/or time-based service conditions have been achieved.

The Company has not issued any award under the Share Award Scheme to any of its controlling shareholders. Since the commencement of the Share Award Scheme, no participant has been awarded 5% or more of the total shares available.

* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Manual.

43. Equity compensation benefits (cont'd)

Banyan Tree Share Award Scheme 2016 (cont'd)

The details of the Share Award Scheme existed as at 31 December 2021 are set out as follows:

	PSP	RSP
Share Award Scheme Description	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on performance targets set at the start of a three-year performance period.	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on the Group's performance over a one-year performance period.
Date of Grant:		
FY 2021 Grant	1 April 2021	1 April 2021
FY 2020 Grant	1 April 2020	1 April 2020
FY 2019 Grant	1 April 2019	1 April 2019
FY 2018 Grant	2 April 2018	2 April 2018
Performance Period:		
FY 2021 Grant	1 January 2021 to 31 December 2023	1 January 2021 to 31 December 2021
FY 2020 Grant	1 January 2020 to 31 December 2022	1 January 2020 to 31 December 2020
FY 2019 Grant	1 January 2019 to 31 December 2021	1 January 2019 to 31 December 2019
FY 2018 Grant	1 January 2018 to 31 December 2020	1 January 2018 to 31 December 2018
Performance Conditions:		
FY 2021 Grant, FY 2020 Grant, FY 2019 Grant and FY 2018 Grant	• Absolute Total Shareholder Return ("TSR") as multiple of Cost of Equity ("COE") • Relative TSR against selected hospitality listed peers	• Return on Invested Capital ("ROIC") • EBITDA#
Vesting Period:		
FY 2021 Grant, FY 2020 Grant, FY 2019 Grant and FY 2018 Grant	Vesting based on achieving stated performance conditions over a three-year performance period.	Based on achieving stated performance conditions over a one-year performance period, 33 1/3% of award will vest. Balance will vest over the subsequent two years with fulfilment of service requirements.
Payout:	0% to 200% depending on the achievement of pre-set performance targets over the performance period.	0% to 150% depending on the achievement of pre-set performance targets over the performance period.

EBITDA denotes Earnings before Interest, Taxes, Depreciation and Amortisation.

43. Equity compensation benefits (cont'd)

Banyan Tree Share Award Scheme 2016 (cont'd)

A prospective Monte Carlo simulation model involving projection of future outcomes using statistical distributions of random variables including share price and volatility of returns was used to value the conditional share awards. The simulation model was based on the following key assumptions for FY 2021 Grant:

	PSP	RSP
Historical Volatility		
Banyan Tree Holdings Limited ("BTH")	33.19%	33.19%
Benchmark Index[1]	28.51%	Not applicable
Risk-free interest rates		
Singapore Sovereign	0.68%	0.36% - 0.68%
Term	36 months	12 to 36 months
BTH expected dividend yield	0%	0%
Share price at grant date	$0.33	$0.33

For non-market conditions, achievement factors have been estimated based on feedback from the RC for the purpose of accrual for the RSP until the achievement of the targets can be reasonably ascertained.

1 Comprises of selected hospitality peer companies.

43. Equity compensation benefits (cont'd)

Banyan Tree Share Award Scheme 2016 (cont'd)

The details of shares awarded, cancelled and released during the financial year pursuant to the Share Award Scheme are as follows:

PSP

Grant date	Balance as at 1 January 2021[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Shares released during financial year	Balance as at 31 December 2021[1]	Estimated fair value at grant date
2 April 2018						
Other Participants	300,000	–	(300,000)	–	–	$0.555
1 April 2019						
Other Participants	360,000	–	–	–	360,000	$0.445
1 April 2020						
Other Participants	405,000	–	–	–	405,000	$0.129
1 April 2021						
Other Participants	–	405,000	–	–	405,000	$0.287
Total	1,065,000	405,000	(300,000)	–	1,170,000	

1 The number of shares comprised in awards granted by the Company under the Banyan Tree Share Award Scheme, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 200% depending on the level of achievement of pre-set performance conditions over the performance period.

2 The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

43. Equity compensation benefits (cont'd)

Banyan Tree Share Award Scheme 2016 (cont'd)

The details of shares awarded, cancelled and released during the financial year pursuant to the Share Award Scheme are as follows: (cont'd)

RSP

Grant date	Balance as at 1 January 2021[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Shares released during financial year	Balance as at 31 December 2021[1]	Estimated fair value at grant date
2 April 2018						
Other Participants	184,100	–	–	(184,100)	–	$0.570
1 April 2020						
Other Participants	585,000	–	(585,000)	–	–	$0.270
1 April 2021						
Other Participants	–	581,250	(22,500)	–	558,750	$0.330
Total	769,100	581,250	(607,500)	(184,100)	558,750	

1 The number of shares comprised in awards granted by the Company under the Banyan Tree Share Award Scheme, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 150% depending on the level of achievement of pre-set performance conditions over the performance period.

2 The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

The number of contingent shares granted but not released as at 31 December 2021 were 1,170,000 and 558,750 (2020: 1,065,000 and 769,100) for PSP and RSP respectively. Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 2,340,000 and 838,125 (2020: 2,130,000 and 1,061,600) for PSP and RSP respectively.

Founder's Grant

On 2 May 2006, the independent shareholders of the Company approved the incentive for the Executive Chairman, Ho KwonPing, which has been included in his employment agreement. Pursuant to the incentive, Mr Ho shall be entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). The Founder's Grant aims to secure the continuing commitment of Mr Ho to the Group and to reward him for founding, leading and building up the Group. The entitlement has ended at financial year ended 31 December 2019. The Group reported a profit before tax and before provision of the expense for Founder's Grant of $14,689,846 for the financial year ended 31 December 2019. Accordingly, the amount payable pursuant to the Founder's Grant was $734,492. Ho KwonPing has requested for payment to be deferred. The Board of Directors has approved the deferred payment on 28 February 2020. Payment of the Founder's Grant will be deferred to such date as may be agreed with Management. The Board of Directors and Remuneration Committee will be duly informed when payment is made. For the avoidance of doubt, save for the said deferred payment, the Founder's Grant has otherwise expired and does not apply to financial year ended 31 December 2020 or subsequent financial years.

44. Commitments and contingencies

(a) Capital commitments

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

	Group	
	2021 $'000	**2020** $'000
Capital commitments in respect of property, plant and equipment	**3,836**	4,853
Capital commitments in respect of property development costs	**60,372**	71,804
	64,208	76,657

(b) Contingent liabilities

Guarantees

As at the end of the reporting period, the Company had issued the following outstanding guarantees:

	Company	
	2021 $'000	**2020** $'000
Guarantees issued for banking facilities to subsidiaries	**32,902**	67,195

At the end of the reporting period, the Company has provided financial support amounting to $116,598,000 (31 December 2020: $96,479,000) to its subsidiaries in net current liabilities or net liabilities position to enable these companies to continue their operations and meet their liabilities as and when they fall due.

45. Related party transactions

Other than that disclosed in the financial statements, the Group had the following significant related party transactions on terms agreed during the financial year:

	Group	
	2021 $'000	**2020** $'000
(a) Associates:		
- Management and service fee income	**78**	377
- Reservation fee income	**17**	65
- Royalty income	**–**	92
- China Licensing fee	**7,692**	3,084
(b) Related parties		
- Management and service fee income	**3**	74
- Rental income	**199**	632
- Reservation fee income	**–**	33
- Spa gallery income	**–**	2
- Royalty income	**–**	107
- Others	**31**	21
(c) Compensation of key management personnel		
- Salaries and employee benefits	**3,074**	2,807
- Central Provident Fund contributions	**84**	83
- Share-based payment expenses	**11**	15
- Other short-term benefits	**904**	675
Total compensation paid to key management personnel	**4,073**	3,580
Comprise amounts paid to:		
• Directors of the Company	**1,473**	958
• Other key management personnel	**2,600**	2,622
	4,073	3,580

46. 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 credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board reviews and agrees policies and procedures, factoring in the challenges posed by the COVID-19 pandemic situation on the Group's operations for the management of these risks, which are executed by the President and Group Managing Director. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

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) 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 long-term receivables, trade receivables, contract assets, other receivables (current), amounts due from subsidiaries, amounts due from associates and amounts due from related parties. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing 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 generally 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 financial asset with an investment grade 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 forward looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrower in the group and changes in the operating results of the borrower.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

(a) Credit risk (cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Debt securities at amortised cost, debt securities at fair value through other comprehensive income and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customer has a low risk of default and capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Customer debts for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if debts repayments are 30 days past due and/ or there is an indication that the customers are in financial difficulty.	Lifetime expected credit losses	Gross carrying amount
Grade III	Existence of objective evidences that the customers are in financial difficulty and/or debts amount are in dispute and/or past 360 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

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

(a) Credit risk (cont'd)

(ii) Financial assets at amortised cost

The loss allowance provision for financial assets at amortised cost is as follows:

	Group	
	Financial assets at amortised cost	
	2021 $'000	2020 $'000
As at 1 January	**8,692**	6,826
Loss allowance measured at:		
12-month ECL	**2,002**	167
Lifetime ECL		
- Trade amounts	**4,084**	1,968
Write-offs	**(1,522)**	(134)
Exchange difference	**(183)**	(135)
As at 31 December	**13,073**	8,692

The gross carrying amount of financial assets at amortised cost is as follows:

Group		2021 $'000	2020 $'000
12-month ECL	Financial assets at amortised cost	**67,869**	70,337
Lifetime ECL	Financial assets at amortised cost	**70,890**	107,873
Total		**138,759**	178,210

The gross carrying amount of contract assets, long-term receivables, other receivables, trade receivables, amount due from associates and amount due from related parties of the Group are disclosed in Notes 3, 21, 22, 27, 28, 30 and 31.

The gross carrying amount of loans of the Company as at 31 December 2021, without taking into account any collaterals held or other credit enhancements which represents the maximum exposure to loss, is $363,450,000 (2020: $428,439,000).

(iii) Long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties

The Group provides for lifetime expected credit losses for all trade-related balances including long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on similar loss pattern and geographical region. The loss allowance provision as at 31 December 2021 and 31 December 2020 is determined as follows, the expected credit losses below also incorporate forward looking information based on specific economic data.

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

(a) Credit risk (cont'd)

(iii) Long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade-related balances using provision matrix, grouped by geographical region:

South East Asia:

31 December 2021	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**1,666**	**31,728**	**339**	**921**	**2,747**	**2,235**	**39,636**
Loss allowance provision	**–**	**–**	**77**	**275**	**1,187**	**839**	**2,378**

31 December 2020	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	2,592	36,350	332	3,170	5,021	15,962	63,427
Loss allowance provision	–	173	31	16	497	222	939

North East Asia:

31 December 2021	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**–**	**13,853**	**873**	**585**	**763**	**762**	**16,836**
Loss allowance provision	**–**	**15**	**286**	**263**	**453**	**95**	**1,112**

31 December 2020	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	27,385	541	650	2,419	1,008	32,003
Loss allowance provision	–	2,839	116	167	613	845	4,580

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

(a) Credit risk (cont'd)

(iii) Long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties (cont'd)

Other geographical areas:

31 December 2021	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**–**	**13,262**	**109**	**234**	**523**	**290**	**14,418**
Loss allowance provision	**–**	**–**	**48**	**94**	**244**	**400**	**786**

31 December 2020	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	10,696	72	84	271	1,320	12,443
Loss allowance provision	–	15	35	141	167	1,150	1,508

Grand Total:

31 December 2021	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**1,666**	**58,843**	**1,321**	**1,740**	**4,033**	**3,287**	**70,890**
Loss allowance provision	**–**	**15**	**411**	**632**	**1,884**	**1,334**	**4,276**

31 December 2020	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	2,592	74,431	945	3,904	7,711	18,290	107,873
Loss allowance provision	–	3,027	182	324	1,277	2,217	7,027

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
- a nominal amount of $32,902,000 (2020: $67,195,000) relating to corporate guarantees provided by the Company for the bank loans taken by its subsidiaries.

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

(a) Credit risk (cont'd)

Excessive risk concentration

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

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group does not apply hedge accounting.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment and geographical profile of its trade receivables, amounts due from associates and related parties on an ongoing basis excluding other receivables of $17,756,000 (2020: $22,928,000) and contract assets of $1,666,000 (2020: $2,592,000). The credit risk concentration profile of the Group's trade receivables, amounts due from associates, and related parties at the end of the reporting period is as follows:

		2021		2020	
	Note	$'000	% of total	$'000	% of total
Group					
By geographical regions:					
South East Asia		**27,337**	26	46,078	32
Indian Oceania		**257**	–	76	1
Middle East		**868**	1	1,950	1
North East Asia		**55,560**	52	80,977	56
Rest of the world		**22,243**	21	14,917	10
		106,265	100	143,998	100
By industry sectors:					
Hotel Investments		**8,299**	8	19,821	14
Property Sales		**38,657**	36	55,708	38
Fee-based Segment		**39,380**	37	54,474	38
Head Office		**19,929**	19	13,995	10
		106,265	**100**	143,998	100
Trade receivables					
Non-current	21	**20,418**		41,530	
Current	27	**41,884**		38,163	
		62,302		79,693	

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

(a) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

	Note	2021 $'000	2020 $'000
Amounts due from associates			
Current	30	**41,869**	2,756
Non-current	18	**–**	44,343
		41,869	47,099
Amounts due from related parties			
Current	31	**52**	132
Non-current	31	**2,042**	17,074
		2,094	17,206

Financial assets that are neither past due nor impaired

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

(b) 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 maintains sufficient cash and short-term deposits, and internally generated cash flows to finance their activities. Management finances the Group's liquidity through internally generated cash flows and refinancing and minimises liquidity risk by keeping committed stand-by credit facilities available.

At the end of the reporting period, approximately 39.7% (2020: 49.2%) of the Group's interest-bearing loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. 63.7% (2020: 83.1%) of the Company's interest-bearing loans and borrowings will mature in less than one year at the end of the reporting period.

The following table summarises the maturity profiles of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments except for financial liabilities where the timing of repayment cannot be reliably estimated as disclosed in the respective notes above.

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

(b) Liquidity risk (cont'd)

Group	Note	2021 Effective rate $'000	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2021						
Financial assets						
Trade receivables	21/27	**–**	**34,374**	**19,595**	**573**	**54,542**
Trade receivables	21/27	**6.00**	**497**	**347**	**–**	**844**
Trade receivables	27	**5.33**	**7,695**	**–**	**–**	**7,695**
Other receivables	22/28	**–**	**13,245**	**–**	**4,458**	**17,703**
Other receivables	22	**3.00**	**–**	**56**	**–**	**56**
Amounts due from associates	30	**–**	**41,869**	**–**	**–**	**41,869**
Amounts due from related parties	31	**–**	**52**	**–**	**–**	**52**
Amounts due from related parties	31	**14.00**	**–**	**7,156**	**17,925**	**25,081**
Investments	23	**0.51**	**2,020**	**–**	**–**	**2,020**
Cash and short-term deposits	32	**–**	**112,326**	**–**	**–**	**112,326**
Total undiscounted financial assets			**212,078**	**27,154**	**22,956**	**262,188**
Financial liabilities						
Trade payables		**–**	**(21,825)**	**–**	**–**	**(21,825)**
Other payables	37	**–**	**(115,123)**	**–**	**–**	**(115,123)**
Other payables		**–**	**–**	**–**	**(3,239)**	**(3,239)**
Lease liabilities	38	**–**	**(3,283)**	**(11,474)**	**(51,151)**	**(65,908)**
Amounts due to associates	30	**–**	**(17,873)**	**–**	**–**	**(17,873)**
Amounts due to related parties	31	**–**	**(648)**	**–**	**–**	**(648)**
Loans and borrowings						
- S$ floating rate loan	34	**COF + 1.75**	**(10,245)**	**–**	**–**	**(10,245)**
- S$ floating rate loan	34	**COF + 2.00**	**(10,206)**	**(11,778)**	**(2,214)**	**(24,198)**
- S$ floating rate loan	34	**COF + 2.25**	**(5,137)**	**–**	**–**	**(5,137)**
- S$ floating rate loan	34	**COF + 2.50**	**(19,458)**	**(19,008)**	**–**	**(38,466)**
- S$ floating rate loan	34	**SIBOR + 3.25**	**(9,537)**	**(7,144)**	**–**	**(16,681)**
- S$ floating rate loan	34	**SORA + 2.50**	**(10,266)**	**–**	**–**	**(10,266)**
- S$ floating rate loan	34	**3.05**	**(5,153)**	**–**	**–**	**(5,153)**
- S$ fixed rate loan	34	**2.50**	**(1,145)**	**(2,751)**	**–**	**(3,896)**
- US$ floating rate loan	34	**4.72**	**(17,215)**	**–**	**–**	**(17,215)**
- BHT floating rate loan	34	**2.00 to 4.81**	**(45,285)**	**(5,269)**	**–**	**(50,554)**
- BHT floating rate loan	34	**5.84**	**(1,023)**	**–**	**–**	**(1,023)**
- BHT floating rate loan	34	**5.47**	**(844)**	**–**	**–**	**(844)**
- BHT floating rate loan	34	**MLR - 0.50 to MLR - 1.50**	**(29,516)**	**(58,505)**	**(215,945)**	**(303,966)**
- BHT fixed rate loan	34	**Fixed +1.50**	**(1,504)**	**–**	**–**	**(1,504)**
- BHT fixed rate loan	34	**2.00**	**(150)**	**(4,528)**	**(1,352)**	**(6,030)**
Convertible bonds	35	**7.50**	**(49,513)**	**–**	**–**	**(49,513)**
Total undiscounted financial liabilities			**(374,949)**	**(120,457)**	**(273,901)**	**(769,307)**
Total net undiscounted financial liabilities			**(162,871)**	**(93,303)**	**(250,945)**	**(507,119)**

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

(b) Liquidity risk (cont'd)

Group	Note	2020 Effective rate $'000	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2020						
Financial assets						
Long-term receivables	21	5.33	–	5,978	–	5,978
Trade receivables	21/27	–	33,241	32,137	628	66,006
Trade receivables	21/27	6.00	2,586	3,876	–	6,462
Trade receivables	27	5.33	2,832	–	–	2,832
Other receivables	22/28	–	18,045	–	4,883	22,928
Amounts due from associates	30	–	2,756	–	–	2,756
Amounts due from associates	18	5.33	–	35,039	18,238	53,277
Amounts due from related parties	31	–	132	–	–	132
Amounts due from related parties	31	5.25	–	11,332	13,103	24,435
Investments	23	0.32	2,006	–	–	2,006
Cash and short-term deposits	32	–	51,287	–	–	51,287
Total undiscounted financial assets			112,885	88,362	36,852	238,099
Financial liabilities						
Trade payables		–	(32,166)	–	–	(32,166)
Other payables	37	–	(116,612)	–	–	(116,612)
Other payables		–	–	–	(3,034)	(3,034)
Lease liabilities	38	5.00 – 7.00	(3,767)	(11,690)	(52,607)	(68,064)
Amounts due to associates	30	–	(17,886)	–	–	(17,886)
Amounts due to related parties	31	–	(270)	–	–	(270)
Loans and borrowings						
- S$ floating rate loan	34	COF + 1.75	(15,359)	–	–	(15,359)
- S$ floating rate loan	34	COF + 2.00	(31,844)	(11,726)	(4,990)	(48,560)
- S$ floating rate loan	34	SIBOR + 2.00	(10,253)	–	–	(10,253)
- S$ floating rate loan	34	SIBOR + 2.50	(10,309)	–	–	(10,309)
- S$ floating rate loan	34	SIBOR + 3.25	(6,407)	(6,258)	–	(12,665)
- S$ floating rate loan	34	SOR + 2.25	(27,654)	–	–	(27,654)
- S$ floating rate loan	34	SOR + 2.50	(30,801)	–	–	(30,801)
- S$ floating rate loan	34	3.00	(5,150)	–	–	(5,150)
- S$ fixed rate loan	34	2.50	(1,145)	(3,736)	–	(4,881)
- US$ floating rate loan	34	4.72	(2,755)	(17,438)	–	(20,193)
- BHT floating rate loan	34	2.50 to 4.81	(49,705)	–	–	(49,705)
- BHT floating rate loan	34	5.84	(1,225)	–	–	(1,225)
- BHT floating rate loan	34	5.47	(928)	–	–	(928)
- BHT floating rate loan	34	MLR - 0.75 to MLR - 1.50	(41,121)	(131,386)	(99,404)	(271,911)
- BHT fixed rate loan	34	2.00	(5,756)	(45)	–	(5,801)
- BHT fixed rate loan	34	1.85	(1,658)	–	–	(1,658)
Convertible bonds	35	7.50	(3,763)	(53,935)	–	(57,698)
Total undiscounted financial liabilities			(416,534)	(236,214)	(160,035)	(812,783)
Total net undiscounted financial assets			(303,649)	(147,852)	(123,183)	(574,684)

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

(b) Liquidity risk (cont'd)

Company	Note	2021 Effective rate $'000	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2021						
Financial assets						
Trade receivables		–	5,347	–	–	5,347
Other receivables	28	–	509	–	–	509
Amounts due from subsidiaries	17/29	3.74 to 7.00	34,022	64,574	–	98,596
Amounts due from subsidiaries	17/29	–	139,789	–	305,542	445,331
Amounts due from associates	30	–	7,202	–	–	7,202
Amounts due from related parties	31	–	16	–	–	16
Investments	23	0.51	2,020	–	–	2,020
Cash and short-term deposits	32	–	63,060	–	–	63,060
Total undiscounted financial assets			251,965	64,574	305,542	622,081
Financial liabilities						
Other payables	37	–	(70,411)	–	–	(70,411)
Amounts due to subsidiaries		–	(33,677)	–	(133,852)	(167,529)
Amounts due to related parties	31	–	(13)	–	–	(13)
Loans and borrowings						
- S$ floating rate loan	34	COF + 1.75	(10,245)	–	–	(10,245)
- S$ floating rate loan	34	COF + 2.00	(10,206)	(11,778)	(2,214)	(24,198)
- S$ floating rate loan	34	COF + 2.25	(5,137)	–	–	(5,137)
- S$ floating rate loan	34	COF + 2.50	(19,458)	(19,008)	–	(38,466)
- S$ floating rate loan	34	SORA + 2.50	(10,266)	–	–	(10,266)
- S$ floating rate loan	34	3.05	(5,153)	–	–	(5,153)
- S$ fixed rate loan	34	2.50	(1,145)	(2,751)	–	(3,896)
Convertible bonds	35	7.50	(49,513)	–	–	(49,513)
Total undiscounted financial liabilities			(215,224)	(33,537)	(136,066)	(384,827)
Total net undiscounted financial assets			36,741	31,037	169,476	237,254

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

(b) Liquidity risk (cont'd)

Company	Note	2020 Effective rate $'000	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2020						
Financial assets						
Long-term receivables	21	5.33	–	7,244	–	7,244
Trade receivables		–	4,317	–	–	4,317
Other receivables	28	–	666	–	–	666
Amounts due from subsidiaries	17/29	3.17 to 7.00	36,535	125,480	–	162,015
Amounts due from subsidiaries	17/29	–	155,428	–	310,430	465,858
Amounts due from associates	30	–	1,430	–	–	1,430
Amounts due from associates	18	5.33	–	2,021	1,326	3,347
Amounts due from associates	18	5.25	–	29	–	29
Investments	23	0.32	2,006	–	–	2,006
Cash and short-term deposits	32	–	15,386	–	–	15,386
Total undiscounted financial assets			215,768	134,774	311,756	662,298
Financial liabilities						
Other payables	37	–	(66,867)	–	–	(66,867)
Amounts due to subsidiaries		–	(17,570)	–	(130,476)	(148,046)
Amounts due to associates	30	–	(17,831)	–	–	(17,831)
Amounts due to related parties	31	–	(13)	–	–	(13)
Loans and borrowings						
- S$ floating rate loan	34	COF + 1.75	(15,359)	–	–	(15,359)
- S$ floating rate loan	34	COF + 2.00	(31,844)	(11,726)	(4,990)	(48,560)
- S$ floating rate loan	34	SIBOR + 2.50	(10,309)	–	–	(10,309)
- S$ floating rate loan	34	SOR + 2.50	(30,801)	–	–	(30,801)
- S$ floating rate loan	34	3.00	(5,150)	–	–	(5,150)
- S$ fixed rate loan	34	2.50	(1,145)	(3,736)	–	(4,881)
Convertible bonds	35	7.50	(3,763)	(53,935)	–	(57,698)
Total undiscounted financial liabilities			(200,652)	(69,397)	(135,466)	(405,515)
Total net undiscounted financial assets			15,116	65,377	176,290	256,783

BHT : Thai Baht
SIBOR : Singapore inter-bank offered rate
MLR : Minimum lending rate
COF : Cost of fund of lending bank
SOR : Swap offered rate
SORA : Singapore overnight rate average

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

(b) Liquidity risk (cont'd)

The table below shows the maximum amount of financial guarantee contracts, allocated to the earliest period in which the guarantee could be called.

Company	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
31 December 2021				
Financial guarantees	**32,902**	–	–	**32,902**
31 December 2020				
Financial guarantees	67,195	–	–	67,195

(c) 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 their interest-bearing financial liabilities.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the end of the reporting period, approximately 3% (2020: 3%) of the Group's interest-bearing financial liabilities are at fixed rates of interest. The table in Note 46(b) summarises the interest-bearing financial liabilities of the Group and the Company.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 75 (2020: 75) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been $2,821,000 (2020: $3,355,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing financial liabilities.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, United States Dollars ("USD"), Thai Baht ("Baht") and Chinese Renminbi ("RMB"). The foreign currencies in which these transactions are denominated are mainly USD. As at 31 December 2021, approximately 34% (2020: 29%) of the Group's receivables are denominated in foreign currencies.

In addition, the Group has a Currency Management Plan which aims to mitigate impact on the Group's revenue from unfavourable exchange rates movements. The plan requires all operating entities in the Group to list its major wholesalers and their respective currencies. All contracts should endeavour to be in the currency of the market source. Market source refers to the country of origin or domicile of the business. The contracts are then reviewed and managed on a quarterly basis to mitigate the exposure of the Group's operations to foreign currency fluctuation.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Thailand, PRC and Maldives. The Group's net investments in Thailand, PRC and Maldives are not hedged as currency positions in Thai Baht, Chinese Renminbi and United States Dollar are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before taxation to a reasonably possible change in the USD and RMB exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

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

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)

			Group	
			Loss before taxation	
			2021 $'000	2020 $'000
USD/Baht	-	strengthened 5% (2020: 5%)	**28**	14
	-	weakened 5% (2020: 5%)	**(28)**	(14)
USD/SGD	-	strengthened 5% (2020: 5%)	**2,443**	1,569
	-	weakened 5% (2020: 5%)	**(2,443)**	(1,569)
RMB/SGD	-	strengthened 5% (2020: 5%)	**(606)**	347
	-	weakened 5% (2020: 5%)	**606**	(347)

47. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and 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 financial years ended 31 December 2021 and 2020.

As disclosed in Note 42(c), subsidiaries of the Group are required to set aside Legal Reserves in accordance to the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand. The imposed capital requirement has been complied with by the subsidiaries for the financial years ended 31 December 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio below 100%. The Group includes within net debt, interest-bearing loans and borrowings, convertible bonds less cash and short-term deposits. Total capital refers to the total equity of the Group.

	Group	
	2021 $'000	2020 $'000
Interest-bearing loans and borrowings (Note 34)	**386,749**	459,300
Convertible bonds (Note 35)	**42,473**	41,318
Less: Cash and short-term deposits (Note 32)	**(112,326)**	(51,287)
Net debt	**316,896**	449,331
Total capital	**538,085**	627,600
Gearing ratio	**59%**	72%

48. Fair value of assets and liabilities

(a) Fair value hierarchy

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

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

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

(b) Assets and liabilities measured at fair value

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

		Group 2021			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value					
Financial assets					
Equity securities at FVOCI					
- Equity shares (quoted)	19	**2**	**–**	**–**	**2**
- Equity shares (unquoted)	19	**–**	**–**	**29,008**	**29,008**
Total equity securities at FVOCI		**2**	**–**	**29,008**	**29,010**
Equity securities at FVTPL					
- Investments	23	**–**	**2,010**	**–**	**2,010**
Total equity securities at FVTPL		**–**	**2,010**	**–**	**2,010**
Financial assets as at 31 December 2021		**2**	**2,010**	**29,008**	**31,020**

48. Fair value of assets and liabilities (cont'd)

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

	Note	Group 2021 – Fair value measurements at the end of the reporting period using: Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value (cont'd)					
Non-financial assets:					
Investment properties					
Freehold land					
- Singapore		–	–	**21,750**	**21,750**
- Thailand, Phuket		–	–	**12,202**	**12,202**
- Northern Thailand		–	–	**6,975**	**6,975**
Freehold buildings					
- Singapore		–	–	**2,650**	**2,650**
- Thailand, Phuket		–	–	**680**	**680**
- Thailand, Bangkok		–	–	**35,432**	**35,432**
Total investment properties	14	–	–	**79,689**	**79,689**
Property, plant and equipment					
Freehold land					
- Singapore		–	–	**26,666**	**26,666**
- Thailand, Phuket		–	–	**262,720**	**262,720**
- Thailand, Bangkok		–	–	**39,680**	**39,680**
- Northern Thailand		–	–	**1,134**	**1,134**
- Morocco		–	–	**4,616**	**4,616**
- Sri Lanka		–	–	**4,832**	**4,832**
Freehold buildings					
- Singapore		–	–	**2,360**	**2,360**
- Thailand, Phuket		–	–	**105,690**	**105,690**
- Thailand, Bangkok		–	–	**43,505**	**43,505**
- Morocco		–	–	**5,679**	**5,679**
- Sri Lanka		–	–	–	–
Total property, plant and equipment	13	–	–	**496,882**	**496,882**
Non-financial assets as at 31 December 2021		–	–	**576,571**	**576,571**

48. Fair value of assets and liabilities (cont'd)

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

	Note	Group 2021 – Fair value measurements at the end of the reporting period using: Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Liabilities measured at fair value					
Financial liabilities:					
Derivatives					
Derivative liability conversion option in convertible bonds	36	–	–	**16,193**	**16,193**
Financial liabilities as at 31 December 2021		–	–	**16,193**	**16,193**

	Note	Group 2020 – Fair value measurements at the end of the reporting period using: Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value					
Financial assets:					
Equity securities at FVOCI					
- Equity shares (quoted)	19	2	–	–	2
- Equity shares (unquoted)	19	–	–	28,094	28,094
Total equity securities at FVOCI		2	–	28,094	28,096
Equity securities at FVTPL					
- Investments	23	–	2,006	–	2,006
Total equity securities at FVTPL		–	2,006	–	2,006
Financial assets as at 31 December 2020		2	2,006	28,094	30,102

48. Fair value of assets and liabilities (cont'd)

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

	Note	Group 2020 Fair value measurements at the end of the reporting period using Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value (cont'd)					
Non-financial assets:					
Investment properties					
Freehold land					
- Thailand, Phuket		–	–	**13,422**	**13,422**
- Northern Thailand		–	–	**8,920**	**8,920**
Freehold buildings					
- Thailand, Phuket		–	–	**748**	**748**
- Thailand, Bangkok		–	–	**38,975**	**38,975**
Total investment properties	14	–	–	**62,065**	**62,065**
Property, plant and equipment					
Freehold land					
- Singapore		–	–	**47,856**	**47,856**
- Thailand, Phuket		–	–	**289,695**	**289,695**
- Thailand, Bangkok		–	–	**43,648**	**43,648**
- Morocco		–	–	**4,914**	**4,914**
- Sri Lanka		–	–	**5,073**	**5,073**
Freehold buildings					
- Singapore		–	–	**4,520**	**4,520**
- Thailand, Phuket		–	–	**120,848**	**120,848**
- Thailand, Bangkok		–	–	**50,870**	**50,870**
- Morocco		–	–	**6,189**	**6,189**
- Sri Lanka		–	–	**259**	**259**
Total property, plant and equipment	13	–	–	**573,872**	**573,872**
Non-financial assets as at 31 December 2020		–	–	**635,937**	**635,937**

48. Fair value of assets and liabilities (cont'd)

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

	Note	Group 2020 Fair value measurements at the end of the reporting period using Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Liabilities measured at fair value					
Financial liabilities:					
Derivatives					
Derivative liability conversion option in convertible bonds	36	–	–	15,182	15,182
Financial liabilities as at 31 December 2020		–	–	15,182	15,182

(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 and liabilities that are categorised within Level 2 of the fair value hierarchy:

Investment securities at fair value through profit or loss

The valuation of investment securities measured at fair value through profit or loss is determined using quoted market prices in less active markets.

Derivatives

The valuation of derivatives are based on a variety of commonly used valuation methods and makes assumptions based on market conditions existing at each reporting date. The valuation models incorporate various market observable inputs including the risk free rate, volatility of quoted equity instruments and quoted price of equity instruments.

48. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements

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

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2021 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
At FVOCI:				
La Punta Resorts S.A. De C.V.	**2,733**	Discounted cash flow	Growth rate Discount rate	2.0% 10.6%
Mayakoba Thai S.A. De C.V.	**10,629**	Discounted cash flow	Growth rate Discount rate	1.0% 10.6%
Investment properties:				
Freehold land				
Singapore	**21,750**	Market value approach	Yield adjustments*	10.0% to 26.0%
Thailand, Phuket	**12,202**	Market value approach	Yield adjustments*	12.5%
Northern Thailand	**6,975**	Market value approach	Yield adjustments*	29.8% to 41.8%
Freehold buildings				
Singapore	**2,650**	Market value approach	Yield adjustments*	10.0% to 26.0%
Thailand, Phuket	**680**	Market value approach	Yield adjustments*	9.3%
Thailand, Bangkok	**35,432**	Market value approach	Yield adjustments*	2.5%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

48. 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)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (cont'd)

Description	Fair value at 31 December 2021 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements (cont'd)				
Property, plant and equipment:				
Freehold land				
Singapore	**26,666**	Market value approach	Yield adjustments*	10.0% to 20.0%
Thailand, Phuket	**262,720**	Market value approach	Yield adjustments*	8.6% to 82.3% (22.9%)
Thailand, Bangkok	**39,680**	Market value approach	Yield adjustments*	11.1%
Northern Thailand	**1,134**	Market value approach	Yield adjustments*	0.5% to 34.5%
Morocco	**4,616**	Market value approach	Yield adjustments*	0.9% to 6.2%
Sri Lanka	**4,832**	Market value approach	Yield adjustments*	SLR 184.0 mn per acre to SLR 207.0 mn per acre (SLR 146.6 mn per acre)

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

48. 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)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (cont'd)

Description	Fair value at 31 December 2021 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements (cont'd)				
Property, plant and equipment: (cont'd)				
Freehold buildings				
Singapore	**2,360**	Market value approach	Yield adjustments*	10.0% to 20.0%
Thailand, Phuket	**96,841**	Replacement cost approach	Standard construction cost per Sq meter	Baht 600 to Baht 78,000 per Sq meter (Baht 12,601)
	8,849	Market value approach	Yield adjustments*	0.5% to 9.3%
Thailand, Bangkok	**43,505**	Replacement cost approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 47,000 per Sq meter (Baht 23,346)
Morocco	**5,679**	Market value approach	Yield adjustments*	0.9% to 6.2%
At fair value through profit or loss:				
Derivatives:				
Derivative liability conversion option in convertible bonds	**16,193**	Binomial Tree model	Risky rate	20.2% to 20.4%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

Unquoted equity instrument – Current investment in BTAC

The fair value of the unquoted equity shares in BTAC is determined by reference to the recent transaction price among unrelated willing buyer and seller. The key unobservable inputs include adjustments made to the most recent transaction price among unrelated willing buyer and seller.

48. 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)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2020 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
At FVOCI:				
La Punta Resorts S.A. De C.V.	1,670	Discounted cash flow	Growth rate Discount rate	4.0% 9.0%
Mayakoba Thai S.A. De C.V.	10,521	Discounted cash flow	Growth rate Discount rate	4.0% 9.0%
Investment properties:				
Freehold land				
Thailand, Phuket	13,422	Market value approach	Yield adjustments*	7.3%
Northern Thailand	8,920	Market value approach	Yield adjustments*	28.9% to 55.7%
Freehold buildings				
Thailand, Phuket	748	Market value approach	Yield adjustments*	9.3%
Thailand, Bangkok	38,975	Market value approach	Yield adjustments*	7.4%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

48. 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)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (cont'd)

Description	Fair value at 31 December 2020 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements (cont'd)				
Property, plant and equipment:				
Freehold land				
Singapore	47,856	Market value approach	Yield adjustments*	15.0% to 24.0%
Thailand, Phuket	289,695	Market value approach	Yield adjustments*	10.0% to 82.3% (23.9%)
Thailand, Bangkok	43,648	Market value approach	Yield adjustments*	11.5%
Morocco	4,914	Market value approach	Yield adjustments*	0.7% to 6.3%
Sri Lanka	5,073	Market value approach	Yield adjustments*	Rs 550,000 perch to Rs 1,250,000 perch (Rs 936,250 perch)

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

48. 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)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (cont'd)

Description	Fair value at 31 December 2020 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements (cont'd)				
Property, plant and equipment: (cont'd)				
Freehold buildings				
Singapore	4,520	Market value approach	Yield adjustments*	15.0% to 24.0%
Thailand, Phuket	111,118	Replacement cost approach	Standard construction cost per Sq meter	Baht 600 to Baht 78,000 per Sq meter (Baht 12,607)
	9,730	Market value approach	Yield adjustments*	0.5% to 9.3%
Thailand, Bangkok	50,870	Replacement cost approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 47,000 per Sq meter (Baht 23,346)
Morocco	6,189	Market value approach	Yield adjustments*	0.7% to 6.3%
Sri Lanka	259	Replacement cost approach	Standard construction cost per Sq meter	Rs 2,000 psf to Rs 6,000 psf (Rs 5,076 psf)
At fair value through profit or loss:				
Derivatives:				
Derivative liability conversion option in convertible bonds	15,182	Binomial Tree model	Risky rate	20.2%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

Unquoted equity instrument – Long-term investment in BTAC

The fair value of the unquoted equity shares in BTAC is determined by reference to the recent transaction price among unrelated willing buyer and seller. The key unobservable inputs include adjustments made to the most recent transaction price among unrelated willing buyer and seller.

Significant increases/(decreases) in net cash flow, standard construction cost and yield adjustments in isolation would result in a significantly higher/(lower) fair value measurement.

Significant increases/(decreases) in discount rate in isolation would result in a significantly (lower)/higher fair value measurement.

48. Fair value of assets and liabilities (cont'd)

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

(ii) Movements in Level 3 assets and liabilities measured at fair value

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

	Fair value measurements using significant unobservable inputs (Level 3)						Fair value measurements using significant unobservable inputs (Level 3)														
	Property, plant and equipment						Property, plant and equipment					Investment properties						Financial assets at FVOCI	Financial liabilities at fair value through profit or loss	
	Freehold land						Freehold buildings					Freehold land			Freehold buildings				Derivative liability conversion option in convertible bonds	
Group 2021	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Northern Thailand** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Singapore** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Equity shares (unquoted)** $'000	**bonds** $'000	**Total** $'000
Opening balance	47,856	4,914	289,695	43,648	–	5,073	4,520	6,189	120,848	50,870	259	–	13,422	8,920	–	748	38,975	100,243	(15,182)	720,998
Total gains or losses for the period																				
- Included in profit or loss	–	(95)	–	–	–	–	–	(97)	–	–	(241)	560	–	–	500	–	–	–	(2,708)	(2,081)
- Included in other comprehensive income	–	–	–	–	–	(3)	118	–	–	–	–	–	–	–	–	–	–	914	–	1,029
Purchases, issues, sales and settlements																				
- Purchases	–	–	30	–	–	–	–	–	496	–	–	–	–	–	–	–	–	–	–	526
- Sales	–	–	–	–	–	–	–	–	(307)	–	–	–	–	–	–	–	–	–	–	(307)
- Transfer in/(out)	(21,190)	–	(694)	–	1,184	–	(2,150)	–	2,240	–	–	21,190	–	(1,184)	2,150	–	–	–	–	1,546
Conversion of convertible bonds into ordinary shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,697	1,697
Depreciation	–	–	(2)	–	–	–	(128)	(155)	(5,073)	(2,175)	(7)	–	–	–	–	–	–	–	–	(7,540)
Exchange differences	–	(203)	(26,309)	(3,968)	(50)	(238)	–	(258)	(12,514)	(5,190)	(11)	–	(1,220)	(761)	–	(68)	(3,543)	–	–	(54,333)
Closing balance	26,666	4,616	262,720	39,680	1,134	4,832	2,360	5,679	105,690	43,505	–	21,750	12,202	6,975	2,650	680	35,432	101,157	(16,193)	661,535

48. Fair value of assets and liabilities (cont'd)

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

(ii) Movements in Level 3 assets and liabilities measured at fair value

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

	Fair value measurements using significant unobservable inputs (Level 3)					Fair value measurements using significant unobservable inputs (Level 3)											
	Property, plant and equipment					Property, plant and equipment					Investment properties				Financial assets at FVOCI	Financial liabilities at fair value through profit or loss	
	Freehold land					Freehold buildings					Freehold land		Freehold buildings				
Group 2020	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Equity shares (unquoted)** $'000	**Derivative liability conversion option in convertible bonds** $'000	**Total** $'000
Opening balance	46,786	4,615	299,320	44,257	5,382	4,654	6,440	132,743	55,826	304	13,585	9,122	782	40,015	100,695	–	764,526
Total gains or losses for the period																	
- Included in profit or loss	–	2	(1,723)	–	–	–	(72)	(3,505)	–	–	140	–	(17)	(150)	–	(5,702)	(11,027)
- Included in other comprehensive income	1,070	–	355	–	–	52	–	(309)	(2,109)	(21)	–	–	–	–	(451)	–	(1,413)
Purchases, issues, sales and settlements																	
- Purchases	–	–	21	–	–	–	–	266	32	–	–	–	–	–	–	–	319
- Write off	–	–	–	–	–	–	–	(2)	–	–	–	–	–	–	–	–	(2)
- Transferred from property development costs	–	–	(1,235)	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,235)
- Transfer in/(out)	–	–	(374)	374	–	–	–	(1,211)	–	–	–	–	–	–	–	–	(1,211)
Depreciation	–	–	–	–	–	(186)	(638)	(5,563)	(2,351)	(8)	–	–	–	–	–	–	(8,746)
Exchange differences	–	297	(6,669)	(983)	(309)	–	459	(1,571)	(528)	(16)	(303)	(202)	(17)	(890)	(1)	–	(10,733)
Arising from issuance of Convertible bonds	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(9,480)	(9,480)
Closing balance	47,856	4,914	289,695	43,648	5,073	4,520	6,189	120,848	50,870	259	13,422	8,920	748	38,975	100,243	(15,182)	720,998

48. Fair value of assets and liabilities (cont'd)

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

(ii) Movements in Level 3 assets and liabilities measured at fair value

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

	Fair value measurements using significant unobservable inputs (Level 3)					Fair value measurements using significant unobservable inputs (Level 3)				
	Property, plant and equipment					Investment properties		Financial assets at FVOCI	Financial liabilities at fair value through profit or loss	
	Freehold land		Freehold buildings			Freehold land	Freehold buildings	Equity shares (unquoted)	Derivative liability conversion option in convertible bonds	
Group **31 December 2021**	**Morocco** **$'000**	**Sri Lanka** **$'000**	**Singapore** **$'000**	**Morocco** **$'000**	**Sri Lanka** **$'000**	**Singapore** **$'000**	**Singapore** **$'000**	**$'000**	**$'000**	**Total** **$'000**
Total gains or losses for the period included in profit or loss:										
- Net gain from fair value adjustment of investment properties	–	–	–	–	–	560	500	–	–	1,060
- Net loss from fair value adjustment of derivative liability conversion option in convertible bonds	–	–	–	–	–	–	–	–	(2,708)	(2,708)
- Impairment loss	(95)	–	–	(97)	(241)	–	–	–	–	(433)
	(95)	–	–	(97)	(241)	560	500	–	(2,708)	(2,081)
Other comprehensive (loss)/income:										
- Net (deficit)/surplus on revaluation of land and buildings	–	(3)	118	–	–	–	–	–	–	115
- Net gain from fair value adjustment of equity shares	–	–	–	–	–	–	–	914	–	914
	–	(3)	118	–	–	–	–	914	–	1,029

	Fair value measurements using significant unobservable inputs (Level 3)					Fair value measurements using significant unobservable inputs (Level 3)											
	Property, plant and equipment					Property, plant and equipment					Investment properties				Financial assets at FVOCI	Financial liabilities at fair value through profit or loss	
	Freehold land					Freehold buildings					Freehold land		Freehold buildings		Equity shares (unquoted)	Derivative liability conversion option in convertible bonds	
Group **31 December 2020**	**Singapore** **$'000**	**Morocco** **$'000**	**Thailand, Phuket** **$'000**	**Thailand, Bangkok** **$'000**	**Sri Lanka** **$'000**	**Singapore** **$'000**	**Morocco** **$'000**	**Thailand, Phuket** **$'000**	**Thailand, Bangkok** **$'000**	**Sri Lanka** **$'000**	**Thailand, Phuket** **$'000**	**Northern Thailand** **$'000**	**Thailand, Phuket** **$'000**	**Northern Thailand** **$'000**	**$'000**	**$'000**	**Total** **$'000**
Total gains or losses for the period included in profit or loss:																	
- Net gain/(loss) from fair value adjustment of investment properties	–	–	–	–	–	–	–	–	–	–	140	–	(17)	(150)	–	–	(27)
- Net loss from fair value adjustment of derivative liability conversion option in convertible bonds	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(5,702)	(5,702)
- Impairment loss	–	2	(1,723)	–	–	–	(72)	(3,505)	–	–	–	–	–	–	–	–	(5,298)
	–	2	(1,723)	–	–	–	(72)	(3,505)	–	–	140	–	(17)	(150)	–	(5,702)	(11,027)
Other comprehensive income:																	
- Net surplus/(deficit) on revaluation of land and buildings	1,070	–	355	–	–	52	–	(309)	(2,109)	(21)	–	–	–	–	–	–	(962)
- Net loss from fair value adjustment of equity shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(451)	–	(451)
	1,070	–	355	–	–	52	–	(309)	(2,109)	(21)	–	–	–	–	(451)	–	(1,413)

48. Fair value of assets and liabilities (cont'd)

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

(iii) Valuation policies and procedures

The President and Group Managing Director ("President"), who is assisted by Senior Vice President, Group Finance and Corporate Affairs (collectively referred to as the "President office"), 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, the President office 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 professional independent property valuers who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For financial year ended 31 December 2021, the President office has decided to include all the freehold land and buildings and investment properties for the purpose of valuation, due to indication of impairment arising from the COVID-19 pandemic.

For valuations performed by professional independent property valuers, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, professional independent property valuers are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated 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.

As a result of the COVID-19 pandemic, assessing fair value as at the reporting date involved considering uncertainties around the underlying assumptions and inputs to fair value given the forward-looking nature of these assumptions. The COVID-19 pandemic has also created unprecedented economic uncertainty, in particular the absence of a significant level of market transactions which are ordinarily a key source of evidence for assessing the fair value of investment properties. As such, the 31 December 2021 valuation process has been adjusted for the current financial year compared to the process that would typically be followed and adopted in more normalised market conditions. In view of uncertainties and lack of market transactions brought upon by COVID-19, the Group performed independent valuation for all freehold land and building and investment properties for the current financial year.

48. Fair value of assets and liabilities (cont'd)

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

		Fair value measurements at the end of the reporting period using			
		Group		Company	
	Note	Quoted prices in active markets for identical assets (Level 1) $'000	Carrying amount $'000	Quoted prices in active markets for identical assets (Level 1) $'000	Carrying amount $'000
2021					
Assets					
Associates	18	**19,613**	**30,735**	–	–
2020					
Assets					
Associates	18	15,005	32,713	–	–

(f) Assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair values

Management has determined that the carrying amounts of cash and short-term deposits, current trade and other receivables, current amounts due to and from subsidiaries, associates and related parties, and current trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or are repriced frequently.

Long-term receivables and interest-bearing loans and borrowings carry interest which approximates market interest rate. Accordingly, their notional amounts approximate their fair values.

(g) Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

Fair value information has not been disclosed for the Group's financial instruments not carried at fair value and whose carrying amounts are not reasonable approximation of fair values, because the fair values cannot be measured reliably.

The loans due from subsidiaries and non-current amounts due from subsidiaries, associates, related parties and third parties (classified within non-current assets) have no repayment terms and are repayable only when the cash flows of the borrowers permit. The non-current deposits classified within non-current assets have no terms of maturity. Accordingly, management is of the view that the fair values of these loans and deposits cannot be determined reliably as the timing of the future cash flows arising from the loans and deposits cannot be estimated reliably.

48. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

Group	Note	Financial assets at amortised cost $'000	Financial assets at FVOCI $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2021					
Non-current assets					
Property, plant and equipment	13	–	–	567,671	567,671
Right-of-use assets	38	–	–	17,718	17,718
Investment properties	14	–	–	79,689	79,689
Intangible assets	15	–	–	36,723	36,723
Land use rights	16	–	–	2,647	2,647
Associates	18	–	–	111,135	111,135
Long-term investments	19	–	29,010	–	29,010
Deferred tax assets	39	–	–	21,042	21,042
Prepaid island rental	20	–	–	17,557	17,557
Prepayments		–	–	1,555	1,555
Long-term receivables	21	20,418	–	–	20,418
Other receivables	22	4,511	–	–	4,511
Amounts due from related parties	31	2,042	–	–	2,042
		26,971	29,010	855,737	911,718

Group	Note	Financial assets at amortised cost $'000	Financial assets at FVOCI $'000	Fair value through Profit or Loss $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2021						
Current assets						
Property development costs	24	–	–	–	211,391	211,391
Inventories	25	–	–	–	4,050	4,050
Prepayments and other non-financial assets	26	–	–	–	11,220	11,220
Trade receivables	27	41,884	–	–	–	41,884
Other receivables	28	13,245	–	–	–	13,245
Contract assets	3	–	–	–	1,666	1,666
Amounts due from associates	30	41,869	–	–	–	41,869
Amounts due from related parties	31	52	–	–	–	52
Investments	23	–	72,149	2,010	–	74,159
Cash and short-term deposits	32	112,326	–	–	–	112,326
		209,376	72,149	2,010	228,327	511,862
Total assets		236,347	101,159	2,010	1,084,064	1,423,580

48. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Group	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Fair value through Profit or Loss $'000	Total $'000
Year ended 31 December 2021					
Current liabilities					
Tax payable		–	11,524	–	11,524
Other non-financial liabilities	33	13,321	–	–	13,321
Interest-bearing loans and borrowings	34	153,576	–	–	153,576
Convertible bonds	35	42,473	–	–	42,473
Derivative liability conversion option in convertible bonds	36	–	–	16,193	16,193
Trade payables		21,825	–	–	21,825
Other payables	37	115,123	–	–	115,123
Contract liabilities	3	–	69,286	–	69,286
Lease liabilities	38	2,291	–	–	2,291
Amounts due to associates	30	17,873	–	–	17,873
Amounts due to related parties	31	648	–	–	648
		367,130	80,810	16,193	464,133
Non-current liabilities					
Deferred tax liabilities	39	–	128,889	–	128,889
Defined and other long-term employee benefits	40	–	5,210	–	5,210
Deposits received		1,901	–	–	1,901
Other non-financial liabilities		–	16,847	–	16,847
Interest-bearing loans and borrowings	34	233,173	–	–	233,173
Other payables		3,239	–	–	3,239
Lease liabilities	38	32,103	–	–	32,103
		270,416	150,946	–	421,362
Total liabilities		637,546	231,756	16,193	885,495

48. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Group	Note	Financial assets at amortised cost $'000	Financial assets at FVOCI $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2020					
Non-current assets					
Property, plant and equipment	13	–	–	651,822	651,822
Right-of-use assets	38	–	–	18,769	18,769
Investment properties	14	–	–	62,065	62,065
Intangible assets	15	–	–	35,198	35,198
Land use rights	16	–	–	2,338	2,338
Associates	18	44,343	–	111,263	155,606
Long-term investments	19	–	100,245	–	100,245
Deferred tax assets	39	–	–	23,266	23,266
Prepaid island rental	20	–	–	17,962	17,962
Prepayments		–	–	433	433
Long-term receivables	21	41,530	–	–	41,530
Other receivables	22	4,883	–	–	4,883
Amounts due from related parties	31	17,074	–	–	17,074
		107,830	100,245	923,116	1,131,191

Group	Note	Financial assets at amortised cost $'000	Financial assets at FVOCI $'000	Fair value through Profit or Loss $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2020						
Current assets						
Property development costs	24	–	–	–	314,091	314,091
Inventories	25	–	–	–	4,987	4,987
Prepayments and other non-financial assets	26	–	–	–	13,461	13,461
Trade receivables	27	38,163	–	–	–	38,163
Other receivables	28	18,045	–	–	–	18,045
Contract assets	3	–	–	–	2,592	2,592
Amounts due from associates	30	2,756	–	–	–	2,756
Amounts due from related parties	31	132	–	–	–	132
Investments	23	–	–	2,006	–	2,006
Cash and short-term deposits	32	51,287	–	–	–	51,287
		110,383	–	2,006	335,131	447,520
Total assets		218,213	100,245	2,006	1,258,247	1,578,711

48. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Group	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Fair value through Profit or Loss $'000	Total $'000
Year ended 31 December 2020					
Current liabilities					
Tax payable		–	9,290	–	9,290
Other non-financial liabilities	33	–	14,297	–	14,297
Interest-bearing loans and borrowings	34	226,204	–	–	226,204
Trade payables		32,166	–	–	32,166
Other payables	37	116,612	–	–	116,612
Contract liabilities	3	–	52,853	–	52,853
Lease liabilities	38	2,130	–	–	2,130
Amounts due to associates	30	17,886	–	–	17,886
Amounts due to related parties	31	270	–	–	270
		395,268	76,440	–	471,708
Non-current liabilities					
Deferred tax liabilities	39	–	138,017	–	138,017
Defined and other long-term employee benefits	40	–	6,727	–	6,727
Deposits received		1,939	–	–	1,939
Other non-financial liabilities		–	7,792	–	7,792
Interest-bearing loans and borrowings	34	233,096	–	–	233,096
Convertible bonds	35	41,318	–	–	41,318
Derivative liability conversion option in convertible bonds	36	–	–	15,182	15,182
Other payables		3,034	–	–	3,034
Lease liabilities	38	32,298	–	–	32,298
		311,685	152,536	15,182	479,403
Total liabilities		706,953	228,976	15,182	951,111

48. Fair value of assets and liabilities (cont'd)

(h) **Classification of financial instruments** (cont'd)

Company	Note	Financial assets at amortised cost $'000	Fair value through Profit or Loss $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2021					
Non-current assets					
Intangible assets	15	–	–	3,730	3,730
Subsidiaries	17	1,238	–	561,568	562,806
Associates	18	–	–	869	869
		1,238	–	566,167	567,405
Current assets					
Prepayments and other non-financial assets	26	–	–	699	699
Trade receivables		5,347	–	–	5,347
Other receivables	28	509	–	–	509
Amounts due from subsidiaries	29	169,789	–	–	169,789
Amounts due from associates	30	7,202	–	–	7,202
Amounts due from related parties	31	16	–	–	16
Investments	23	–	2,010	–	2,010
Cash and short-term deposits	32	63,060	–	–	63,060
		245,923	2,010	699	248,632
Total assets		247,161	2,010	566,866	816,037

48. Fair value of assets and liabilities (cont'd)

(h) **Classification of financial instruments** (cont'd)

Company	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Fair value through Profit or Loss $'000	Total $'000
Year ended 31 December 2021					
Current liabilities					
Other non-financial liabilities	33	–	1,051	–	1,051
Interest-bearing loans and borrowings	34	58,825	–	–	58,825
Convertible bonds	35	42,473	–	–	42,473
Derivative liability conversion option in convertible bonds	36	–	–	16,193	16,193
Other payables	37	70,411	–	–	70,411
Amounts due to subsidiaries	29	33,677	–	–	33,677
Amounts due to related parties	31	13	–	–	13
		205,399	1,051	16,193	222,643
Non-current liabilities					
Interest-bearing loans and borrowings	34	33,548	–	–	33,548
Amounts due to subsidiaries		133,852	–	–	133,852
		167,400	–	–	167,400
Total liabilities		372,799	1,051	16,193	390,043

48. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Company	Note	Financial assets at amortised cost $'000	Fair value through Profit or Loss $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2020					
Non-current assets					
Intangible assets	15	–	–	3,815	3,815
Subsidiaries	17	1,151	–	635,912	637,063
Associates	18	2,660	–	869	3,529
Long-term receivables		5,720	–	–	5,720
		9,531	–	640,596	650,127
Current assets					
Prepayments and other non-financial assets	26	–	–	13	13
Trade receivables		4,317	–	–	4,317
Other receivables	28	666	–	–	666
Amounts due from subsidiaries	29	185,428	–	–	185,428
Amounts due from associates	30	1,430	–	–	1,430
Investments	23	–	2,006	–	2,006
Cash and short-term deposits	32	15,386	–	–	15,386
		207,227	2,006	13	209,246
Total assets		216,758	2,006	640,609	859,373

48. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Company	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Fair value through Profit or Loss $'000	Total $'000
Year ended 31 December 2020					
Current liabilities					
Tax payable		–	16	–	16
Other non-financial liabilities	33	–	1,009	–	1,009
Interest-bearing loans and borrowings	34	91,561	–	–	91,561
Other payables	37	66,867	–	–	66,867
Amounts due to subsidiaries	29	17,570	–	–	17,570
Amounts due to associates	30	17,831	–	–	17,831
Amounts due to related parties	31	13	–	–	13
		193,842	1,025	–	194,867
Non-current liabilities					
Interest-bearing loans and borrowings	34	18,813	–	–	18,813
Convertible bonds	35	41,318	–	–	41,318
Derivative liability conversion option in convertible bonds	36	–	–	15,182	15,182
Amounts due to subsidiaries		130,476	–	–	130,476
		190,607	–	15,182	205,789
Total liabilities		384,449	1,025	15,182	400,656

NOTES TO THE FINANCIAL STATEMENTS

49. Segment information

For management purposes, the Group is organised into business units based on the nature of products and services provided, with each reportable operating segment representing strategic business units that offers different products and serves different markets. The reportable operating segments are as follows:

The Hotel investments segment relates to hotel and restaurant operations.

The Property sales segment comprises hotel residences, Laguna property sales and development project/site sales. Hotel residences business relates to the sale of hotel villas or suites to investors, and continues to be managed by the Group as part of hotel operations. Laguna property sales business relates to the development and sale of properties which are standalone vacation homes in Laguna Phuket. Development project/site sales relates to pure development land sales or development land sales which are fully or partially developed with infrastructure.

The Fee-based segment mainly comprises the management of hotels and resorts, the management and operation of spas, the provision of architectural and design services, the management and ownership of golf courses, and rental of retail outlets and offices.

The Head Office segment relates to expenses incurred by corporate office.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained below, is measured differently from operating profit or loss in the consolidated financial statements.

Geographical information

Revenue derived from management of hotels and resorts, and provision of architectural and design services are reported based on the geographical location of the Group's customers while all other revenue streams are based on the geographical location of the Group's assets. Non-current assets are based on the geographical location of the Group's assets.

The South East Asia segment comprises countries such as Thailand, Indonesia, Malaysia and Vietnam.

The Indian Oceania segment comprises countries such as Seychelles, Maldives, Sri Lanka and India.

The Middle East segment comprises countries such as Dubai, Kuwait and Qatar.

The North East Asia segment comprises countries such as China, Japan, Hong Kong and Macau.

The rest of the world segment comprises countries such as Australia, Guam, Morocco, Americas and Europe.

Allocation basis and transfer pricing

Segments' results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Income taxes are managed on a group basis and are not allocated to operating segments. Unallocated income comprises of other sources of income which are not directly attributable to the identified operating segments.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

49. Segment information (cont'd)

Information about major customers

There is no concentration of revenue derived from any one single customer for both years ended 31 December 2021 and 2020.

(a) Operating segments

The following tables present revenue and results information regarding the Group's reportable operating segments for the financial years ended 31 December 2021 and 2020:

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2021					
Revenue:					
Segment revenue					
Sales	59,646	122,788	47,984	–	230,418
Inter-segment sales	(156)	–	(9,034)	–	(9,190)
Sales to external customers	59,490	122,788	38,950	–	221,228
Results:					
Segment results	(38,044)	11,072	9,204	(13,587)	(31,355)
Unallocated income					13,224
Loss from operations and other gains					(18,131)
Finance income	32	1,997	613	996	3,638
Finance costs	(11,035)	(1,477)	(953)	(26,509)	(39,974)
Share of results of associates	(35)	–	–	2,682	2,647
Loss before taxation					(51,820)
Income tax expense					(9,454)
Loss for the financial year					(61,274)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

49. Segment information (cont'd)

(a) **Operating segments** (cont'd)

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2020					
Revenue:					
Segment revenue					
Sales	62,340	69,398	38,089	–	169,827
Inter-segment sales	(164)	–	(11,831)	–	(11,995)
Sales to external customers	62,176	69,398	26,258	–	157,832
Results:					
Segment results	(37,123)	(1,157)	(10,474)	(14,447)	(63,201)
Unallocated income					1,747
Loss from operations and other gains					(61,454)
Finance income	59	2,293	3,375	1,289	7,016
Finance costs	(10,525)	(2,745)	(1,093)	(19,085)	(33,448)
Share of results of associates	37	–	–	(6,723)	(6,686)
Loss before taxation					(94,572)
Income tax expense					(7,936)
Loss for the financial year					(102,508)

49. Segment information (cont'd)

(a) **Operating segments** (cont'd)

The following tables present certain assets, liabilities and other information regarding the Group's reportable operating segments for the financial years ended 31 December 2021 and 2020:

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2021					
Assets and liabilities:					
Segment assets	**483,974**	**351,257**	**258,978**	**197,194**	**1,291,403**
Associates	**–**	**–**	**230**	**110,905**	**111,135**
Deferred tax assets	**3,212**	**16,316**	**1,146**	**368**	**21,042**
Total assets					**1,423,580**
Segment liabilities	**86,829**	**69,354**	**46,244**	**113,433**	**315,860**
Interest-bearing loans and borrowings	**230,081**	**55,114**	**4,147**	**97,407**	**386,749**
Convertible bonds	**–**	**–**	**–**	**42,473**	**42,473**
Current and deferred tax liabilities	**15,774**	**103,140**	**16,016**	**5,483**	**140,413**
Total liabilities					**885,495**
Other segment information:					
Capital expenditure	**6,372**	**8**	**138**	**234**	**6,752**
Depreciation of property, plant and equipment and right-of-use assets	**18,787**	**1,267**	**1,472**	**319**	**21,845**
Amortisation expense	**722**	**18**	**–**	**85**	**825**
Other non-cash items	**348**	**1,299**	**615**	**2,413**	**4,675**

49. Segment information (cont'd)

(a) **Operating segments** (cont'd)

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2020					
Assets and liabilities:					
Segment assets	575,350	451,370	259,592	113,527	1,399,839
Associates	–	–	4,041	151,565	155,606
Deferred tax assets	3,332	15,850	2,883	1,201	23,266
Total assets					1,578,711
Segment liabilities	78,998	72,501	38,116	113,573	303,188
Interest-bearing loans and borrowings	239,042	72,851	4,605	142,802	459,300
Convertible bonds	–	–	–	41,318	41,318
Current and deferred tax liabilities	60,287	75,381	7,672	3,965	147,305
Total liabilities					951,111
Other segment information:					
Capital expenditure	8,544	8	284	360	9,196
Depreciation of property, plant and equipment and right-of-use assets	21,804	1,604	1,858	291	25,557
Amortisation expense	702	–	–	77	779
Other non-cash items	1,058	780	624	(327)	2,135

(b) **Geographical information**

The following tables present revenue information based on the geographical location of customers or resorts and non-current assets information based on the geographical location of assets:

	Revenue		Non-current assets	
	2021 $'000	**2020** $'000	**2021** $'000	**2020** $'000
Singapore	**469**	594	**84,066**	86,191
South East Asia	**68,380**	129,203	**658,867**	722,426
Indian Oceania	**37,302**	17,246	**52,033**	53,735
Middle East	**1,637**	219	**–**	–
North East Asia	**10,762**	6,134	**28,987**	26,102
Rest of the world	**102,678**	4,436	**10,742**	11,396
	221,228	157,832	**834,695**	899,850

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, land use rights, associates, prepaid island rental and prepayments as presented in the consolidated balance sheet.

50. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 18 March 2022.